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MediPharm Labs Signs Wide-Ranging Strategic Manufacturing and IP Licensing Agreement with Biopharmaceutical Leader Avicanna Inc.

BARRIE, Ontario, May 14, 2020 (GLOBE NEWSWIRE) -- **MediPharm Labs Corp.**, (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company") a global leader in specialized, research-driven pharmaceutical-quality cannabis extraction, distillation and derivative products, is pleased to announce that it has signed a multi-faceted strategic manufacturing agreement with **Avicanna Inc.** (TSX: AVCN) (OTCQX: AVCNF) (FSE: ONN) ("Avicanna") involving licensed production, domestic and international distribution and intellectual property licensing. Avicanna is a biopharmaceutical company focused on the development, manufacturing and commercialization of organic and sustainable plant-derived cannabinoid-based products.

Under the agreement, which has an initial three-year term, MediPharm Labs will use the specialized contract manufacturing capabilities resident at its state-of-the-art Canadian production facility to produce Avicanna's advanced **Rho Phyto™** medical cannabis products and **Pura Earth™** topicals under license for commercial sales through [Medical Cannabis by Shoppers™](#).

Additionally, Avicanna will grant MediPharm Labs a license to use proprietary Avicanna formulations to develop additional MediPharm Labs and white label branded products for the domestic and international market. MediPharm Labs has proven expertise in product development and will leverage its in-house sensory testing, processing and packaging capabilities to manufacture finished products using these formulations. MediPharm Labs' pharmaceutical and GMP-certified capabilities and international supply chain expertise will be deployed to produce and deliver the proprietary finished products to partners worldwide.

In commenting on the agreement, Aras Azadian, CEO of Avicanna said: "This best-in-class partnership combines years of our leading R&D pre-clinical development and intellectual property with MediPharm Labs' unparalleled quality and pharmaceutical-level manufacturing capacity. This alliance will provide the medical community, and more importantly patients, with the most advanced product offerings backed by scientific rigour, data and world-class quality standards which the cannabis industry has yet to see."

Avicanna's initial product offerings will include oral drops, sublingual sprays and topicals. Avicanna also has a rich pipeline of formulations for these and other drug delivery

mechanisms that it has developed over the past four years in collaboration with leading Canadian research institutions.

“This is an important and far-reaching agreement that makes great use of MediPharm Labs advanced pharma capabilities, GMP-certified production and international distribution expertise,” said Pat McCutcheon, CEO of MediPharm Labs. “Since earning our first GMP certification in December to serve the global medical cannabis market, we have made significant strides in developing our business. This partnership with Avicanna, a market leader and proven innovator, is a great example. We intend to deploy our capabilities including our knowledge of consumer and patient categories to ensure this collaboration lives up to its great potential.”

About Avicanna

Avicanna is an Ontario corporation focused on the development, manufacturing and commercialization of plant-derived cannabinoid-based products through its two main business segments, cultivation and research and development. Avicanna's two majority-owned subsidiaries, Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S., both located in Santa Marta, Colombia are the base for Avicanna's cultivation activities. These two companies are licensed to cultivate and process cannabis for the production of cannabis extracts and purified cannabinoids including cannabidiol (CBD) and tetrahydrocannabinol (THC).

Avicanna's research and development business is primarily conducted out of Canada at its headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto. Avicanna's scientific team develops products, and Avicanna has also engaged the services of researchers at the Leslie Dan Faculty of Pharmacy at the University of Toronto for the purpose of optimizing and improving upon its products.

Avicanna's research and development and cultivation activities are focused on the development of its key products, including plant-derived cannabinoid pharmaceuticals, phyto-therapeutics, derma-cosmetics and Extracts (defined as plant-derived cannabinoid extracts and purified cannabinoids, including distillates and isolates), with a goal of eventually having these products manufactured and distributed through various markets.

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, they formulate, consumer-test, process, package and distribute 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 is nearing commercialization of 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, the successful performance of the agreement and shipping of products thereunder as planned; the delivery of proprietary products to MediPharm Labs’ partners worldwide; and the deployment of MediPharm Labs’ capabilities, including consumer and patient knowledge, to deliver products under the agreement. 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 Avicanna was supplied by Avicanna for inclusion herein.



Source: MediPharm Labs Corp.