



# Extracting Value From Opportunity

**A Trusted Global Leader in High-quality, Industrial-scale  
Cannabinoid-based Derivatives**

TSX-V: LABS OTCQX: MEDIF FSE: MLZ

June 2019

[medipharmlabs.com](http://medipharmlabs.com)



## Disclaimer

April 2019 – This presentation was prepared by management of MediPharm Labs Corp. (“MediPharm Labs”). The information contained in this presentation (a) is provided as at the date hereof and is subject to change without notice, (b) does not purport to contain all the information that may be necessary or desirable to fully and accurately evaluate an investment in MediPharm Labs, and (c) is not to be considered as a recommendation by MediPharm Labs that any person make an investment. Any investment in the securities of MediPharm Labs is speculative and involves a number of risks that should be considered by any prospective investor. Additional information regarding MediPharm Labs, including the risks and uncertainties outlined in its most recent annual information form dated April 3, 2019 (the “Annual Information Form”), is available at [www.medipharmlabs.com](http://www.medipharmlabs.com) or through the SEDAR website at [www.sedar.com](http://www.sedar.com).

This presentation does not constitute an offer or solicitation in any jurisdiction to any person or entity and was not prepared in connection with any such offer or solicitation.

Readers of this presentation should not construe the contents of this presentation as legal, investment, tax or other advice.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

MediPharm Labs cautions that statements in this presentation (including any oral commentary that may accompany it) are forward-looking statements. All statements, other than statements of historical facts, contained in this presentation, including statements regarding our future results of operations or financial condition, prospects, business strategy and plans and objectives of management for future operations, the success of our sales and marketing efforts, the extent of market acceptance for our products and services, our ability to develop and bring to market new or enhanced products, our ability to develop our production facility, our international ventures, the cannabis and cannabis industry and regulatory environment and continuing uncertainty in the global economic environment, are forward-looking statements. The words “believe,” “will,” “may,” “estimate,” “continue,” “projection,” “anticipate,” “intend,” “should,” “plan,” “expect,” “predict,” “could,” “potentially” or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Actual results and trends in the future may differ materially from those suggested or implied by the forward-looking statements depending on a variety of factors. The forward-looking statements contained in this presentation speak only as of the date the statements are made and are based on information available to the MediPharm Labs at the time those statements are made and/or management’s good faith belief as of that time with respect to future events. Such statements are based upon the current beliefs and expectations of MediPharm Labs’ management and are subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors. Many assumptions are based on factors and events that are not within the control of MediPharm Labs. Actual future results may differ materially from historical results or current expectations.

These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. In addition, even if the outcome and financial effects of the plans and events described herein are consistent with the forward-looking information contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Although MediPharm Labs has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking information contained in this presentation is based on MediPharm Labs’ current estimates, expectations and projections, which MediPharm Labs believes are reasonable as of the current date. MediPharm Labs can give no assurance that these estimates, expectations and projections will prove to have been correct. You should not place undue reliance on forward-looking information, which is based on the information available as of the date of this presentation. Forward-looking information contained in this presentation is as of the date of this presentation and, except as required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances. Historical statements should not be taken as a representation that such trends will be replicated in the future. No statement in this presentation is intended to be nor may be construed as a profit forecast. Additional information related to MediPharm Labs, including risks and uncertainties and the Annual Information Form, can be found on its SEDAR profile at [www.sedar.com](http://www.sedar.com).

All analyst coverage is conducted by third parties. Please note that any opinions, estimates or forecasts regarding MediPharm Labs’ performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of MediPharm Labs or its management. MediPharm Labs does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations. As such the content of any analyst coverage should not be considered financial advice or forecasting that is approved or endorsed by MediPharm Labs.

