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European Pharmaceutical Company STADA and MediPharm Labs Begin First Sales in Germany Under Exclusive Agreement

BARRIE, Ontario, April 01, 2021 (GLOBE NEWSWIRE) -- **MediPharm Labs Corp.** (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) (“MediPharm Labs”) a global leader in specialized, research-driven pharmaceutical-quality cannabis extraction, distillation and derivative products, today announced **STADA Arzneimittel AG (STADA)**, a leading European consumer health and generics company, and MediPharm Labs, under an exclusive, turnkey supply agreement, have commenced sales in Germany. As a result, patients in Germany are now able to access GMP-certified quality medical cannabis from STADA through local pharmacies under the brand – **CannabiSTADA**, distributed through STADAPHARM, a direct subsidiary of STADA.

“This is the beginning of a meaningful long-term partnership dedicated to bringing the unique benefits of GMP-certified medical cannabis to patients in Europe,” said Keith Strachan, President and Interim Chief Executive Officer, MediPharm Labs. “Based on our first deliveries under this portfolio agreement, we are ramping up new products that German patients suffering from chronic pain can count on to meet their individual personalized therapeutic needs.”

At full launch in 2021, MediPharm Labs will provide STADA with eight differentiated products including three specialized cannabis extract formulations with different THC and CBD concentrations.

Since entering this agreement in October 2020, together, the partners developed a launch strategy for Europe beginning first in Germany - a growing market. MediPharm Labs created and manages the entire supply chain responsible for sourcing, qualifying, manufacturing, labelling and delivering the very best medical cannabis to STADA in Germany. Now STADA is leading the way in medical education, marketing and sales using its extensive field force.

Based on sales volumes, STADA is the largest German pharmaceutical company active in the cannabis market.

“Medical cannabis represents a promising addition to STADA’s portfolio for patients whose established therapies no longer work sufficiently to address pain and suffering,” said Eleco Ockers, Head of STADA in Germany. “We have decided to make a long-term investment in

this growing pharma market, in partnership with MediPharm Labs, providing physicians, pharmacies and patients with carefully formulated solutions they can trust.”

STADA is initially focused on medical cannabis indications for chronic pain, neurology and oncology. A specially trained field force for medical cannabis is now actively informing physicians about medical aspects as well as the practical use of medical cannabis, prescribing, applying for reimbursement by health insurance companies and individual patient treatment regimens. This effort is aimed at providing guidance and education in a relatively new market and reflects STADA's stated purpose of "Caring for People's Health as a Trusted Partner". More than two dozen of STADA's sales representatives have been specially trained in the field of medical cannabis to date.

Full API Supply

To address market needs, STADA has partnered with MediPharm Labs as its “go-to” provider of a wide-ranging portfolio of products and services, and full turnkey API supplier for all formats and delivery methods. This will ensure that physicians and pharmacies in Germany can rely on STADA's medical cannabis products to reliably address the patient needs.

The first shipments of dry flower under the agreement were curated by MediPharm Labs from its network of GMP-certified cultivators. Manufacturing of extract products for delivery under the agreement is taking place at MediPharm Labs Australia, a GMP-certified and fully licensed production facility.

When products arrive in Germany, MediPharm Labs oversees work to complete lab testing, labelling and final distributions.

Next Steps

Upon full launch, STADA and MediPharm will work on innovating the offering for the German market and expanding supply to other European countries where regulations allow. For patient-specific therapy, STADA intends to create a broad product portfolio.

“As this first shipment and first sales mark MediPharm Labs’ entry into the international pharmaceutical industry within a major European market, we are excited by the opportunities that lie ahead as we employ all of our value-added capabilities,” said Mr. Strachan.

The Growing German Market

Medical cannabis has been permitted for therapeutic use in Germany since 2017 and may be prescribed by a physician in the event of serious illnesses. With over 83 million inhabitants benefitting from broad access to healthcare services, Germany currently represents an estimated 75% of the current EU medical cannabis market.

The Medical Cannabis Network reports the medical cannabis market in Germany is currently valued at between €150m and €175m, despite only around 10% of the 20,000 pharmacies in Germany selling medical cannabis products today. With greater awareness and education, the Medical Cannabis Network estimates that Germany's dominance in the European cannabis market could expand to €1.5bn by 2025.⁽¹⁾

(1) <https://www.healtheuropa.eu/exploring-growth-in-the-european-medical-cannabis-market/100849/>

About STADA Arzneimittel AG

STADA Arzneimittel AG is headquartered in Bad Vilbel, Germany. The company focuses on a two-pillar strategy consisting of generics, including specialty pharmaceuticals and non-prescription consumer health products. Worldwide, STADA Arzneimittel AG sells its products in approximately 120 countries. In financial year 2019, STADA achieved adjusted Group sales of EUR 2,608.6 million and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 625.5 million. STADA employs more than 12,400 people worldwide.

About MediPharm Labs

Founded in 2015, MediPharm Labs specializes in the production of purified, pharmaceutical-quality cannabis oil and concentrates and advanced derivative products utilizing a Good Manufacturing Practices certified facility with ISO standard-built clean rooms. MediPharm Labs has invested in an expert, research driven team, state-of-the-art technology, downstream purification methodologies and purpose-built facilities with five primary extraction lines for delivery of pure, trusted and precision-dosed cannabis products for its customers. Through its wholesale and white label platforms, MediPharm Labs formulates, develops (including through sensory testing), processes, packages and distributes cannabis extracts and advanced cannabinoid-based products to domestic and international markets. As a global leader, MediPharm Labs has completed commercial exports to Australia and has fully commercialized its Australian extraction facility. MediPharm Labs Australia was established in 2017.

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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: a meaningful long-term partnership; bringing the unique benefits of GMP-certified medical cannabis to patients in Europe; ramping up new products that German patients can

count on to meet their individual personalized therapeutic needs; the provision of products and formulations as planned; innovating the offering for the German market; expanding supply to other European countries where regulations allow; creating a broad product portfolio; opportunities that lie ahead; and forecasts regarding the growth of the German market. 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.

All information contained in this press release with respect to STADA was supplied by STADA for inclusion herein.



Source: MediPharm Labs Corp.