

**Form 51-102F3  
Material Change Report**

**Item 1. Name and Address of Company**

MediPharm Labs Corp. (the “Company”)  
151 John Street  
Barrie, Ontario  
L4N 2L1

**Item 2. Date of Material Change**

December 16, 2024

**Item 3. News Release**

A news release with respect to the material change was disseminated by the Company on December 17, 2024 through Cision (the “News Release”). A copy of the News Release was subsequently filed under the Company's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and is attached hereto as Schedule “A”.

**Item 4. Summary of Material Change**

The Company has entered into a share purchase agreement dated December 16, 2024 (the “Purchase Agreement”) for the purchase and sale of its facility in Napanee, Ontario (the “Napanee Facility”) through a disposition of all of the Company’s indirect equity interests in its wholly-owned subsidiary ABCann Medicinals Inc. (“ABCann”) to Kensana Health Inc. (“Kensana Health”) for \$5.5 million in cash (the “Transaction”). If the Transaction is successfully completed, through its acquisition of ABCann, Kensana Health will acquire the license in respect of the Napanee Facility as well as the building, land, and equipment associated with the Napanee Facility. Current commercial agreements and activities of ABCann will stay with the Company.

The Transaction is expected to close by January 1, 2025, subject to customary closing conditions and receipt of all necessary approvals, as applicable.

A copy of the Purchase Agreement is available under the Company's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 5.1. Full Description of Material Change**

See the full text of the News Release attached hereto as Schedule “A”.

**Item 5.2. Disclosure for Restructuring Transactions**

Not applicable.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

Greg Hunter  
Chief Financial Officer  
Telephone: 416-913-7425  
Email: [investors@medipharmlabs.com](mailto:investors@medipharmlabs.com)

**Item 9. Date of Report**

December 24, 2024

**Schedule "A"**

See attached.



# MediPharm Labs to Sell its Napanee Facility to Kensana Health for \$5.5M

TORONTO, Dec. 17, 2024 /CNW/ - MediPharm Labs Corp. (TSX: LABS) (OTCQX: MEDIF) ("MediPharm", "MediPharm Labs" or the "Company") and Kensana Health Inc. ("Kensana Health") are pleased to announce that they have entered into a share purchase agreement (the "Purchase Agreement") for the purchase and sale of MediPharm's facility in Napanee, Ontario (the "Napanee Facility") through a disposition of all of the Company's indirect equity interests in its wholly-owned subsidiary ABCann Medicinals Inc. ("ABCann") to Kensana Health for \$5.5 million in cash (the "Transaction").

Pursuant to the Purchase Agreement, Kensana Health has agreed to acquire all of the issued and outstanding shares in the capital of ABCann from the Company's operating subsidiary MediPharm Labs Inc. If the Transaction is successfully completed, through its acquisition of ABCann, Kensana Health will acquire the license in respect of the Napanee Facility as well as the building, land, and equipment associated with the Napanee Facility. Current commercial agreements and activities of the Company will stay with MediPharm Labs.

As part of the transactions contemplated by the Purchase Agreement, MediPharm Labs and Kensana Health will form a strategic partnership following the closing of the Transaction (the "Closing"), through the execution of a comprehensive supply and services agreement, leveraging MediPharm's advanced Good Manufacturing Practices ("GMP") manufacturing capabilities. Under this partnership, Kensana Health has agreed to supply select products and services to augment MediPharm's international brands and to support the Company's growing international customer base.

This strategic Transaction aligns with MediPharm's focus on streamlining its operations and maximizing value for stakeholders. This Transaction is also expected to further complement the Company's already strong cash position and combined with the materially debt-free balance sheet, allow the Company to invest in future growth opportunities.

David Pidduck, CEO of MediPharm Labs, commented, "This Transaction reflects our commitment to enhancing operational efficiency while fostering strong partnerships that expand our global reach. By monetizing non-core assets and securing a strategic supply and services agreement, we are looking to ensure that MediPharm is well-positioned to continue delivering high-quality, GMP-certified cannabinoid solutions to our valued partners and customers worldwide."