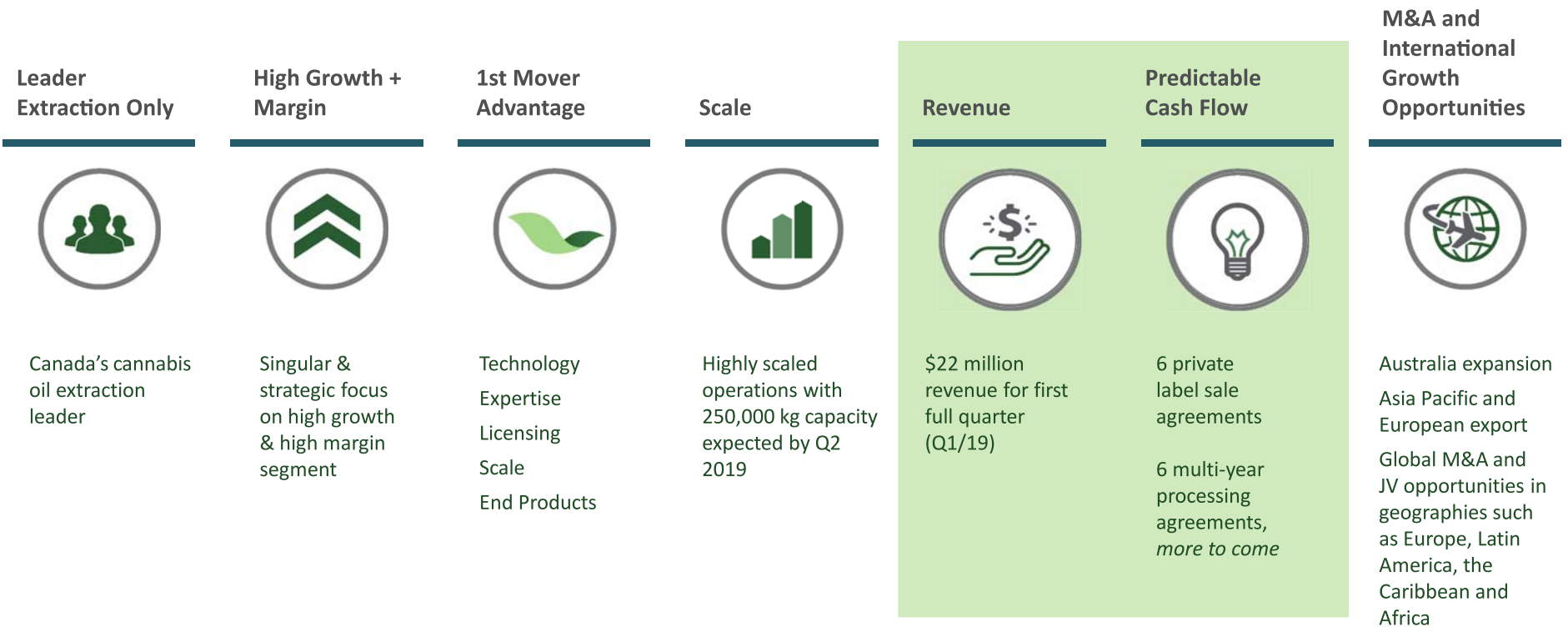


## The front-runner in cannabis extraction and purification.

State-of-the-art technology,  
cutting edge **proprietary methodologies**.

A trusted partner, delivering **pure, safe and precisely  
dosable cannabis concentrates** for **private label  
advanced derivative products**.

# MediPharm Labs – A Differentiated Cannabis Growth Opportunity



## Financial Summary

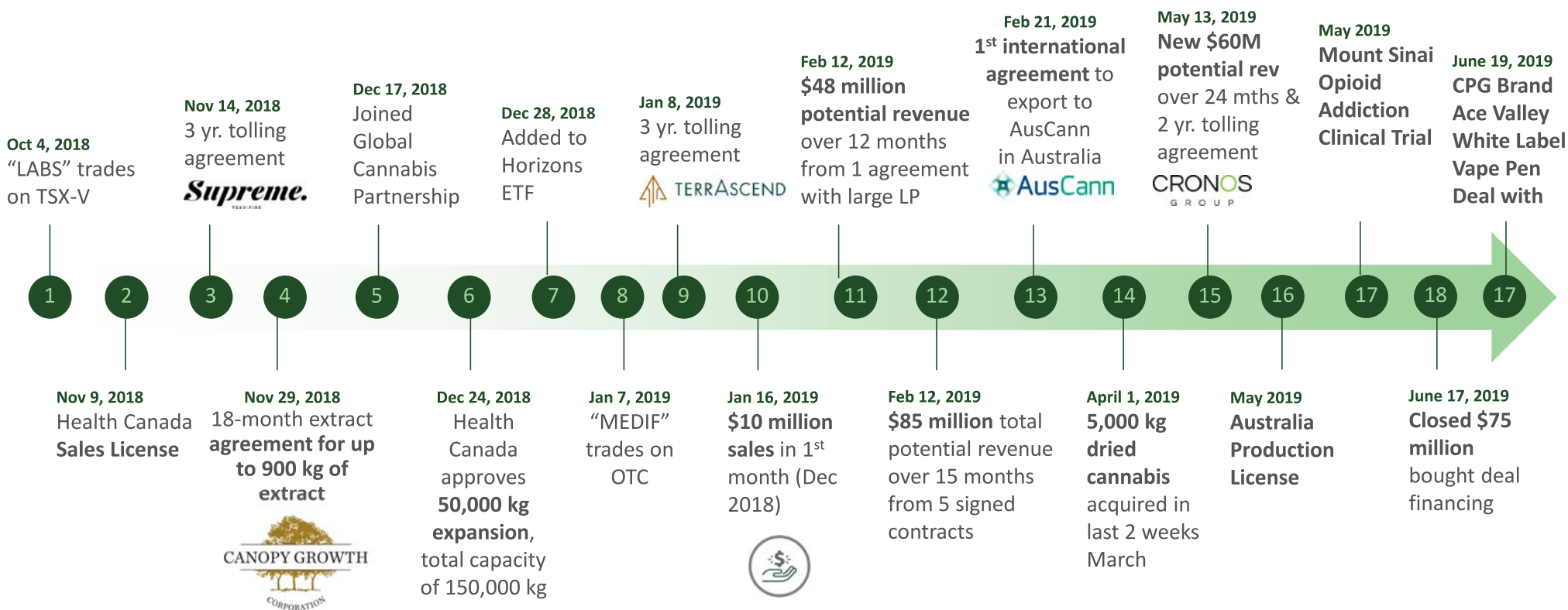
(\$000s)	3 Months Ended March 31, 2019	3 Months Ended December 31,	
		2018	2017
Cash and cash equivalents	\$8,400	\$7,850	\$2,493
Revenue	<b>A</b> \$21,950	<b>D</b> \$10,198	-
Gross profit	\$6,862	\$3,967	-
Gross margin %	<b>B</b> 31%	39%	-
Net loss	<b>(573)</b>	<b>(3,542)</b>	<b>(742)</b>
Operating loss – as reported	(\$152)	(\$3,366)	(\$695)
Adjusted EBITDA <sup>(1)</sup>	<b>C</b> \$4,310	<b>E</b> \$2,129	<b>(695)</b>
Adjusted EBITDA margin %	20%	21%	<i>nmf</i>

