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REPEAT - MediPharm Labs Ships Company Record 550,000 Units in Q4 2020

Expands Health and Wellness Product Portfolio, Distribution Partnerships and Sales Team

- Total units shipped up 205% over Q3 2020 as production takes flight for many top cannabis brands
- MediPharm Labs *CBD50* brand ranks #3 in CBD oil and #5 in oil category in Ontario Cannabis Store sales
- New provincial supply agreement with Nova Scotia Liquor Corporation
- First and only producer to launch consumer sized 99% pure CBD Isolate in Canada

BARRIE, Ontario, Jan. 12, 2021 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company"), a global leader in specialized, research-driven cannabis extraction, distillation and derivative products, achieved Company record finished goods shipments of 550,000 units in the fourth quarter of 2020. These results and the update that follows reflect corporate progress of the Company's Canadian domestic business only. The Company will provide a separate update on the progress of its Australian and international businesses.

"Shipment volume is a key measure that illustrates growing market demand and our ability to meet that demand through our GMP-certified facilities," said Keith Strachan, President and Interim CEO, MediPharm Labs. "This new milestone is something to celebrate but also to surpass as we focus all efforts on accelerating growth and improving profitability in 2021 consistent with the action plan introduced in November."

Of the units shipped, 100,000 were owned private label MediPharm Labs Stock Keeping Units (SKUs) compared to 25,000 SKUs respectively in the third quarter.

"Demand signals for our proprietary formulations are strong with several already becoming top sellers in many provinces," said Strachan. "In fact, Ontario Cannabis Store sales data show that MediPharm Labs' ***CBD 50 Plus Formula*** oil ranks as the third best-selling CBD oil in the province and number five best-selling in the overall oil category. Our reputation for quality and purity is resonating with consumers, provincial distributors and our B2B customers."

Included in Q4 shipments were 25 different vape SKUs, reflecting the ongoing ramp up of production and contract manufacturing for many top cannabis brands that count on MediPharm Labs for value-added service and consistent GMP-quality output.

Outstanding Launch for Avicanna Inc.

Avicanna's **RHO Phyto** medical formulary line, produced by MediPharm Labs under license, has experienced an incredibly successful launch with overwhelmingly positive support by the [medical community including 300 prescribers and 20 clinics](#). MediPharm Labs has ramped production of six RHO Phyto products to date and expects to continue to increase output to support consumer demand and Avicanna's plan to expand RHO Phyto SKUs to 10 in 2021.

New Provincial Supply Agreement

During Q4 2020, MediPharm Labs entered a supply agreement with Nova Scotia Liquor Corporation and shipped initial orders to the province. Nova Scotia recently opened additional cannabis stores as part of its growth plan. The Company now has retail distribution agreements with six provinces: B.C., Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia.

"We made additional investments in our sales team and we began to reap the benefits in the fourth quarter," said Mr. Strachan. "We added sales resources with the goal of expanding our B2B partnerships, growing market share within our existing provincial distribution footprint and targeting new provincial and retail distribution opportunities. These activities form part of our improvement strategy for 2021."

First To Market

As part of executing its brand strategy, MediPharm Labs also became the first and only producer in Canada to launch a consumer-sized, 99% pure CBD isolate in Canada. This fourth quarter accomplishment, announced in October 2020, broadens the Company's marketplace to include consumers who favour an all-natural, high-quality/high-potency cannabinoid wellness supplement. Retailers in six provinces received their first shipments of **LABS Cannabis CBD Crystalline Isolate** in Q4 2020. Initial sales have been strong as MediPharm Labs' CBD Isolate remains the only product available in its class.

LABS Cannabis – Formulated for Life

In Q4 2020, MediPharm Labs introduced "LABS Cannabis – Formulated for Life", a new health and wellness product suite focused on bringing innovative and high-quality cannabis formulations products that integrate into lives of consumers.

This research-backed suite leverages innovative and refined extraction and purification methods. All products are manufactured by MediPharm Labs in Barrie Ontario. The brand story is told at <https://www.labscannabis.com/>.

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 wholly-owned Australian extraction facility. MediPharm Labs Australia was established in 2017.

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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: accelerating growth and improving profitability in 2021; ramp up of production and contract manufacturing for many top cannabis brands; expectations to increase production and output to support increased demand of Avicanna products; expanding Avicanna SKUs; expanding B2B partnerships; growing market share within existing provincial distribution footprint; and targeting new provincial and retail distribution opportunities. 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.



Source: MediPharm Labs Corp.