For Kensana Health, the Transaction is expected to support its ongoing United States Food and Drug Administration ("FDA") registration process for its novel topical chronic wound treatment, with plans for subsequent approvals in Europe, U.K., Canada, the Middle East, Pacific Rim and Australia. Early research results have shown promising outcomes, with successful wound closure in patients who had previously failed standard treatments for over six months. Additional successful outcomes have been demonstrated across various wound types.

Ken Clement, CEO and Founder of Kensana Health commented, "As the original founder of ABCann in 2012, I am very grateful to the MediPharm team for facilitating the opportunity for Kensana Health to complete this acquisition."

Clement goes on to say, "This acquisition represents our commitment to advancing phytopharmaceutical development, specifically targeting severe medical conditions with significant unmet needs. This is a strategic move to expand our pharmaceutical manufacturing capabilities for multiple plants, and not just phytocannabinoids."

The Transaction is expected to close by January 1, 2025, subject to customary closing conditions and receipt of all necessary approvals, as applicable.

## About Kensana Health

Kensana Health is a Canadian private company with global operations. Kensana Health is a unique hybrid biotechnology company with an experienced team within the pharmaceutical industry, including world renowned experts in plant-based medicines, as well as chronic wounds. Following the principles of Environmental, Social, and Governance (ESG), Kensana Health was built on a vertically integrated model, allowing for the control of all aspects of the supply chain. Kensana Health is able to simultaneously generate revenue with their proprietary and patent-protected phytopharmaceutical formulations while Kensana Health moves forward towards achieving multiple full drug registrations globally.

Chronic wounds affect approximately 6.5 million patients in the United States alone, with an annual cost burden exceeding \$100 billion; the global chronic wound market is more than \$300 billion.<sup>(1)(2)</sup> These wounds have been shown to significantly impact patients' quality of life, mobility, and independence, often leading to prolonged hospitalization and increased mortality rates. Calciphylaxis, in particular, carries a mortality rate of up to 80% within 12 months of diagnosis.<sup>(3)</sup>

Kensana Health is currently preparing for BEAT-Calci (Better Evidence and Translation for Calciphylaxis), an international Phase III adaptive platform trial, in collaboration with the University of Sydney's Clinical Trial Centre. This trial is designed to meet FDA registration requirements and advance the treatment of this condition.

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

## 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; the strategic partnership between MediPharm and Kensana Health; the strategic benefits of the Transaction and the Company's partnership with Kensana Health; the impact of the Transaction on the Company's balance sheet; the Company's ability to invest in future growth opportunities; the impact of the Transaction on Kensana Health's ongoing FDA registration process for its novel topical chronic wound treatment, and its plans for subsequent approvals in Europe, U.K., Canada, the Middle East, Pacific Rim and Australia; the results of early research conducted by Kensana Health in respect of its novel topical chronic wound treatment; Kensana Health's plans to expand its pharmaceutical manufacturing capabilities for multiple plants, including phytocannabinoids; Kensana Health's plans to initiate an international Phase III adaptive platform trial; the trial meeting FDA registration requirements and advancing the treatment of calciphylaxis; the growth of the Company's international customer base; the global demand for GMP-certified cannabinoid medicines; 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 inability of MediPharm Labs or Kensana Health 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](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.

## Notes:

- (1) Sen, C.K., 2019. Human wounds and its burden: an updated compendium of estimates. *Advances in wound care*, 8(2), pp.39-48.
- (2) Queen, D. and Harding, K., 2023. What's the true costs of wounds faced by different healthcare systems around the world?. *International Wound Journal*, 20(10), p.3935.
- (3) Fine, A. and Zacharias, J., 2002. Calciphylaxis is usually non-ulcerating: risk factors, outcome and therapy. *Kidney international*, 61(6), pp.2210-2217.

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<https://www.prnewswire.com/news-releases/medipharm-labs-to-sell-its-napanee-facility-to-kensana-health-for-5-5m-302333687.html>

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