- A** First full quarter of operations since receiving sales licence in November 2018
- Includes \$7.6 million for initial shipment of large private label cannabis oil contract with a large LP
- B** The decrease was primarily as a result of a reduction in average sales prices, partially offset by decreases in raw material and production costs
- C** Adjusted EBITDA<sup>(1)</sup> increased as a result of additional contracts coming online
- D** Received sales license from Health Canada in November 2018 and commenced private label wholesales activities
- Began shipping cannabis extract to Canopy and other Canadian LPs in December 2018
- E** Company generated its first quarter of positive Adjusted EBITDA<sup>(1)</sup> with the commencement of production and sales
- Adjusted EBITDA includes \$0.7 million of share-based compensation, \$4.2 million of transaction fees and \$0.5 million of depreciation




(1) Adjusted EBITDA is a non-IFRS measure. See "Non-IFRS Measures" on page 2 for further details.

# Key Milestones – First Fully Licensed Extraction-Only Company in Canada



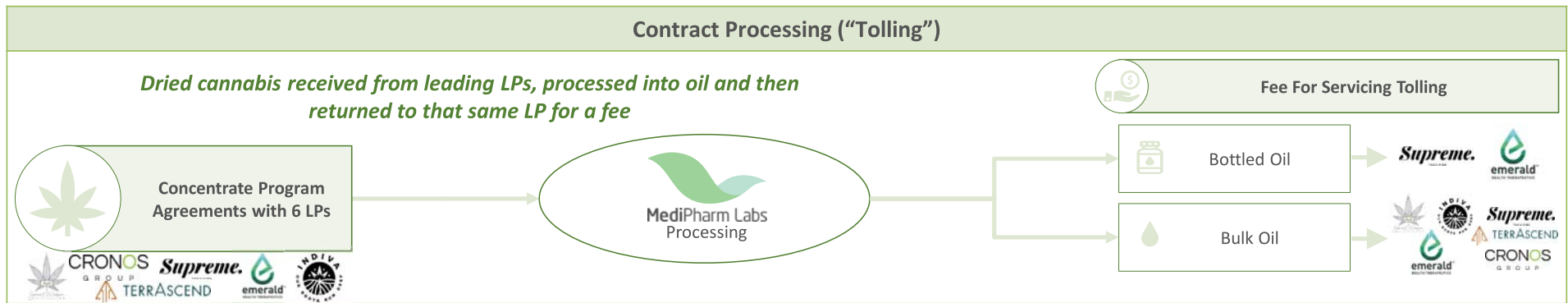
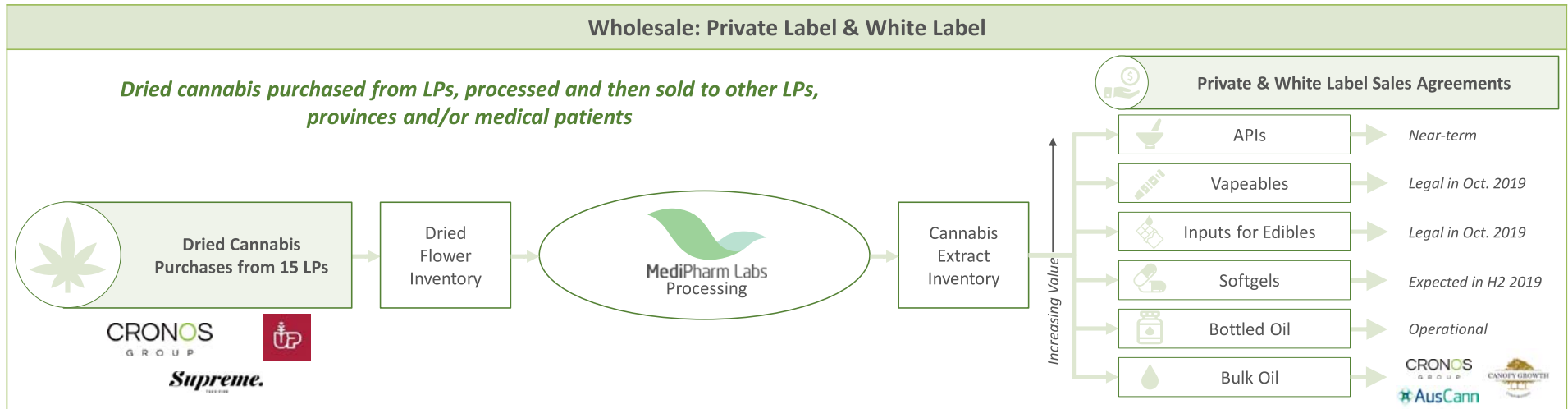
## Select Strategic Sale Agreements

