

MediPharm Labs and TerrAscend Enter Major Private Label Concentrate Supply Agreement With Potential Value Up to \$192 Million

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- **MediPharm Labs to supply TerrAscend with large volumes of high-quality CBD and THC distillate**
- **Multi-Year supply agreement to support TerrAscend's roll out of Canadian Cannabis 2.0 derivative products**

TORONTO, Sept. 25, 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 entered into a multi-year supply agreement with TerrAscend Canada Inc., a wholly-owned subsidiary of TerrAscend Corp. (CSE: TER; OTCQX: TRSSF) ("TerrAscend"). MediPharm Labs will supply TerrAscend with approximately \$27 million of high-quality private label cannabis distillate, over 24-months commencing September 2019, and, subject to certain renewal and purchase options, potentially up to \$192 million over 36-months to September 2022. In connection with Canadian Cannabis 2.0 legalization, with amended regulations coming into force on October 17, 2019, TerrAscend will use this supply to support the production and launch of its exciting portfolio of branded products in Canada this fall.

"As Canada prepares for the next stage of legalization, we are thrilled to be collaborating with a leading global company like TerrAscend focused on creating new and innovative product formulations and brands that enhance the consumer experience," said Patrick McCutcheon, Chief Executive Officer, MediPharm Labs. "In addition to our expertise in producing high-quality distillate and ability to provide stable supply, we are excited to explore the potential of global and US growth opportunities with TerrAscend as we work towards our final EuGMP certification."

Michael Nashat, TerrAscend's Chief Executive Officer, said, "This agreement provides TerrAscend with access to high quality extract material which we intend to utilize in a range of premium products for Canada and international markets. Partnering with a leading company such as MediPharm Labs ensures that we are able to continue to meet the evolving product needs of our patients and consumers."

Bulk Resin Supply Agreement

Under the terms of the Bulk Resin Supply Agreement (the "Agreement") dated September 24, 2019, TerrAscend will purchase a minimum of approximately \$27 million of cannabis concentrate from MediPharm Labs Inc. ("MediPharm"), a wholly-owned subsidiary of MediPharm Labs, over the course of 24-months. TerrAscend will have the option to purchase up to an additional \$105 million of cannabis concentrate over the same period, subject to the availability of such supply from MediPharm. The Agreement includes an option for a 12 month mutual extension where, if extended, TerrAscend would additionally purchase a minimum of approximately \$10 million, and would have a right of first offer to purchase an additional approximately \$51 million over the same

period, subject to the availability of such supply from MediPharm, bringing the total potential aggregate value of the Agreement to over \$192 million to the end of September 2022.

About TerrAscend

TerrAscend provides quality products, brands, and services to the global cannabinoid market. As the first North American Operator (NAO), with scale operations in both Canada and the US, the Company participates in the medical and legal adult use market across Canada and in several US states where cannabis has been legalized for therapeutic or adult use. TerrAscend is the first and only cannabis company with sales in the US, Canada, and Europe as it has received EU GMP certification for its manufacturing facility in Mississauga, Ontario. TerrAscend operates a number of synergistic businesses, including The Apothecarium, an award-winning cannabis dispensary with several retail locations in California and Nevada; Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products; Ilera Healthcare, Pennsylvania's premier medical marijuana cultivator, processor and dispenser; Ascendant Laboratories Inc., a biotechnology and licensing company committed to the continuous improvement of cannabinoid expressing plants; Solace RX Inc., a proposed Drug Preparation Premises (DPP) focused on the development of novel formulations and delivery forms; and Valhalla Confections, a manufacturer of premium cannabis-infused edibles. Additionally, TerrAscend has been chosen by the state of New Jersey to be one of six permit applicants for a vertically integrated medical cannabis operation. For more information, visit www.terrascend.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

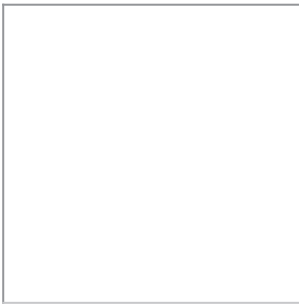
Email: investors@medipharmlabs.com

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, providing stable supply, exploring the potential of global and US growth opportunities with TerrAscend, working towards final EuGMP certification, the 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. 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.