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MediPharm Labs Achieves Major Pharmaceutical Manufacturing Milestone: Receives Canadian GMP Pharmaceutical Drug Establishment Licence

- Health Canada Drug Establishment Licence allows MediPharm Labs to conduct pharmaceutical manufacturing and sale of Active Pharmaceutical Ingredients and Pharmaceutical Drug Products
- Makes MediPharm Labs a full-service pharmaceutical company that can support the global pharma entry into the drugs containing cannabis market, including in the US
- First domestic GMP Licence in North America for cannabis-related pharmaceutical manufacturing that includes the extraction of the cannabis plant
- Permits the manufacturing of all cannabinoids including MediPharm Labs GMP CBD isolate which is >98% pure
- Enhances supply chain capabilities by allowing MediPharm Labs to ship products from Canada to its global B2B customer base. In conjunction with MediPharm Labs' Australian subsidiary, this further strengthens the Company's global reach, including potential US pharmaceutical customers

BARRIE, Ontario, July 14, 2021 (GLOBE NEWSWIRE) -- **MediPharm Labs Corp**. (TSX: LABS) (OTCQX: MEDIF) (FSE: MLZ) ("MediPharm Labs" or the "Company"), a pharmaceutical company specialized in research-driven development and manufacturing of cannabis API and finished products, is pleased to announce it has received a Drug Establishment Licence (the "DEL") issued by Health Canada in accordance with the Food and Drugs Act and Regulations. The DEL serves to confirm compliance to Good Manufacturing Practice ("GMP") standards.

The DEL is a first of its kind licence for cannabis manufacturing in North America. A Canadian GMP DEL complements MediPharm Labs' existing Australian TGA GMP certification. The licence can be used for the manufacturing, testing and sale of Active Pharmaceutical Ingredients ("API") and pharmaceutical drug products containing cannabis. This includes drugs that have marketing authorizations as either novel or generic pharmaceutical drug products containing cannabis.

The DEL allows MediPharm Labs to leverage the Mutual Recognition Agreements ("MRA") established between Canada and other global regulatory authorities including the European Economic Area consisting of all EU member states as well as the three countries of the European Free Trade Association, Australia, the UK and Switzerland. This differentiates MediPharm Labs from other Canadian cannabis manufacturers.

In addition, as a member of the International Pharmaceutical Inspection Co-operation Scheme, the Health Canada DEL can be recognized in over 50 different countries including the US and the majority of the EU. With the DEL, MediPharm Labs would be eligible for a US Food and Drug Administration ("FDA") foreign inspection if a US or other global pharmaceutical customer files a registration application for a pharmaceutical drug product containing MediPharm Labs' API. In 2020, 64% of drugs exported from Canadian Drug Establishment Licence holders were exported to the US with FDA approval.(1) MediPharm Labs will use the DEL in conjunction with its Australian facility TGA GMP to optimize the supply chain via MRAs for export of its products to over five countries in 2021.

When paired with MediPharm Labs' existing Cannabis Drug Licence received earlier this year, the DEL will allow for the commercial distribution of drugs containing cannabis. With many global pharmaceutical trials underway in which cannabis is an active ingredient, many drug producers will need a manufacturing partner. MediPharm Labs is now strategically positioned to provide that service to all global pharma partners. This includes clinical trial material, which MediPharm Labs already supplies to researchers, and pharmaceutical drug products. Physician prescribed pharmaceutical drug products containing cannabis are being used to treat various indications around the world and will continue to grow with additional new drugs and abbreviated new drug applications. Grandview Research predicts this segment of the pharmaceutical industry will be a $5.8 billion (USD) market by 2027.(2)

"MediPharm Labs has achieved a great milestone with the issuance of our Drug Establishment Licence. This truly makes us a full-service pharmaceutical company that can support global pharma's entry into the drugs containing cannabis space," explained Keith Strachan, President and Interim CEO, MediPharm Labs. "This adds to our growing portfolio of advanced regulatory licences globally. MediPharm Labs now becomes one of a small number of companies who can take cannabis plant material and produce an API or a pharmaceutical drug product that could have marketing authorization by regulatory bodies such as the European Medicines Agency and FDA."

This completes MediPharm Labs pharmaceutical licencing requirements. Future specialized licencing achievements are still being pursued in conjunction with specific product registrations and jurisdictions.

(1) https://www.ic.gc.ca/eic/site/lsg-pdsv.nsf/eng/h_hn01703.html
(2) https://www.grandviewresearch.com/industry-analysis/cannabis-pharmaceuticals-market

About MediPharm Labs

Founded in 2015, MediPharm Labs is a pharmaceutical company that specializes in the development and manufacture of purified, pharmaceutical-quality cannabis concentrates, active pharmaceutical ingredients 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 four 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 completed commercialization of its Australian extraction facility which generated its first revenues in H1 2020. 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, conducting pharmaceutical manufacturing; sale of active pharmaceutical ingredients and pharmaceutical drug products; global pharma’s entry into the drugs containing cannabis market; the manufacturing, testing and sale of API and pharmaceutical drug products containing cannabis; enhanced supply chain capabilities; strengthened global reach; commercial distribution of drugs containing cannabis; serving global pharma partners; growth of physician prescribed pharmaceutical drug products containing cannabis and this segment of the pharmaceutical industry; additional new drugs and abbreviated new drug applications; producing a cannabis pharmaceutical drug product that would have marketing authorization by regulatory bodies such as the European Medicines Agency and FDA; and future specialized licencing achievements. 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.