Partner	Date	Minimum Committed	Total Potential	Details
Leading Licensed Producer	Feb 2019	\$35 million	\$48 million	<ul style="list-style-type: none"> <li>• 13 month agreement</li> <li>• MediPharm committed to supply \$48 million of private label purified cannabis oil concentrates                             <ul style="list-style-type: none"> <li>– \$7.7 million upfront from inventory (Feb 2019)</li> <li>– \$27.0 million minimum commitment over 12 months</li> <li>– \$13.5 million option over the same period</li> </ul> </li> </ul>
	Nov 2018	450 kg of extract	900 kg of extract	<ul style="list-style-type: none"> <li>• 18 month agreement</li> <li>• MediPharm committed to sell up to 900 kg of cannabis extract / oil to Canopy Growth and its subsidiaries</li> </ul>

MediPharm has signed a number of strategic agreements with LPs to supply them with cannabis extract

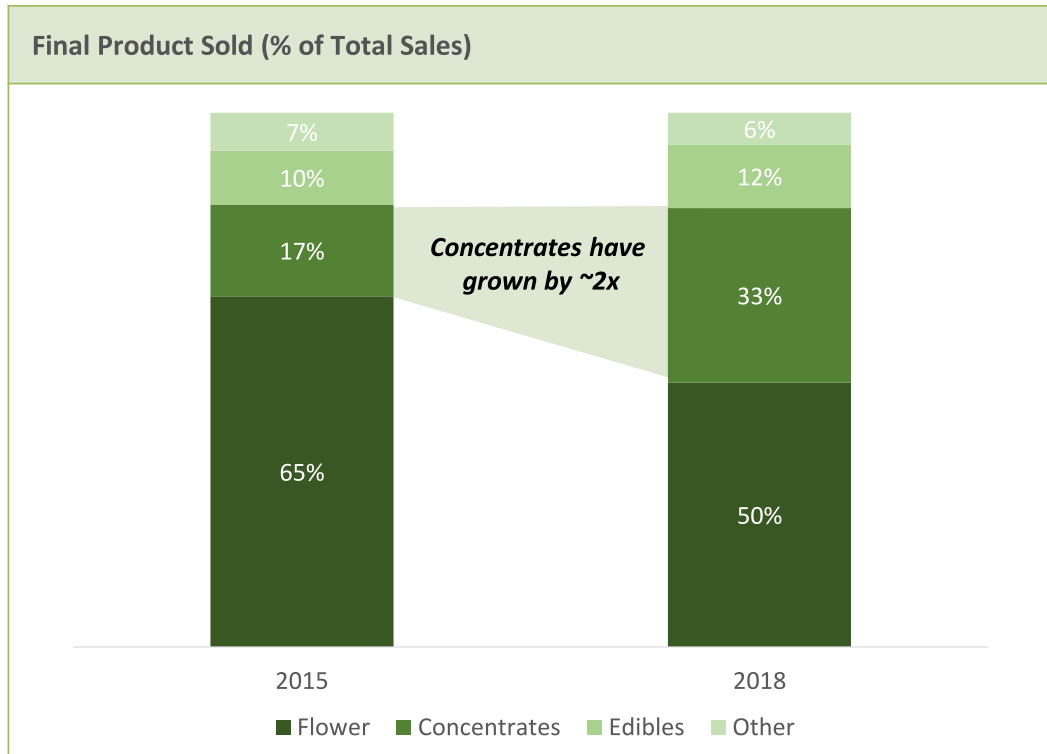


# Flexible Business Models: Wholesale and Tolling





# Consumer Preference Changing from Flower to Concentrates (Vapes)



## Biggest Market Potential

- **Concentrates sales in the U.S. have grown by ~2x** since 2015 and now make up 33% of total sales
- Flower has decreased from 65% of sales in 2015 to 50% today
- Concentrates consumed via discrete **vaporizers** or **'vape pens'** have biggest potential for growth
- Inhalable offer fastest onset times & predictable dosing
- Increasing number of product opportunities can be developed from cannabis concentrates



