

October 5, 2020



## European Pharmaceutical Company STADA Enters Exclusive Medical Cannabis Partnership with MediPharm Labs

- A milestone for the global cannabis industry as STADA, in partnership with MediPharm, forges the way as a large pharmaceutical company commercializing medical cannabis products
- Partnership validates MediPharm Labs' GMP pharmaceutical-quality cannabis production and, combined with STADA's 125-year heritage and experienced marketing and sales platform, will meet the growing demand of the medical cannabis market, beginning in Germany – an estimated €1.5 billion market by 2025
- STADA CEO Peter Goldschmidt: "This partnership with MediPharm demonstrates STADA's ambition to be the go-to-partner for Generics, Consumer Health and Specialty Products. With MediPharm, we are collaborating with a very strong partner in the Medical Cannabis field."

BAD VILBEL, Germany and TORONTO, Oct. 05, 2020 (GLOBE NEWSWIRE) -- As one of the leading European Consumer Healthcare and Generics companies, STADA, with a product presence in 120 countries, has signed an exclusive supply agreement with MediPharm Labs Inc. ("MediPharm"), a wholly owned subsidiary of MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE:MLZ) ("MediPharm Labs" or the "Company") a global leader in specialized, research-driven pharmaceutical-quality development and manufacture of cannabis API and derivative products to provide medical cannabis products for the European pharma sector.

*"Working with MediPharm will meet the needs of pharmacists and patients and deliver on STADA's purpose of caring for people's health as a trusted partner," commented STADA CEO Peter Goldschmidt. "This partnership with MediPharm demonstrates STADA's ambition to be the go-to-partner for Generics, Consumer Health and Specialty Products."*

Under the terms of the exclusive partnership, MediPharm will supply GMP certified medical cannabis products to STADA, as well as manufacturing, logistics, and regulatory support. STADA will be responsible for commercializing the cannabis products, initially in Germany as well as marketing and medical education utilizing a pharmaceutically experienced field force.

*"This partnership is exactly the type of business MediPharm has been pursuing since its inception and a validation of our strategy to deliver GMP-certified cannabis products that can*

*be used in multiple new products in multiple markets around the world,” said Pat McCutcheon, CEO, MediPharm Labs. “This mandate has meaningful revenue potential for MediPharm Labs and we couldn’t be more excited to partner with a company that has the reputation and resources that STADA commands. As a powerhouse in sales and distribution of pharmaceuticals and non-prescription consumer health products, STADA has the ability to become a transformative force in European medical cannabis markets and we are thrilled to be their exclusive partner.”*

The partners will initially focus on Germany, before potentially expanding to other European countries and territories. The partnership also signals MediPharm’s entry into the global pharmaceutical industry within a major European market.

With over 83 million inhabitants benefitting from broad access to healthcare services, Germany currently represents an estimated three-quarters 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. Furthermore, only a limited number of doctors in Germany currently prescribe medical cannabis. With greater awareness and education around the benefits of medical cannabis, the Medical Cannabis Network estimates that Germany’s dominance in the European cannabis market could expand to €1.5bn by 2025.<sup>(1)</sup>

This is a further milestone for the global cannabis industry as STADA, in partnership with MediPharm, forges the way as a large pharmaceutical company to commercialize medical cannabis products.

Details of the products that STADA will bring to market through this partnership with MediPharm Labs will be unveiled in the coming months in the respective relevant communication channels.

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

### **Conference Call Webcast**

In connection with the announcement of this partnership, MediPharm Labs senior management invite investors and analysts to join a conference call and audio webcast on Monday, October 5, 2020 at 10:30 a.m. Eastern Time.

Participants are asked to dial in approximately 10 minutes before the start of the call using one of the following numbers: Toll-free: +1-833-502-0471; International: +1-236-714-2179.

An audio webcast will be available in the Events section of the MediPharm Labs’ Investor Relations website <https://ir.medipharmlabs.com/news-events> or by visiting the following link: <https://event.on24.com/wcc/r/2737009/88874C24DAD9B53A59DFCAAF636A5782>

### **Conference Call Webcast Replay**

A replay will be available approximately one hour after the call ends and will be available

from October 5, 2020 until 23:59pm on October 12th 2020 by dialing: Toll-free: +1-833-502-0471; International or +1-236-714-2179. Conference ID: 5093918. An audio webcast will be available in the Events section of the MediPharm Labs' Investor Relations website <https://ir.medipharmlabs.com/news-events> or by visiting the following link: <https://event.on24.com/wcc/r/2737009/88874C24DAD9B53A59DFCAA636A5782>

### **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.

### **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 future size of medical cannabis markets and the success of our new partnership, both globally and in Germany. 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](http://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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