



*For Immediate Release*

## **MediPharm Labs Cautions Shareholders about Dissident Nominees' Governance Failures at Check-Cap Ltd.**

**Toronto, Ontario – May 23, 2025** – MediPharm Labs Corp. (TSX: LABS) (“**MediPharm**”, the “**Company**”, or “**we**”), a pharmaceutical company specialized in precision-based cannabinoids, today provided its shareholders with information related to three of the six directors (the “**Dissident Nominees**”) nominated by Apollo Technology Capital Corporation (“**Apollo**”) to stand for election at MediPharm’s Annual and Special Meeting of Shareholders on June 16, 2025. All dollar figures in this news release are in U.S. dollars.

The Company believes events that have transpired over the past two years at Check-Cap Ltd. (Nasdaq: CHEK) (“**Check-Cap**”) provide valuable insight into the dubious tactics, motives and character of the individuals now seeking to take control of the board of directors of MediPharm (the “**MediPharm Board**”).

The extraordinary sequence of events at Check-Cap has been notable for its evidence of poor governance practices, lack of transparency and disclosure to shareholders, questionable allocation of cash resources, high turnover, public shareholder disputes, failure to execute on promises and destruction of shareholder value.

Most alarmingly, Check-Cap has been transferring millions of dollars of cash to Apollo and its subsidiaries – companies led by Dissident Nominee and shareholder, Regan McGee. The cash transfers were characterized as being tied to a merger agreement with an Apollo subsidiary that was announced 14 months ago but has yet to be completed.

Chris Taves, Chair of MediPharm, commented:

“The troubling fact pattern involving three of the Dissident Nominees raises several red flags. The MediPharm Board urges its shareholders to exercise a high level of caution before considering voting for any of McGee’s nominees to run your Company.”



## Summary of Recent Events at Check-Cap<sup>1</sup>

Symetryx Corporation (“**Symetryx**”), a Toronto-based investment firm and owner of 5.8% of Check-Cap’s shares according to public filings, led a successful campaign in 2023 to stop a business combination with Keystone Dental Holdings (the “**Keystone Transaction**”) proposed by the Check-Cap board (the “**Check-Cap Board**”). According to its website and other public sources, Symetryx also owns shares of Nobul, a company founded and led by Dissident Nominee, Regan McGee.

A vote by Check-Cap shareholders on December 18, 2023 resulted in the termination of the 2023 Keystone Transaction, and the replacement of the entire Check-Cap Board with five nominees proposed by Symetryx. Within five weeks following this vote, four of the five directors duly elected by shareholders had resigned, and were replaced with four new Check-Cap Board members. One of the directors who had been appointed, resigned the following day.

On March 25, 2024, Check-Cap announced the terms of a proposed business combination (the “**Check-Cap Nobul Merger**”) with Nobul AI Corp. (“**Nobul**”). According to the announcement, the Check-Cap Nobul Merger was subject to the approval of Check-Cap shareholders at a special meeting “expected to occur in the coming months.”

Approximately 14 months after the initial announcement of the Check-Cap Nobul Merger, there is currently still no indication that a shareholder vote on the Check-Cap-Nobul Merger has ever occurred or been scheduled, no recent announcement on the expected timing to complete or terminate the Check-Cap Nobul Merger, and no indication that Check-Cap has been seeking an alternative transaction to the Check-Cap Nobul Merger.

Despite no formal business combination having been completed, on July 28, 2024 and September 8, 2024, the Check-Cap Board ratified and approved a loan agreement for a \$6 million loan to Nobul, and the transfer of \$11 million to a segregated bank account “to fund the pursuit of accretive acquisition targets or other growth initiatives of Nobul and for no other purposes.” At least \$2.8 million of the funds had already been spent by the end of 2024.

As set out in Check-Cap’s business combination agreement with Nobul (“**BCA**”) amended on September 8, 2024, funds in the segregated account can be disbursed with the authorization of

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<sup>1</sup> All events described in this news release are based on Check-Cap’s filings with the U.S. Securities and Exchange Commission beginning in June 2023 and public news releases. We urge shareholders to review those source materials. Our summary may be limited by any deficiencies in that disclosure.



just two individuals: Check-Cap chairman David Lontini and Nobul chairman Mr. McGee, both of whom are among Apollo's six Dissident Nominees for the MediPharm Board.

### **Check-Cap's Connections to the Dissident Nominees**

Three of the six Dissident Nominees now seeking election to the MediPharm Board, namely David Lontini, Alan D. Lewis II and Regan McGee, have been directly involved in the events at Check-Cap:

- Mr. Lontini is "Active Chairman" of the Check-Cap Board, having been initially appointed to the board in January 2024 to replace one of the directors who had resigned shortly after being elected. He was subsequently elected as a director in April 2024, became Chairman in July 2024 and "Active Chairman" in November 2024.
- Mr. Lewis is a director of Check-Cap, and became the latest individual appointed as CFO of Check-Cap on April 6, 2025. Mr. Lewis is a colleague of a fourth Dissident Nominee, Demetrios Mallios, with both being co-founders and officers of The Aeon Group, Inc.
- Mr. McGee, in his capacity as Nobul's founder, CEO and Chairman, has been Check-Cap's intended merger counterparty and is designated to become the merged entity's CEO and Chairman upon completion of the Check-Cap Nobul Merger, if such transaction actually closes. Mr. McGee is also Chairman and CEO of Apollo.