Beverages



Snack foods



Natural health foods



Cosmetics



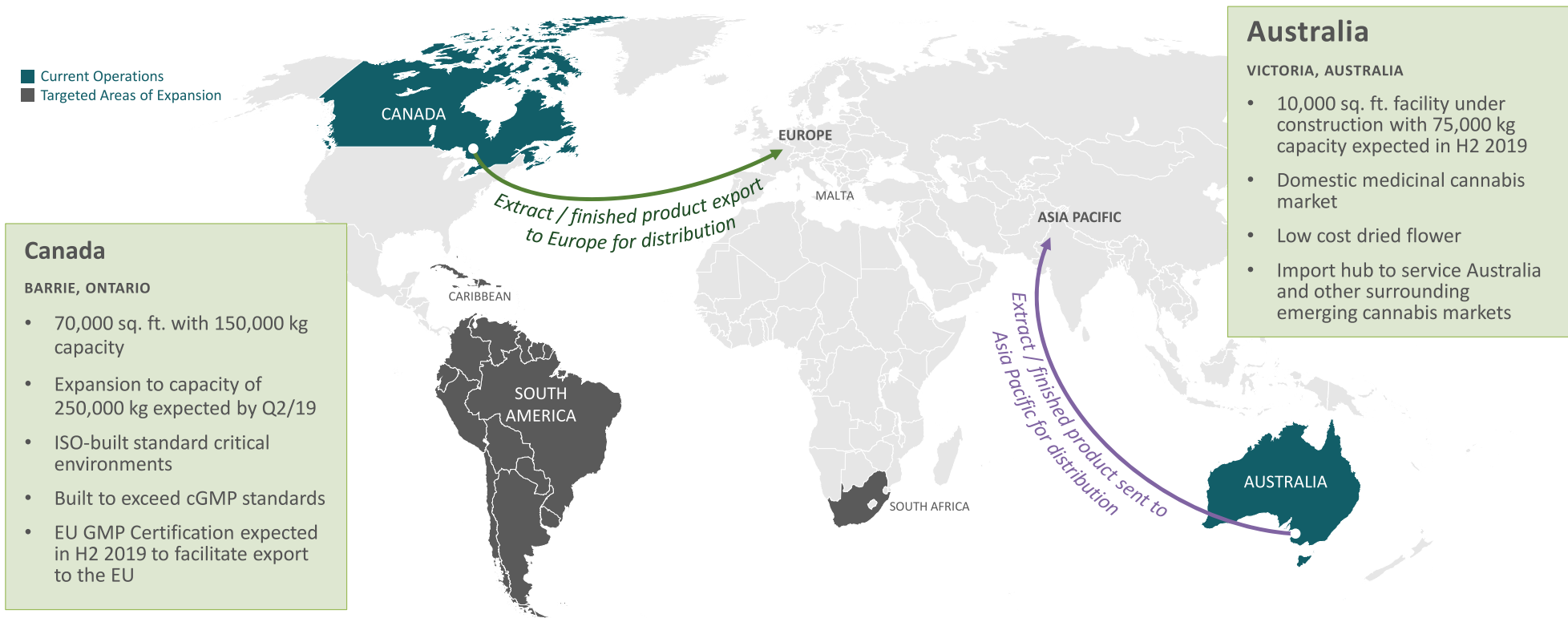
Topical creams

Significant growth potential as regulatory environment evolves, allowing more products to utilize cannabis concentrates



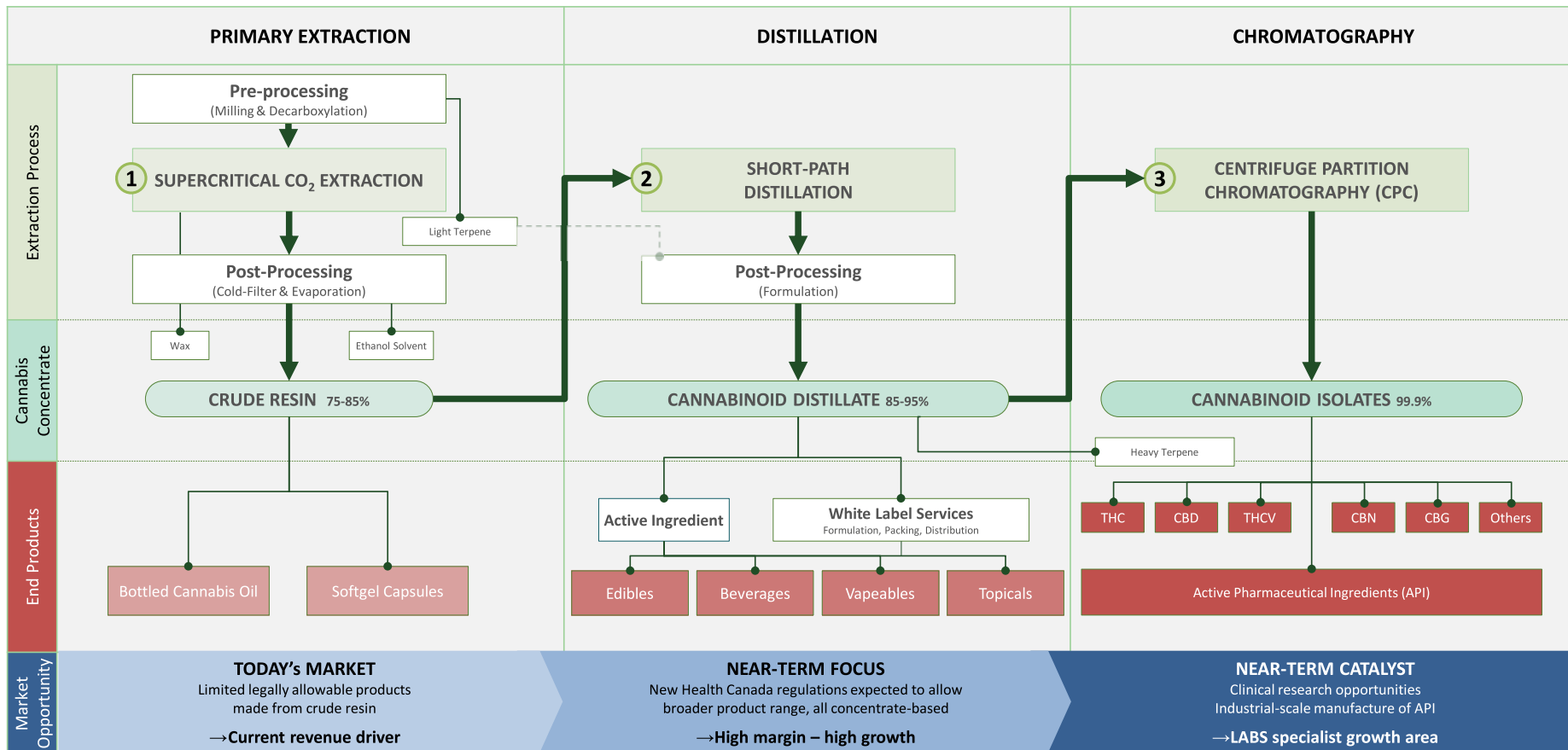
Source: New Frontier Data and MJ Freeway Retail Data Webinar  
*Understanding the New Cannabis Consumer: Archetypes, Preferences and Trends in the Evolving Cannabis Economy*

