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## MediPharm Labs and Cronos Group Enter Private Label Contract Manufacturing Agreement

- **MediPharm to produce high-quality cannabis concentrate filled vapes for Cronos Group**
- **Deal reinforces MediPharm Labs' leadership in large scale manufacturing and distribution**

TORONTO, Sept. 19, 2019 (GLOBE NEWSWIRE) -- MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company"), a leader in specialized, research-driven cannabis extraction and cannabinoid isolation, is pleased to announce that it has signed a multi-year contract manufacturing agreement ("CMA") for the filling and packaging of vaporizer devices, subject to approval by Health Canada, for Cronos Group Inc.'s (NASDAQ:CRON) (TSX:CRON) ("Cronos Group") adult-use brand, COVE™.

MediPharm Labs Inc. ("MediPharm"), a wholly-owned subsidiary of the Company, and a wholly-owned subsidiary of Cronos Group, entered into a CMA where MediPharm, utilizing its proprietary expertise and equipment, will provide filling of high-quality formulated concentrate, labelling and packaging services to exacting specifications at scale for Cronos Group. The initial term of the agreement is two years with an option for renewal.

"On the eve of legalization of concentrates products in Canada, we are delighted to add Cronos Group, to our expanding turnkey white-label platform," said Pat McCutcheon, CEO of MediPharm Labs. "By leveraging our specialized expertise, technology and industrial scale vape filling capabilities, we will assist Cronos Group in delivering high quality, purity assured and Health Canada approved, derivative products further advancing their industry leading reputation and enhancing the supply chain in this important new category."

This is [the second collaboration](#) between the companies. In May 2019, MediPharm Labs signed a multi-year private label bulk resin supply agreement and a cannabis concentrate program agreement with Cronos Group.

"Working with MediPharm Labs gives us the quality and optionality that we are looking for as we introduce our proprietary vape pen formulations," said Mike Gorenstein, CEO of Cronos Group. "We are committed to continuing to lead the industry responsibly as derivative products are introduced to the expanding Canadian marketplace."

**About Cronos Group Inc.**

Cronos Group is an innovative global cannabinoid company with international production and distribution across five continents. Cronos Group is committed to building disruptive intellectual property by advancing cannabis research, technology and product development. With a passion to responsibly elevate the consumer experience, Cronos Group is building an iconic brand portfolio. Cronos Group's portfolio includes PEACE NATURALS™, a global health and wellness platform, and two adult-use brands, COVE™ and Spinach™. To learn more about Cronos Group and its brands, please visit: [www.thecronosgroup.com](http://www.thecronosgroup.com); [www.peacenaturals.com](http://www.peacenaturals.com); [www.covecannabis.ca](http://www.covecannabis.ca); [www.spinachcannabis.com](http://www.spinachcannabis.com)

## **About MediPharm Labs**

Founded in 2015, MediPharm Labs specializes in the production of purified, pharmaceutical-like cannabis oil and concentrates and advanced derivative products utilizing a Good Manufacturing Practices designed facility and 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 having 300,000 kg of annual processing capacity to deliver pure, safe and precisely dosed cannabis products for its customers. Through its wholesale, white label and tolling platforms, they formulate, process, package and distribute cannabis extracts and advanced cannabinoid-based products to domestic and international markets. As a global leader, the Company also completed its first commercial export to Australia in June 2019 and is nearing completion of its Australian extraction facility expected in 2019 with 75,000 kg of annual processing capacity.

### **For further information, please contact:**

Laura Lepore, VP, Investor Relations

Telephone: 705-719-7425 ext 216

Email: [investors@medipharmlabs.com](mailto:investors@medipharmlabs.com)

Website: [www.medipharmlabs.com](http://www.medipharmlabs.com)

### **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 manufacturing, supply and legalization of vape pen devices and timing thereof, completion of MediPharm Labs’ Australian facility and timing thereof, and expected processing capacity of the Australian facility. 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.



Source: MediPharm Labs Corp.