### **Important Questions Raised for MediPharm Shareholders**

MediPharm believes that activist shareholders often follow the same "playbook" in their pursuit to take control of target companies, especially when they have been successful utilizing such tactics in the past. We are concerned that the events at Check-Cap, and the direct involvement of three of the Dissident Nominees now seeking election to the MediPharm Board, represent significant risks for the Company's shareholders.

MediPharm urges its shareholders to consider the following questions:

- 1) How did it benefit Check-Cap shareholders to transfer millions of dollars to Nobul? Was this in the best interests of Check-Cap, or only Regan McGee and the company he controls?
- 2) Does Apollo plan to replace some or all of its Dissident Nominees with new appointees, similar to what happened at Check-Cap? Which ones would remain to serve on the MediPharm Board?



- 3) Has Apollo already identified specific merger or acquisition targets it intends for MediPharm to pursue? Are such merger candidates connected with any of the Dissident Nominees or their affiliates or associates?
- 4) Do the Dissident Nominees, and particularly those who have been directly involved with Check-Cap, have a track record that qualifies them to take control of another public company, in particular one in a highly specialized sector?
- 5) Do Apollo and its Dissident Nominees have a better plan in place for MediPharm, as compared to the overlapping group that took control of Check-Cap?

### **Additional Background Information on the Events at Check-Cap**

To supplement the information provided above, a selected summary of developments at Check-Cap over the past two years follows.

- Check-Cap is an Israel-based company whose trials of its colorectal cancer screening test did not meet expectations, causing the Check-Cap Board to announce its intention to pursue strategic options in June 2023.
- In July 2023, Symetryx announced a non-binding proposal to acquire Check-Cap, identifying Check-Cap's \$37.4 million cash balance as the basis for the company's valuation. Symetryx requested immediate engagement with the Check-Cap Board, but did not respond to an email sent by Check-Cap's chairman on August 10, 2023 to propose a conversation.
- Check-Cap entered into the Keystone Transaction on August 16, 2023, subject to the approval of Check-Cap shareholders.
- Symetryx outlined its opposition to the Keystone Transaction in a news release dated October 17, 2023. Issues identified by Symetryx included, among other things, a lack of synergies, an inflated valuation, and Check-Cap's cash burn rate. Symetryx put forward a list of five directors it planned to nominate to replace the existing Check-Cap board.
- On October 19, 2023, Check-Cap responded with a letter to shareholders which described an extensive bidding process lasting several months and involving outreach by an independent advisor to 150 companies, 42 non-binding proposals and detailed discussions with six prospective merger partners. The letter said that the selected partner, Keystone Dental Holdings, had generated revenue of \$61 million in 2022 and \$33.4 million in the first half of 2023.



- On December 18, 2023, Check-Cap shareholders voted in favour of all five directors nominated by Symetryx, voted against the Keystone Transaction, and voted against a reverse share split.
- In a December 22, 2023 news release thanking Check-Cap shareholders for supporting its bid, Symetryx president Barry Shiff commented: “We believe, as many of our fellow shareholders do, that there is tremendous upside potential at [Check-Cap]. We encourage the newly constituted [Check-Cap] Board to identify a more appropriate merger candidate.”
- During the month of January 2024, Check-Cap, now under the control of the new Check-Cap Board, announced the resignation of four of the five directors elected at the shareholder meeting the previous month. The fifth was removed in April 2024.
- Check-Cap’s auditors resigned in February 2024 due to “certain control concerns that arose during the first quarter of 2024 within the company.”
- On March 25, 2024, Check-Cap announced the Check-Cap Nobul Merger. In the news release, Check-Cap’s Chairman Paul Medeiros, who had been appointed to the Check-Cap Board on January 21, 2024 (four days earlier than the other three newly appointed directors), said the transaction followed a “comprehensive and thorough review of strategic alternatives.” There was no reference in the announcement to Symetryx owning shares of Nobul.
- On April 1, 2024, Check-Cap’s largest shareholder and its director filed a Schedule 13D with the SEC describing a number of concerns about the state of affairs at Check-Cap. These included “chaotic turnover in leadership,” the resignation of the auditor, and Check-Cap’s “alarming cash-burn rate.” The shareholder’s issues with the Check-Cap Nobul Merger also included, “the large potential payout to Nobul if [Check-Cap’s] shareholders do not approve the [BCA] and related transactions, and the process for [Check-Cap’s] negotiation and entry into the [BCA], considering, among other things, that Nobul appears to be a portfolio company of Symetryx Corporation.” Several days later, that shareholder entered into a support agreement and committed to voting in favour of the Check-Cap Nobul Merger.
- On July 28, 2024 and September 8, 2024, Check-Cap’s Board approved a loan agreement for a \$6 million loan to Nobul. The Check-Cap Board also approved the amendment to the BCA with Nobul, with the specific purpose of enabling the loan and obligating Check-Cap to deposit \$11 million into a segregated account in order to fund Nobul’s growth initiatives. The funds appear to have been transferred to an account held by RBC in Toronto under the name “Nobul AI Corp.” in August 2024. Check-Cap did not disclose any consideration received from Nobul in return for this generous and unconventional gesture.



