



*For Immediate Release*

## **MediPharm Labs Files Proxy Materials, Issues Chair's Letter to Shareholders**

**Toronto, Ontario – May 13, 2025** – MediPharm Labs Corp. (TSX: LABS) ("**MediPharm**" or the "**Company**"), a pharmaceutical company specialized in precision-based cannabinoids, has filed its Management Information Circular ("**MIC**" or the "**Circular**") and proxy materials (the "**Meeting Materials**") for its upcoming Annual and Special Meeting of Shareholders, scheduled for June 16, 2025. The Meeting Materials will be sent to shareholders in the coming days, and are available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

MediPharm's Board of Directors (the "**Board**") recommends that shareholders vote through the **GREEN** proxy or **GREEN** voting instruction card in support of the Company's nominees for Board of directors and other resolutions.

Shareholders are encouraged to visit [www.medipharmlabsagm.com](http://www.medipharmlabsagm.com) for up-to-date information on matters relating to the Annual and Special Meeting, including voting instructions, webcast link, and updates on the campaign recently launched by a dissident shareholder.

The MIC includes a Letter to Shareholders from Chris Taves, Chair of the Board. The full text of that letter follows.

### **LETTER TO SHAREHOLDERS**

Dear Fellow Shareholders,

On behalf of the Board of Directors, we are pleased to invite you to attend the Annual & Special Meeting of MediPharm Labs Corp. ("**MediPharm**" the "**Company**" "**we**" "**our**" or "**us**") shareholders on June 16, 2025. This meeting will play a pivotal role in shaping the Company's future and could significantly affect the value of your investment. To ensure your interests are protected, we encourage you to carefully review the following information before casting your vote. Please vote exclusively using ONLY the **GREEN** proxy or **GREEN** voting instruction card and support each of the director nominees recommended by MediPharm's Board of Directors.

As Chair, I am pleased to report that the Company delivered solid performance in 2024 as our strategic revitalization takes shape. Net revenue increased year-over-year by 27%, while gross profit margin increased to 31% compared to 18% in 2023. We reduced operating expenses even as we integrated VIVO Cannabis, acquired the year before. As a result of increased revenue, gross



margin expansion and reduced expenses, the Company's Adjusted EBITDA<sup>1</sup> loss narrowed by \$8.3 million to \$1.9 million in 2024 as compared to the prior year, and we are confident we will reach positive Adjusted EBITDA soon. Our improved financial position has enabled us to increase our investments in organic growth.

Despite those achievements and a very promising outlook in creating sustainable long term shareholder value, an opportunistic dissident shareholder wants to disrupt our positive momentum. This year's shareholder meeting will feature an attempt to derail our progress and change its course. On May 7, 2025, a shareholder, Apollo Technology Capital Corp. ("**Apollo**"), filed a dissident proxy circular nominating six alternative candidates for the MediPharm Board of Directors.

Apollo has chosen not to present an alternative vision for the Company; they said they would not do so until after we file this Circular. Based on the information we have about Apollo and its nominees, the Board has serious concerns about their ability to manage MediPharm and grow shareholder value. I will return to that topic below.

### ***Business Transformation: Our Plan is Working***

In contrast to Apollo's approach of no plan at all, MediPharm has been executing on a carefully developed strategy. The executive team, under the guidance of the Board, has led a transformation of the business over the past three years. David Pidduck faced momentous challenges when he joined as CEO in April 2022. Revenue in 2021 of \$21.7 million had fallen more than 80% from its peak in 2019. The Company had an operating loss of \$48.9 million in 2021, and the Company was selling products below cost in the highly competitive recreational market. Too many resources were being devoted to lines of business with little near-term prospect of profitability. Access to capital during this time had become extremely challenging in the cannabis sector, making cash preservation essential.

Beginning in the second half of 2022, David and his team implemented an ambitious plan, under the guidance of the Board, to refocus MediPharm's operations, prioritizing the most strategic business lines. MediPharm established a leadership position in cannabis extracts and continues to develop that market. The Company began to exit certain businesses and divest non-core assets, both to reduce operating costs and free up capital for redeployment. The streamlining led to cost savings and reduced cash usage as the Company pursued new avenues of growth.

MediPharm acquired VIVO in March 2023, which opened new international markets for it, with its Beacon brand generating approximately \$10 million of annual revenue in Australia

---

<sup>1</sup> Represents a non-GAAP financial measure, which is not a standardized financial measure under IFRS and which might not be comparable to similar financial measures disclosed by other issuers. MediPharm calculates Adjusted EBDITA as net income (loss) with interest, taxes, depreciation and amortization, non-cash adjustments and other unusual or non-recurring items added back. Refer to the sections entitled "Use of Non-IFRS Financial Measures" and "Reconciliation of Non-IFRS Measures" in MediPharm's management's discussion and analysis for the year ended December 31, 2024, which is incorporated by reference herein and which can be located on MediPharm's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).



complementing the inroads we had already made in Germany and Brazil. Our medical business is now among the leading medical platforms in Canada and similarly represents approximately \$10 million of annual revenue with relatively higher margins than our other sales channels. The Napanee Good Manufacturing Process (“GMP”) grow facility acquired in the transaction is servicing our international business.

