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MediPharm Labs Completes Payment of All Convertible Debt

TORONTO, Jan. 05, 2022 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSXV: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company") a pharmaceutical company specialized in precision-based cannabinoids, is pleased to announce that it has completed all payments required under its 2020 \$41 million unsecured convertible debt.

"MediPharm continues on its plan and path to profitability, and paying off our convertible debt in full is a major milestone on that path," said Bryan Howcroft, CEO, MediPharm Labs. "Being essentially debt free with a strong cash position adds even more longevity to our business. As part of our growing nascent industry, this advantageous position differentiates us from some of our peers who may not have the runway to realize the industry's full potential."

On June 8, 2020, the Company closed a private placement with an US institutional investor for gross proceeds of \$37.8 million through the issuance of two senior unsecured convertible notes. Starting in October 2020, the notes amortized through bi-monthly installment payments payable, in cash or shares, on the first and tenth business day of each month prior to the maturity date of June 8, 2023. During the interim period between payment dates, the holder of the notes had the option to convert accelerated installment amounts, in whole or in part at an installment conversion price calculated in accordance with the terms of the notes. As of December 31, 2021, the entire debt has been repaid in full through both cash installments and share accelerations. This extinguishes the debt in full 18 months before the maturity date.

MediPharm Labs has no other material debt and full ownership of its assets, which includes two GMP facilities – one in the province of Ontario, Canada and the other in the state of Victoria, Australia. Other major assets include manufacturing infrastructure and equipment.

The Company is now debt agreement free with a clean balance sheet and strong cash position. This position paired with a robust plan to reduce overhead, operating expenses and general and administrative expenses gives MediPharm Labs longevity to execute on its sales contracts and pipeline.

Cautionary Note Regarding Forward-Looking Information:

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-

looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate to, among other things, statements regarding: the Company’s plan and path to profitability; longevity; the industry’s potential; clean balance sheet; strong cash position; robust plan to reduce overhead, operating expenses and general and administrative expenses; and executing on sales contracts and pipeline. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; the inability of MediPharm Labs to obtain adequate financing; the delay or failure to receive regulatory approvals; and other factors discussed in MediPharm Labs’ filings, available on the SEDAR website at www.sedar.com. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, MediPharm Labs assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.

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