MediPharm Labs to Sell its Hope Facility to Rubicon Organics for $4.5M

TORONTO, March 3, 2025 /CNW/ - MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) ("MediPharm", "MediPharm Labs" or the "Company") and Rubicon Organics Inc. (TSXV: ROMJ) (OTCQX: ROMJF) ("Rubicon Organics") are pleased to announce that they have entered into an agreement (the "Purchase Agreement") for the sale of MediPharm's facility in Hope, B.C. (the "Hope Facility") to Rubicon Organics for $4.5 million in cash (the "Transaction"). Pursuant to the Purchase Agreement, Rubicon Organics has agreed to acquire the assets, including certain equipment, the land and building, associated with the Hope Facility.

The $4.5 million cash Transaction is expected to contribute to MediPharm's strong, materially debt-free balance sheet without any impact on operations. MediPharm Labs ceased all commercial activities at the Hope Facility in 2024, consolidating operations to deliver cost synergies following its acquisition of VIVO Cannabis Inc. Through the Transaction, MediPharm Labs is monetizing its non-core assets to invest in growth and continue delivering premium, GMP-certified cannabinoid products to customers worldwide.

David Pidduck, CEO of MediPharm Labs, commented, "Securing $4.5 million through the divestment of non-core assets in this Transaction will further reinforce MediPharm's ability to capitalize on strategic M&A synergies, streamline operations and maximize value for both shareholders and valued partners."

"The sale of the Hope Facility strengthens not only our cash position but also our 2025 focus - investing in our international and medical growth strategies as a global leader in pharmaceutical cannabinoid solutions."

The Transaction is expected to close within the second quarter of 2025, subject to customary closing conditions and receipt of all necessary approvals, as applicable.

About MediPharm Labs

Founded in 2015, MediPharm Labs specializes in the development and manufacture of purified, pharmaceutical-quality cannabis concentrates, active pharmaceutical ingredients (API) and advanced derivative products utilizing a GMP-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 for delivery of pure, trusted and precision-dosed cannabis products for its customers. MediPharm Labs develops, formulates, processes, packages and distributes cannabis and advanced cannabinoid-based products to domestic and international medical markets.

In 2021, MediPharm Labs received a Pharmaceutical Drug Establishment License from Health Canada, becoming the only company in North America to hold a commercial-scale domestic Good Manufacturing Practices License for the extraction of multiple natural cannabinoids. This GMP license was the first step in the Company's current foreign drug manufacturing site registration with the US FDA.

In 2023, MediPharm acquired VIVO Cannabis Inc., which expanded MediPharm's reach to medical patients in Canada via Canna Farms medical ecommerce platform, and in Australia and Germany through Beacon Medical Australia PTY Ltd. and Beacon Medical Germany GMBH. This acquisition also included Harvest Medical Clinics in Canada which provides medical cannabis patients with Physician consultations for medical cannabis education and prescriptions.

The Company carries out its operations in compliance with all applicable laws in the countries in which it operates.

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 Transaction; the terms and conditions pursuant to which the Transaction will be completed, if at all; the anticipated timing for closing of the Transaction; the strategic benefits of the Transaction; the impact of the Transaction on the Company's balance sheet and operations; the Company's ability to invest in future growth opportunities; the global demand for GMP-certified cannabinoid medicines; MediPharm's ability to capitalize on strategic M&A synergies, streamline operations and maximize value for both shareholders and valued partners; MediPharm's balance sheet, long term outlook of the business and future success of the Company. 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 ability of the Company and Rubicon Organics to fulfill all the conditions required to close the Transaction; the inability of Rubicon Organics to obtain adequate financing; the delay or failure in receiving regulatory approvals; and other factors discussed in MediPharm Labs' continuous disclosure filings, available on the SEDAR+ website at **www.sedarplus.ca**. 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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