We acquired VIVO for MediPharm shares valued at \$8.5 million plus the assumption of approximately \$2 million of debt. When the sale of the Hope facility closes, we will have generated approximately \$6.5 million of cash from the sale of facilities and land acquired pursuant to the VIVO transaction, and the debt has been repaid. At the time of the acquisition, the two companies were incurring a combined \$40 million in operating expenses on an annual basis, and we have cut that in half through synergies of the combined operating entity. Revenue synergies are also being realized, with the MediPharm product line now available on VIVO’s Cannafarm medical platform, and VIVO’s products being sold leveraging MediPharm’s international distribution channels. Our revenue has more than doubled since 2022, due in large part to the addition of VIVO.

Clearly, VIVO has proven to be a transformational acquisition for MediPharm. Not only has it added significant shareholder value, but it has also provided a stronger foundation for future growth. And perhaps most importantly, our success with this transaction provides us with a roadmap to navigate future M&A opportunities in a rapidly consolidating cannabis sector.

Acquisitions remain a central part of the Company’s growth strategy.

The diversification of our business sets MediPharm apart from many cannabis companies. Our product mix includes flower, oil, vape, pre-rolls and other specialty products, with no category representing more than 35% of revenue. Our sales channels are split between international medical, Canadian medical, Canadian adult use and wellness, and pharmaceutical and B2B. International sales exceeded 50% of revenues in both Q4 2024 and Q1 2025 and represent the fastest growing part of our business. MediPharm’s positioning as a GMP pharmaceutical-quality producer has been a competitive advantage and key to our international growth.

### ***The Dissident Nominees***

The Board has serious concerns about Apollo and its nominees. Regan McGee, Apollo’s Chairman and CEO and the lead dissident, has a particularly troublesome track record. His career has been marked by conflict and controversy. Mr. McGee is also Chairman and CEO of Nobul Technologies Inc., a private company that has been embroiled for the past two years in a \$100 million lawsuit against several of its former directors who resigned *en masse* over an allegedly toxic atmosphere and alleged misrepresentations about how the business generated revenue (Nobul Technologies Inc. v. Reed et al, 2023 ONSC 5316 (CanLII)). In its filings related to that same case, institutional investor K2 & Associates accused Mr. McGee of siphoning money from Nobul through exorbitant compensation and non-arm’s length transactions, for his own personal use for vast property



holdings, exotic automobile collections and private jets. The case is still progressing through the courts.

More recently, Nobul announced a merger in March 2024 with Check-Cap Ltd. (NASDAQ: CHEK). Despite the transaction never closing, it appears that Nobul has managed to have millions of dollars of cash transferred to its accounts from Check-Cap. Interestingly, the Chairman of Check-Cap is David Lontini, who is now being included on the Apollo list of nominees for MediPharm's Board.

Despite the challenges involving his own company, and despite having no public company director experience or cannabis or pharmaceutical industry experience, Mr. McGee believes he is qualified to run MediPharm. His tactics have not engendered confidence. Our efforts to engage with him constructively were quickly derailed when he attempted to pressure our CEO and another director into selling him their shares on terms not being offered to other shareholders. When that tactic failed, he then insisted that the Company provide to him a dilutive private placement for over \$3 million to help him gain control of the Board. The discussions quickly devolved into threats made by Mr. McGee against several directors, including myself, David Pidduck, and our family members, and the spreading of untrue and defamatory information to associates of ours with no relationship to MediPharm. At one point Mr. McGee showed up at our manufacturing facility demanding entry, and harassed and threatened an employee.

Last week, David Pidduck and I, along with the Company's legal counsel, were sued for a total of \$100 million by Mr. McGee. We are the latest names added to a growing list of more than 10 active litigation files involving the highly litigious and dispute-prone Regan McGee.

This disturbing history suggests that Mr. McGee puts his own interests above those of shareholders and should be excluded from consideration as a director. We nonetheless reviewed his list of proposed nominees. Only two of the six nominees have any cannabis experience, and all such cannabis experience has been primarily in the recreational space, which is very different from the medical space where our focus lies. The nominees are also interlocked in multiple ways, meaning they have business relationships outside of MediPharm that could impair their ability to make independent decisions.

As a group, the dissident slate does not offer a viable alternative to MediPharm's proposed directors. The skills and relevant experience we believe they could bring to the Company do not represent an upgrade. The ability of the dissident group to act in the best interests of MediPharm shareholders is highly questionable, given the checkered history and actions of certain of the proposed nominees and the interlocking relationships among various members of the group.