# Largest Canadian Extraction-Only LP Footprint With Significant Near-Term Expansion Opportunities



Note: Expansion into additional jurisdictions is subject to the sourcing, negotiation and closing of suitable transactions, along with applicable regulatory approvals. The commencement of operations in Australia and export of product therefrom is subject to the completion of construction and various regulatory approvals. See "Disclaimer – Cautionary Note Regarding Forward Looking Information".

# MediPharm Labs Extraction Processes



Note: Launching of additional product lines remain subject to various risks and uncertainties, including the completion of applicable R&D, successful development of operations and regulatory approvals. See "Disclaimer – Cautionary Note Regarding Forward Looking Information".

# Exceptional Management Team with Deep Experience



**Pat McCutcheon**  
*Chief Executive Officer*

15-year career in pharmaceutical sales and marketing for a wide range of products. Recently led the Hospital Division for Renal and Mental Health products at Janssen Pharmaceuticals (J & J).



**Keith Strachan**  
*President, Co-Founder*

A healthcare business development expert, bringing government Supply Chain Management experience from government ministries, and consultancy in Public Sector RFPs, compliance, licensing and planning.



**David Mayers**  
*Chief Operating Officer*

28 years of pharmaceutical leadership in multi-national and small organizations. Experienced in management of Controlled Substances, R&D, Quality, Lean Sigma, Supply Chain and strategy.



**Ahmed Shehata**  
*General Counsel & Head of Corporate Development*

10 years in Business Law focused on securities, mergers and acquisitions, and corporate finance. Previously counsel for numerous cannabis companies and going public transactions.



**Kirk Binns**  
*Executive VP, Global Markets*

A serial entrepreneur in the North American deregulated energy markets, leading market expansions and client acquisitions across multiple markets.



**Chris Hobbs**  
*Chief Financial Officer*

18-year career in Finance, Chris has acted as Chief Financial Officer for several private and public companies operating in the resource, health sciences and technology sectors.



**Sybil Taylor**  
*Chief Marketing Officer*

25-year marketing career in consumer-packaged goods. Experienced in strategic brand and product development and fully integrated communications in regulated alcohol and cannabis industries.



**Braden Fenske**  
*Chief Strategy Officer*

20-year strategy, sales & marketing career in pharmaceuticals, medical devices & adult beverages. Led Johnson & Johnson Group of Companies in diverse strategic, commercial, product planning & BD roles.



**Laura Lepore**  
*VP Investor Relations & Communications*

Award winning Investor Relations and Communications Executive experienced in corporate and financial communications, public relations and capital markets for global organizations.



# Exceptional Management Team with Deep Experience



**Dr. Chris Talpas**  
*Vice President, Quality & Scientific Affairs*  
A Chromatography expert with 24-years in the bio-pharmaceutical field. Deep experience in the qualification/validation of complex quality systems, processes and equipment.



**Dr. Ina Dubinsky**  
*Lead Scientist – Secondary Processing*  
Experienced in R&D, testing and extraction of cannabis/hemp, isolation and purification of cannabinoids by vacuum distillation/filtration and RF column chromatography within FDA/GMP.



**Michael Perron**  
*Vice President, Business Development*  
A CPA with a MAcc, Mike has spent over 10 years in professional services focused in Management Consulting, Enterprise Risk, and Transaction Advisory Services, leading the national cannabis practice.



**Anuja Siwakoti**  
*Director of Global Regulatory and Scientific Affairs*  
Anuja is a senior leader in cannabis research, academia and regulated cannabis consulting, specializing in GPP/GMP audits, Health Canada licensing and navigating global regulations.



**Jason Nalewany**  
*VP Finance*  
A CPA-CA with cannabis experience, Jason has provided financial expertise to public entities in capital market strategies, M&A advisory, valuation, financial forecasting and due diligence.



