MediPharm Labs Australia Signs Supply and Manufacturing Agreement with Cannim Australia; Announces Plan to Launch New Over-the-Counter Products

TORONTO, March 08, 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, is pleased to announce its wholly owned subsidiary, MediPharm Labs Australia Pty Ltd (“MediPharm Labs Australia”), has entered into a new GMP white-label supply and contract manufacturing agreement with Cannim Australia Pty Ltd (“Cannim”). The Company also announced it has commenced registrations for the launch of next generations over-the-counter (“OTC”) products in Australia in 2021.

“We are excited to partner with Cannim as the demand for high quality and novel formulations for cannabis products continues to rise along with Australia’s growing approved patient population,” said Keith Strachan, President and Interim CEO, MediPharm Labs. “As the go-to provider for new pharmaceutical and health and wellness companies entering the market in Australia, we are realizing the competitive advantage of our GMP-certified manufacturing capabilities and distribution channels to execute on our pipeline of opportunities to win new business.”

Under the three-year agreement, with options to extend, MediPharm Labs Australia will supply a full range of specially formulated CBD and THC cannabis oil products that will be sold initially under Cannim’s Lumir brand. MediPharm Labs Australia will also provide Cannim with contract manufacturing with their starting material.

John Worton, Founder of Cannim, said “We are delighted to have found a partner here in Australia with the capability to manufacture our GACP Jamaican Medicinal Cannabis into high quality, EU GMP standard finished products that can be sold both in Australia and internationally. Our first batch of Lumir tinctures produced at MediPharm Labs will be on sale in Australia this week, with more product for other markets to quickly follow.”

Over-the-Counter Products Legalization in Australia

As a GMP certified platform, MediPharm qualifies to launch the next generation of CBD products that will be available to all 5700 pharmacies across Australia to sell direct-to-consumers without a prescription. MediPharm has commenced its product registration process following the Therapeutic Goods Administration (“TGA”) re-scheduling of CBD in Australia in February 2021. This change in legislation is expected to grow the demand and market size for CBD products in Australia. All OTC products must be manufactured under GMP.

“We are optimistic about our potential in 2021 for many good reasons including regulatory advancements,” said Keith Strachan, President and Interim CEO, MediPharm Labs. “In Australia, the TGA recently reclassified low dosage CBD (150 mg a day) – from Schedule 4 or prescription only to Schedule 3. This means successfully registered cannabis can be sold over the counter. Additionally, TGA has sought industry feedback on the regulation of medicinal cannabis. Proposed reforms include introducing equivalent GMP requirements for imported medicinal cannabis to Australia. The MediPharm team has been instrumental in driving these proposed reforms with a goal to enhance the quality and safety of medicinal cannabis.”

“MediPharm Labs Australia is perfectly positioned to begin manufacturing and fulfilling the demand for this new OTC segment,” said Warren Everitt, CEO Asia Pacific, MediPharm Labs. “We have already seen interest from pharmaceutical companies looking for a GMP certified partner to comply with the TGA minimum requirements and execute on this new growth category.”

About Cannim

Based in Sydney, Australia, Cannim was established in 2017 to bring the benefits of medicinal cannabis to the world. Cannim operates farms in Jamaica and Australia, has established a network of EU GMP manufactures and alliances, delivering a range of branded products to bring relief in many forms to people across the world. Cannim continues to create scale in its operations, to meet the needs of the ever-growing body of medicinal cannabis users. Cannim is pioneering the development of the category, creating new ways for patients to effectively absorb its products, leading research into the effects of cannabis on a variety of conditions, pioneering its usefulness for others, and ensuring those in need get what they need when they need it at a price that’s fair.

About MediPharm Labs Corp.

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, they formulate, consumer-test, process, package and distribute 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.

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, statements regarding: the demand for high quality and novel formulations for cannabis products rising; Australia’s approved patient population growing; realizing the competitive advantage of the Company’s GMP-certified manufacturing capabilities and distribution channels; executing on the Company’s pipeline of opportunities to win new business; growth in the demand and market size for CBD products in Australia; optimism about the Company’s potential in 2021; regulatory advancements; proposed reforms to cannabis regulations in Australia; enhancing the quality and safety of medicinal cannabis; the Company beginning the manufacturing and fulfillment of the demand for the new OTC segment; potential partnerships with pharmaceutical companies; and execution on a new growth category. 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.

All information contained in this press release with respect to Cannim was supplied by Cannim for inclusion herein.

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