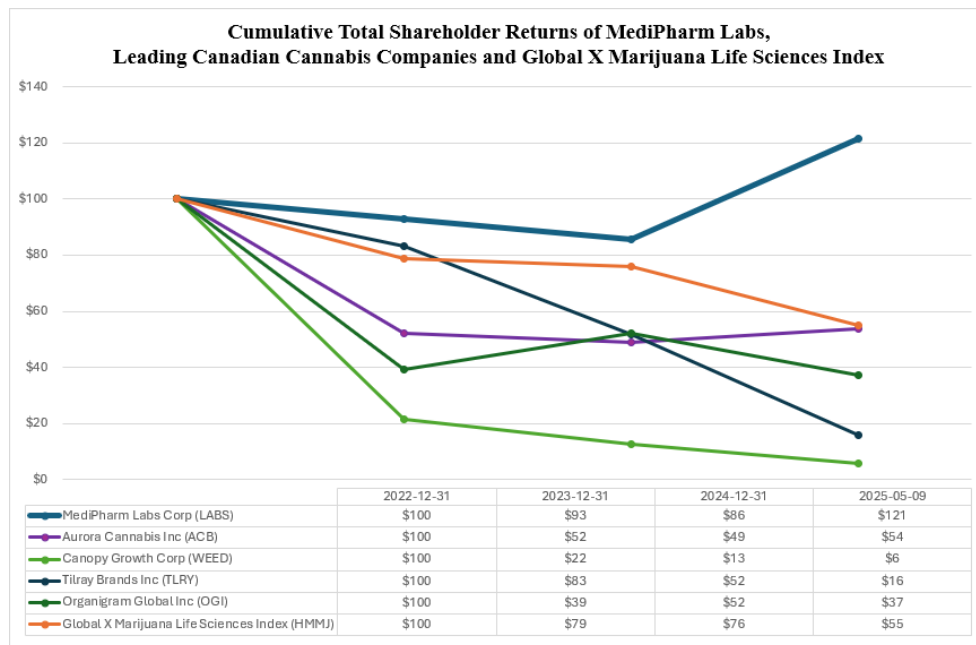
Apollo claims to own just 3% of MediPharm's shares—a stake acquired only in the past few months—yet is now seeking full control of your Company without offering a single penny of premium to the rest of our shareholders. This is a brazen attempt to seize power through the back door, bypassing any fair value transaction. Make no mistake: anyone demanding control of a public company's board with such a small, newly acquired position must meet an exceptionally



high bar. They must demonstrate a minimum threshold of integrity, adherence to proper governance processes, and dedication to ethical standards. They also owe shareholders a detailed, credible plan for value creation. Apollo has presented nothing of the sort—no strategy, no vision, no roadmap— leaving shareholders with only vague assertions and no concrete alternative to consider. Again, no alternate strategy has been presented and we have no assurances one is forthcoming.

We will respond to Apollo’s strategic vision for MediPharm if they choose to communicate it.

Lastly, Apollo’s comments about the performance of MediPharm’s share price against the S&P/TSX Composite Index reflects Apollo’s inexperience in the cannabis industry and, as further discussed below, misses entirely how MediPharm has performed against its peers since David Pidduck became CEO. Apollo’s comments may also be disingenuous. Apollo has only recently acquired MediPharm shares. Query how the concerns raised by Apollo in respect of the erosion of shareholder value since 2019 have impacted Apollo whatsoever. In addition, if Apollo genuinely has concerns with the competence of MediPharm’s management and Board, query why Apollo aggressively purchased its 3% block of Company shares in the market, forcefully engaged management to participate in a dilutive private placement, and implemented a pressure-filled campaign to purchase Company shares from insiders directly.



***We Are Committed to Good Governance***

Good governance practices are important to create value for all stakeholders and manage business risk. As a producer of pharmaceutical products, we recognize that patients around the world depend on MediPharm to maintain consistently high standards of manufacturing and safety.



Examples of sound governance practices currently employed by the Company include an independent Chair, three fully independent key committees, a formal mandate for the CEO, and the adoption of a formal Code of Business Conduct, among other measures.

The fully independent Compensation Committee aims to ensure the compensation provided to senior officers is fair and reasonable and sufficient to attract and retain qualified and experienced executives. Our approach is to set ambitious targets, reward our executives for meeting them, and include a meaningful equity component so that the financial interests of our officers are well-aligned with those of our shareholders. As disclosed in this Circular, our CEO's total compensation decreased in each of the past two years.

The fully independent Corporate Governance and Nominating Committee is responsible for developing and monitoring MediPharm's approach to governance matters and considering the composition of the Board and recruiting new directors. Biographies of our director nominees can be found starting on page 28 of this Circular. The nominees collectively possess a range of relevant skills, experiences and perspectives which contribute to their ability to oversee and challenge management in a positive manner.