**Warren Everitt**  
*Managing Director, MediPharm Labs Australia*  
Warren brings senior leadership in Asia Pacific through his international digital marketing agency, and career in sales and marketing, consulting to some of the world's biggest companies.



**Saravan Subramaniam**  
*Director, Project Management Office*  
Saravan has expertise leading engineering and technical services projects in the pharmaceutical and automotive industries including product launches and complex manufacturing facility designs.



**Lorna Willner**  
*Director of Human Resources*  
Lorna has a 25-year career as a collaborative leader developing best practices in recruitment, onboarding and coaching to build high performing teams aligned to company goals and values.



**Paul Hamelin**  
*Vice President, Security & IT*  
Paul has a 35-year career in policing with current focus on cybercrime. Exec Director of Ontario Police Technology Information Co-operative & former President of the Ontario Association of Chiefs of Police.



# Science Advisory Committee (SAC)



The SAC will collaborate with the MediPharm Labs management team on advancements in the emerging fields of cannabinoid extraction and cannabinoid-based derivative science. This work will serve to further enhance the Company's manufacturing platform and research practices, assist management in evaluating commercial opportunities related to technologies, testing and methodologies and provide guidance on partnerships with globally preeminent academic and medical institutions for cannabis research.

The SAC's mandate is to advise and assist MediPharm Labs in harnessing the potential of cannabis through innovation, best practices, thought leadership and strategic alliances in support of MediPharm Labs' vision of being *The Trusted Global Leader in Industrial-Scale Manufacturing of High-Quality, Cannabinoid-Based Derivatives*.



**Jerry King, PhD**

*A world-renowned extraction expert with experience in supercritical fluid technology, chemical separations, chromatography and applied chemical engineering and chemistry.*



**Miriam McDonald, MSc**

*Currently the Dir of Pharmacy at Health Sciences North, Northern Ontario's largest hospital, located in Sudbury. Previously Dir of Pharmacy, Dir of Rehabilitation Services and Asst Exec Dir of Therapeutic Services at Laurentian Hospital.*



**Les Brown, PhD**

*Managing Director of AECS-Quick Prep Ltd and a practicing method development chromatographer and chromatography instrument designer.*



**Arshad Hack, MHA, MD**

*A practicing family physician with over 10 years of clinical experience and a widely respected patient advocate, visionary leader and innovator in his role as Chief of Family Medicine at Joseph Brant Hospital, Burlington Ontario.*



**Markus Roggen, PhD**

*An expert in crop protection, plant analytics and pharmaceutical manufacturing, with North American cannabis research interests in the metabolite composition and behaviour throughout the production cycle, supercritical fluid extraction process optimization and the development of innovative therapeutic formulations.*



**Matt Archibald**

*A career spanning 20 years of developing, managing and improving commercial operations for the natural products, pharmaceutical and cannabis industries. Cannabis processing expert in Supercritical CO<sub>2</sub> and infused product formulations.*



To read the full bios of these SAC members, visit <https://ir.medipharmlabs.com/science-advisory-committee>

## Market Opportunity: Retail Revenue Potential Sensitivity

### 150,000 kg Annual Capacity Increasing to 250,000 kg by Q2/19

<b>Facility Capacity (Flower)</b>	<i>(kg)</i>	<b>150,000</b>	<b>150,000</b>	<b>250,000</b>
Illustrative Capacity Utilization <sup>(1)</sup>	<i>(%)</i>	50%	100%	80%
<b>Process Throughput (Flower)</b>	<i>(kg)</i>	<b>75,000</b>	<b>150,000</b>	<b>200,000</b>
Flower to active cannabinoid conversion <i>(Note A)</i>	<i>(%)</i>	10%	10%	10%
<b>Active Cannabinoid Content</b>	<i>(kg or million mg)</i>	<b>7,500</b>	<b>15,000</b>	<b>20,000</b>
Price per active component <i>(Note B)</i>	<i>(\$ / mg)</i>	\$0.11	\$0.11	\$0.11
<b>Revenue at retail per annum</b>	<i>(\$ in billions)</i>	<b>\$0.83</b>	<b>\$1.65</b>	<b>\$2.20</b>

#### Note A

Cannabinoid recovery from flower ranges between 10% – 20%; active cannabinoid concentration in crude ranges from 75 – 85%

#### Note B

Source: Based on aggregated pricing data per mg on Harvest Medicine website: <https://hmed.ca/pricewatch/> ranging between \$0.10 – \$0.12 per mg.

