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Company Announcements Office
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MEDLAB EXECUTES HEADS OF AGREEMENT WITH ARROTEX (AUSTRALIA'S LARGEST GENERIC/ OTC SUPPLIER) TO ACCELERATE NANOCBD™ ACCESS TO AUSTRALIAN PHARMACY

- **Development positions NanoCBD™ for pharmacist only medicines schedule (S3)**
- **Medlab's pharmaceutical standards of safety, stability and dose specifics primed for fast application to TGA registration**
- **NanoCBD™ significantly differentiated by Medlab's proprietary delivery platform, NanoCelle®**

Medlab (ASX: MDC, Medlab, the Company), a biotech company with a portfolio of novel medicinal candidates enhanced by its delivery platform and used for the treatment of chronic pain and disease, is pleased to announce the execution of an Australian exclusive non-binding Heads of Agreement (HoA) with Arrotex Australia Group Australia Pty Ltd (Arrotex) for the development and distribution of its proprietary cannabinoid formulation NanoCBD™ for Australian Pharmacies

The HoA is the first partnership between a pharma and a biotech investigating medical cannabis in Australia and sets Medlab apart in a market that is adjusting to new opportunities presented by over the counter (OTC) sales of eligible TGA approved medicines.

Dr Sean Hall, CEO of Medlab states, "This is a major milestone for both the Australian market and the budding partnership between Medlab and Arrotex. Unlike many CBD producers, Medlab can deliver to the pharmaceutical standards required for TGA approval and this partnership will now enable direct application into clinical practice through Arrotex's extensive network. There is a clear alignment within both companies to deliver a superior, approved CBD product to Australian patients."

The intent of the HoA is to develop a fast track for the clinical package required for final lodgement of an application via the TGA for a near future Scheduled 3 (S3) or pharmacist only medicines schedule approved pharmaceutical.

Arrotex is Australia's largest generic pharmaceutical and private label over the counter (OTC) medicines company with extensive experience in the TGA application process. Supported by the largest sales force in the Australian pharmaceutical industry, the company supplies the medicines which make up 85% of all prescriptions written by Australian doctors and found in every Australian pharmacy.

Dennis Bastas, Chairman & CEO of Arrotex states "We recognise the significant opportunity the down-schedule of CBD to pharmacist only medicines schedule represents for both Patients and Pharmacy, and as the largest dispensary and OTC supplier in Australia, we believe Arrotex is best placed to deliver this to Community Pharmacy. Critically, it will be important that this

opportunity is realised via the availability of highly efficacious, quality CBD formats, so we are excited to be pursuing this opportunity with Medlab, one of the leading innovators in this space”.

Medlab is in a unique position to deliver the pharmaceutical standards of safety, stability, dose specifics and consistency that is a pre-requisite of delivering pharmacist only medicines schedule approval.

Furthermore, the chemistry, manufacturing and control standards to ensure a consistently stable, standardised and purified product can be applied from development of NanaBis™, Medlab’s THC:CBD formulation, recently FDA IND approved to commence a Phase III study.

Kos Sclavos AM a clinical pharmacist specialising in the medical cannabis market states “The protocols that are being developed through this collaboration will ensure pharmacists dispense the specific CBD formulation for the approved indications. In addition, the patient’s individual circumstance will be reviewed. The protocols will also include referral pathways to doctors. Pharmacists look forward to supporting their patients”.

“A key differentiator of NanoCBD™ is the proprietary delivery platform NanoCelle® that provides faster and more effective absorption of active ingredients into the bloodstream, without the need for needles or pills. It is a commercially viable platform that offer unique opportunities for partnering with some of the biggest players in the pharma industry.” Says Dr Sean Hall

It is expected that the definitive agreement including commercial terms will be conclude on or before 1 July 2021, with the companies currently actively engaged on various fronts, inclusive of regulatory, risk and clinical trials evidence requirements.

More information about Arrotex can be found at www.arrotex.com.au.

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Authorisation & Additional information

This announcement was authorised by the Board of Directors of Medlab Clinical Limited.

About Medlab – www.medlab.co

Medlab Clinical is an Australian based medical life science company, developing therapeutic pathways for diagnosed chronic diseases. It is advanced in developing therapies for pain management, depression and obesity as well as earning revenue from sale of nutritional products in Australia and the United States. In pain management Medlab is developing cannabis-based medicines. The Medlab developed nano-particle medicine delivery system, NanoCelle™ is being applied to its medicines, nutritional products and off-patent pharmaceuticals like statins, Medlab has a growing patent portfolio.

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