- The funds loaned or approved for eventual transfer to Nobul represented the vast majority of the approximately \$18 million of cash Check-Cap had on hand at June 30, 2024. This issue was compounded by the fact that Check-Cap had incurred an approximately \$6.8 million operating loss in the first half of 2024. We are unable to determine how much cash was remaining at the end of 2024, as Check-Cap, with Dissident Nominee Alan D. Lewis II as CFO, recently announced it was unable to meet its deadline for filing year-end financial results.
- Nobul amalgamated with Apollo on August 26, 2024. We can find no record of this amalgamation having been disclosed to Check-Cap shareholders, who may continue to be under the impression that their company is planning to merge with an entity that no longer exists in the form described to them.
- On October 7, 2024, Check-Cap received a derivative claim against its directors and Nobul. The claim relates to “corporate governance issues and entity level control, including issues relating to the appointment of certain board members, the validity of certain board decisions, and questions related to the legality of the [BCA governing the Check-Cap-Nobul Merger] and certain cash transactions and whether such transactions are in [Check-Cap’s] best interest.” Check-Cap said the derivative action is frivolous and it will vigorously defend itself.
- Since January 2024, seven different directors have resigned from Check-Cap’s five-person board (including three who purportedly resigned for “personal reasons” on the same day, and another who resigned one day after being appointed), and an eighth was removed by shareholder vote following a request by Symetryx for his removal, notwithstanding that he was included as a proposed director put forth by Symetryx at the December 18, 2023 meeting of shareholders.
- Check-Cap has also experienced unusually high turnover at the CEO and CFO positions during the same period. In less than 1.5 years, at least three individuals have held the CEO or equivalent title and four individuals have held the CFO title (not including one CEO and one CFO who were each appointed but apparently never held the respective positions).
- Check-Cap’s share price history is illustrative of the effect on shareholder value of the events described above. Its closing share price on May 22, 2025 was \$0.85. This compares to a share price of \$2.47 on March 26, 2024 after the Check-Cap-Nobul Merger was announced, and \$2.36 on December 19, 2023 after the previous board was unseated. Check-Cap’s share price was \$2.35 on August 17, 2023 following the announcement of the Keystone Transaction which Symetryx fought to prevent.
- Nasdaq has twice notified Check-Cap that its shares are subject to potential delisting because they have traded below the minimum \$1.00 bid price for more than 30 days. The



reverse share split proposed by the previous Check-Cap board at the December 2023 shareholder meeting and successfully opposed by Symetryx may have prevented or delayed the shares falling below the \$1.00 threshold required to maintain its Nasdaq listing.

- To the Company's knowledge, Check-Cap has not updated its shareholders on the status of the Check-Cap Nobul Merger since the initial announcement, other than to disclose the derivative action, the amendment to the BCA to allow for the transfer of cash to Nobul described above, as well as further updates with regards to the transfer of cash. In fact, there is no indication that Check-Cap has issued a single news release since March 25, 2024.

The MediPharm Board urges its shareholders to exercise a high level of caution before considering voting for the same group of individuals responsible for the failures at Check-Cap to run the Company, and to treat any statements or promises made by the Dissident Nominees with a high level of skepticism.

### **Vote for the Highly Qualified MediPharm Nominees**

In light of the concerns raised by multiple parties in litigation with Mr. McGee, as well as the issues the Company has raised in previous news releases about the qualifications and suitability of the Dissident Nominees collectively, MediPharm urges shareholders to vote only using the **GREEN** proxy or GREEN voting instruction form in support of all of the Company's nominees and resolutions.

To ensure your vote is counted, shareholders are encouraged to proactively contact their broker to obtain their 16-digit control number associated with the GREEN management proxy. Once received, you can cast your vote by visiting [www.medipharmlabsagm.com](http://www.medipharmlabsagm.com).

You may receive materials or outreach from the dissident — please disregard any such communications and vote only using the GREEN proxy in support of the Company's nominees.

### **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)

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**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, any impacts to MediPharm shareholders of the actions relating to the Dissident Nominees described herein, and any outcomes resulting from the circumstances and information cited herein. 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.