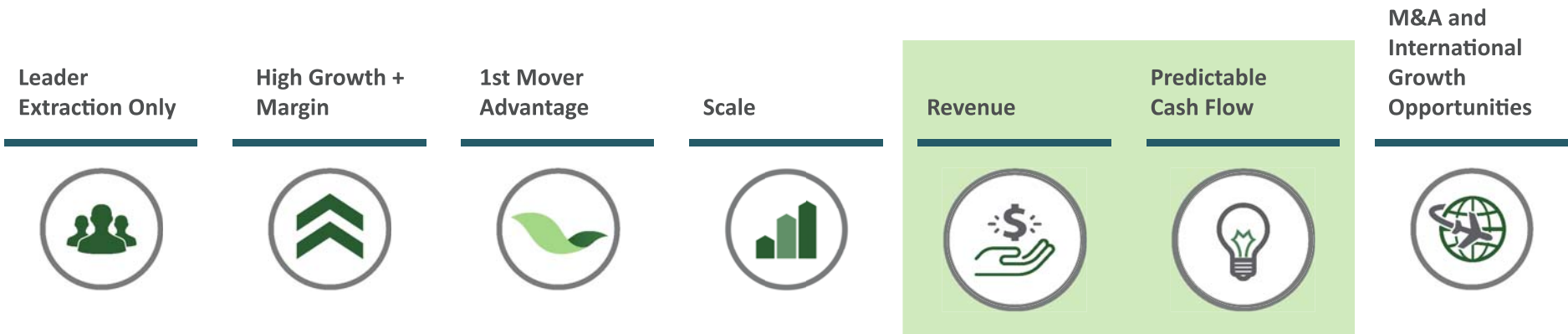
*Potential retail revenue is not reflective of future revenue guidance or management expectations for actual financial results.*

*Pricing reflects retail pricing to end consumer in Canadian market inclusive of excise tax of approximately 10%.*



(1) 100% capacity utilization is subject to availability of flower in the total Canadian market.

# Summary and Upcoming Catalysts



## Upcoming Catalysts

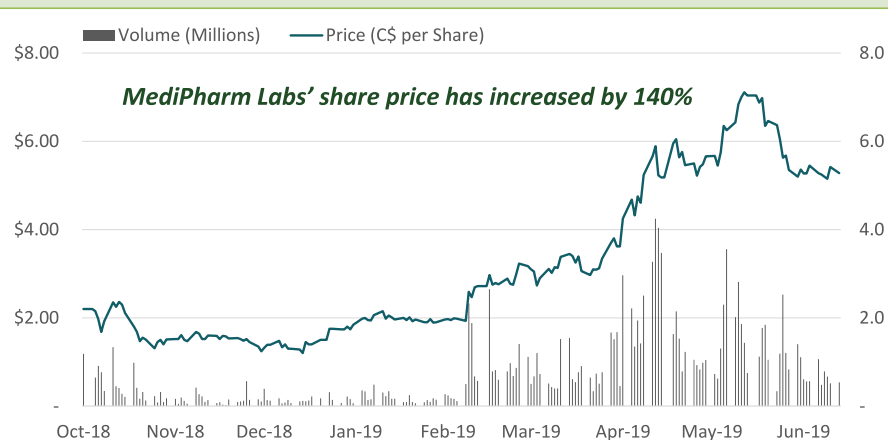
- New agreements
- Large volume purchases of dried cannabis
- Canadian legalization of vapeables and edibles in fall 2019
- Increase annual throughput capacity from 150,000 kg to 250,000 kg by end of Q2 2019
- First oil shipment to AusCann in Australia - **completed**
- Completion of MediPharm's state-of-the-art cannabis extraction facility in Australia (licensing expected H2 2019)
- EU-GMP certification to serve high-margin growing EU cannabis market
- Global expansion opportunities into geographies such as Europe, Latin America, the Caribbean and Africa





# Capital Structure and Ownership

## Stock Performance TSX-V:LABS – Initiated Trading October 4, 2018



## Current Analyst Coverage

cg/Canaccord  
Genuity

GMP

PI FINANCIAL  
experience. driven.

Mackie Research  
Capital Corporation

## Capital Structure (as at June 17, 2019)

Security	Number (millions)
Common Shares <sup>(1)</sup>	127.0
Options <sup>(2)</sup>	10.5
Warrants <sup>(2)</sup>	15.5
<b>Fully Diluted Shares<sup>(1)</sup></b>	<b>153.0</b>
<b>Total Potential Proceeds From Warrants<sup>(2)</sup></b>	<b>~\$13 million</b>

## Balance Sheet (at March 31, 2019)

Cash Position <sup>(1)</sup>	\$79.0 million
Debt (Mortgage)	\$6.0 million

## Share Performance

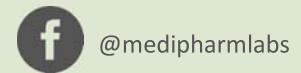
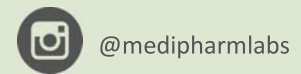
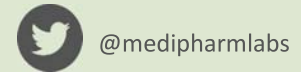
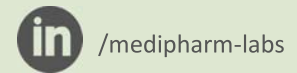
Market Close (June 17, 2019)	\$5.28
<b>Basic Market Capitalization<sup>(1)</sup></b>	<b>\$671 million</b>

(1) Pro forma for the June 2019 bought deal.

(2) Options and warrants have weighted average exercise prices of \$1.90 and \$0.85, respectively. The Company has received no indication of an intention to exercise from the warrant holders and such exercise may not occur in a timely manner or at all.



# Thank You





## Please Contact for Additional Information

**Pat McCutcheon**  
*Chief Executive Officer*

**Laura Lepore**  
*Vice President, Investor Relations  
and Communications*

Email: [investors@medipharmlabs.com](mailto:investors@medipharmlabs.com)  
Phone: +1 705 719 7425 ext. 216

TSX-V: LABS OTCQB: MLCPF FSE: MLZ

[medipharmlabs.com](http://medipharmlabs.com)

