For Immediate Release

MediPharm Labs to File First Quarter Financial Statements and MD&A in June 2020, Provides Q1 Update

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 today announced that it will file its first quarter 2020 financial statements and management's discussion and analysis for the three-month period ended March 31, 2020 ("First Quarter Financial Information") on or before June 29, 2020.

In response to the coronavirus pandemic, Canadian securities regulatory authorities have granted a blanket exemption allowing issuers an additional 45 days to complete their regulatory filings. Normally, MediPharm Labs would report first quarter results on or before May 15, 2020 but given the unprecedented disruptions caused by COVID-19, the Company is relying on this exemptive relief from the filing timelines for its First Quarter Financial Information required by sections 4.4 and 5.1(2) of National Instrument 51-102. In accordance with the blanket exemption, the Company is not permitted to file any preliminary or final prospectus while it is relying on this filing deadline relief.

Corporate Update

Pending the filing of the First Quarter Financial Information, the Company is providing an update on the impact of COVID-19 and material business developments since the date of the Company's latest financial reports filed on March 30, 2020, certain of which have already been disclosed in prior press releases.

MediPharm Labs Chief Executive Officer, Pat McCutcheon commented: "While the impact the global pandemic is having on the cannabis industry is disappointing, as domestic and international market conditions continue to evolve, MediPharm Labs has positioned itself well with GMP certification, advanced capabilities for new and innovative products formats and formulations, and a global supply chain to accelerate new business opportunities to drive future growth."

Global Sales and Distribution

- MediPharm Labs continued to execute on its global expansion strategy signing several new international white-label supply agreements with companies in Australia and New Zealand. Recently, MediPharm announced a milestone achievement with the receipt of Therapeutic Goods Administration ("TGA") Good Manufacturing Practice ("GMP") certification for its facility in Australia, further strengthening the Company's global GMP supply chain and validating its pharmaceutical-quality platform, thus positioning MediPharm Labs to begin the process of fulfillment for existing global customers and to accelerate supply opportunities in new emerging medical markets across the globe.

- In Canada, the Company made strong progress in advancing the roll-out of new cannabis 2.0 products and SKUs, including topicals and vape cartridges, for its white-label customers. The Company also completed its first shipments of derivative products to provincial distributors in Ontario, Alberta, British Columbia, Saskatchewan and Manitoba. More recently, MediPharm became one of the first companies to begin the sale of vaporizer cartridges, under the Wayfarer brand, to *Medical Cannabis by Shoppers*.

MediPharm Labs

- MediPharm Labs successfully launched its first MediPharm Labs branded products to deliver high quality, innovative offerings to consumers in the medical and adult-use markets across Canada and shipped its first MediPharm Labs branded products through *Medical Cannabis by Shoppers*.

Covid-19 Response, Impact, Domestic Sales and Distribution, and Voluntary Executive Salary Reductions

- The Company's Canadian operations, including manufacturing, fulfillment and distribution, were declared essential services by the Province of Ontario. Management's top priority has been and continues to be ensuring the safety of its employees and customers. The Company has implemented measures to exceed compliance with all physical distancing, sanitization and maintenance practices including reduced working hours and segregated shifts, increased time for cleaning and additional cleaning, enforced physical distancing, work-from-home adjustments, travel restrictions, mandatory self-isolation and specific COVID-19 protocols.

- While the Company continues to maintain adequate inventory to supply its customers and meet demand, the significant challenges experienced in the Canadian cannabis industry during the fourth quarter last year continued into the first quarter of 2020 and were further exacerbated by the impact of COVID-19 pandemic, including additional delays in the anticipated expansion of retail channels in Canada and slower licensing of new cannabis derivative businesses. In addition, vertically integrated organizations have been slower to add capabilities to convert bulk extract into finished product resulting in lower-than-anticipated demand for bulk wholesale extracts. As a result of the pandemic, these customers may now also be experiencing further business restrictions and interruptions as well as disruptions through retail distributors which may lead to reduced product ordering and sell through.

- While online cannabis stores throughout Canada have remained operational, provincial distributors and private retailers have also reduced staff on-site, which has led to a decrease in delivery availability and reduced purchase orders for MediPharm Labs' white-label products and other branded products.

- As a result of the slowdown and other significant factors discussed above, the Canadian cannabis sector has continued to see an oversupply of bulk extract in the market and subsequent reductions in selling price and lower volumes compared to the prior-year period. These factors are indicators of impairment related to the Company's inventory. During the first quarter, the Company performed a write down of its cannabis inventory to reflect cost based on current market pricing. The Company is in the process of completing its final assessment, however, it is expected that the impairment loss will be in the range of $10 million to $15 million.

- The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on various developments, including the duration and magnitude of the outbreak, and the impact on customers, employees and vendors.

- In response to COVID-19, the Company has taken active measures to manage the business and maintain its liquidity and financial strength to continue prudently developing in the business for the longer-term. In addition to the previously announced measures taken in Q1, including the deferral of non-essential budgeted capital expenditures, company-wide cost reductions and a 10% reduction in its employee base, the Company also announced it would be implementing a 10% voluntary executive salary reduction. Furthermore, the Company announced the departure of Braden Fenske, Chief Strategy Officer.

Bobby Kwon, Chief Financial Officer commented, "As discussed on our last earnings call, we are prudently managing capital, putting spend behind initiatives that will underpin top line profitable growth and those that will provide high quality return on investment as we execute on the long-term strategy of our business. We look forward to providing an update on our progress in June."

Until such time as the First Quarter Financial Information is filed, MediPharm Labs management and other insiders are subject to a trading blackout that reflects the principles contained in section 9 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*.

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 is nearing commercialization of its Australian extraction facility. MediPharm Labs Australia was established in 2017.

For further information, please contact:
Laura Lepore, VP, Investor Relations and Communications
Telephone: 416-913-7425 ext. 1525
Email: investors@medipharmlabs.com
Website: 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, expected filing date of the First Quarter Financial Information; and fulfillment of existing international contracts and access to emerging global cannabis markets. 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.