We believe Board renewal is important to maintaining an effective board. Keith Strachan was appointed to the Board on January 1, 2025. As a MediPharm co-founder and President until the end of 2024, Mr. Strachan has demonstrated visionary leadership in building the Company and brings unparalleled institutional knowledge to his role as a director.

This year's nominees include two new independent director candidates, Emily Jameson and John Medland. Emily Jameson, currently Director, Corporate Development, Banking and Strategy at Independent Trading Group, is a finance executive with over a decade of experience in investment banking, private equity and corporate development, working on several notable transactions in the cannabis sector. John Medland is the Head of Advisory at Paradigm Capital Inc., with over 20 years of experience advising on capital markets strategy, leading a broad range of corporate advisory engagements, including divestitures, acquisitions, valuations, and unsolicited bid mandates, including in the medical and healthcare industry.

Michael Bumby will not be standing for re-election at the meeting, and on behalf of the Board, I would like to thank Michael for his invaluable contributions. He was instrumental in the transformative VIVO acquisition which has helped set MediPharm up for its next phase of growth.

We are committed to ongoing enhancements to our governance practices, as evidenced by the thoughtful board refreshment and enhanced gender diversity with the proposed director nominees. We note that the heavily interlocked dissident slate, in addition to lacking relevant sector and public company experience, includes no female nominees.



### ***Stand Up for Your Company***

To conclude, we are pleased with the progress the Company has made over the past several years and believe we have established a solid foundation for further growth.

We recognize that our shareholder returns, like those of nearly all companies in the cannabis sector, have been disappointing. Many of our peer companies have, in fact, been forced into creditor protection and shareholders have often lost their entire investments. Apollo points out that the Company's share price is down significantly from the arbitrary date of May 14, 2019, when cannabis valuations were at their peak, despite the fact that current CEO David Pidduck had not yet been appointed. The share price for the Company at year-end 2022, when current management had established themselves and begun to implement their new strategic direction, was \$0.07. The shares have recently traded between \$0.08 to \$0.09. As of May 9, 2025, the share price was \$0.085. As shown in the chart above, our total returns over the same time frame exceed those of leading cannabis companies and the Global X Marijuana Life Sciences Index (HMMJ). The foundations have been laid for a re-rating opportunity based on the improved financial metrics, strong balance sheet and growth prospects.

We believe the strategy and team currently in place is the best way to create sustainable value.

Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend the meeting, we encourage you to carefully review the Information Circular and vote through your **GREEN** proxy or voting instruction form, as applicable, as promptly as possible to ensure that your vote will be counted at the meeting.

If you have any questions or require assistance in voting your **GREEN** proxy or voting instruction form, please contact Sodali & Co, MediPharm's strategic shareholder advisor. They can be reached toll-free in North America at 1-888-777-2059, or at 1-289-695-3075 for banks, brokers, and callers outside North America. You may also email [assistance@investor.sodali.com](mailto:assistance@investor.sodali.com) for support.

We remain committed to providing shareholders with timely and accurate information. To facilitate voting and keep you fully informed, all materials and ongoing updates are available at [www.medipharmlabsagm.com](http://www.medipharmlabsagm.com). We strongly encourage shareholders to visit the site regularly for the latest information.

We thank you for your continued support and engagement, and we look forward to hosting you on June 16, 2025.

Sincerely,

*"Chris Taves"*

Chris Taves

Chair of the Board



## **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 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 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.

### **Shareholder Voting Assistance:**

If you have any questions or require any assistance in executing your **GREEN** proxy or voting instruction form, please call **Sodali & Co** at:

North American Toll-Free Number: 1.888.777.2059

Outside North America, Banks, Brokers and Collect Calls: 1.289.695.3075

Email: [assistance@investor.sodali.com](mailto:assistance@investor.sodali.com)

North American Toll-Free Facsimile: 1.877.218.5372

For up-to-date information and assistance in voting please visit: [www.medipharmlabsagm.com](http://www.medipharmlabsagm.com)

### **Investor Contact:**

MediPharm Labs Investor Relations

Telephone: +1 416.913.7425

Email: [investors@medipharmlabs.com](mailto:investors@medipharmlabs.com)

**Media Contact:**

John Vincic  
Oakstrom Advisors  
+1 (647) 402-6375  
john@oakstrom.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: timing of the Annual and Special Meeting, the mailing of the Circular in connection with the Annual and Special Meeting, timing to achieve positive Adjusted EBITDA, creation of sustainable long term shareholder value, the Company’s future growth strategies and available M&A opportunities, and the key drivers of the Company’s competitive advantages and international growth objectives. 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’ continuous disclosure filings, available on the SEDAR+ website at [www.sedarplus.ca](http://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.