

April 28, 2020



## Khiron Provides Update on Filing of its 2019 Year End Results

- Company filing date moved from April 29 to estimate of May 1 to allow auditors to complete audit delayed as a result of COVID-19 situation
- Filing extension provided by Ontario Securities Commission on March 23, 2020 in response to COVID-19 pandemic

TORONTO, April 28, 2020 /PRNewswire/ - Khiron Life Sciences Corp. ("Khiron" or the "Company") (TSXV: [KHRN](#)), (OTCQX: KHRNF), (Frankfurt: A2JMZC), a vertically integrated cannabis leader with core operations in Latin America, announces that it will delay the filing of its audited financial statements and accompanying management's discussion and analysis for the year ended December 31, 2019 and is relying on the filing extension provided by the Ontario Securities Commission on March 23, 2020, in response to the COVID-19 pandemic. The relief measures are contained in Ontario Instrument 51-502 entitled "*Temporary Exemption from Certain Corporate Finance Requirements*" (the "Exemption").



While the Company prepared for and expected that its 2019 year-end financial results would be released by the April 29, 2020 filing deadline, it was informed by the Company's independent auditors, MNP LLP ("MNP"), that they are unable to complete the audit in time for the filing deadline due to delays caused by the COVID-19 situation. MNP is working diligently to complete the audit and the Company estimates that its financial statements and management's discussion and analysis will now be filed on May 1, 2020.

The Exemption provides, among other relief, a 45-day extension of the deadline for certain filings required to be made on or prior to June 1, 2020, subject to certain conditions, including the issuing and filing on SEDAR of a press release in advance of the filing deadline, including certain prescribed information. Khiron will be relying on the Exemption in respect of the filing of its financial statements and management's discussion and analysis and related CEO and CFO certifications for the year ended December 31, 2019.

## **Blackout in Effect for Management and Other Insiders**

The Company also confirms that its management and other insiders are subject to an insider trading black-out policy that reflects the principles in section 9 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* ("National Policy 11-207"). Consistent with National Policy 11-207, management and insiders of Khiron are prohibited from trading the securities of the Company until the second trading day after the filings have been disclosed by way of a news release.

## **Material Business Developments**

In order to rely on the Exemption, companies are also required to provide an update of any material business developments since the filing of their last financial reports. The Company is providing the following update since the filing of its financial results for the quarter ended September 30, 2019:

### Operations

- In March 2020, Khiron became the first company to commercialize medical cannabis in Colombia. On March 20, 2020, the Company received certification of Good Elaboration Practices for Magistral Preparations with Cannabis (GEP). As a result, the Company is now fully authorized to manufacture high- and low-THC magistral preparations in Colombia and to dispense prescriptions of full-spectrum, high CBD formulations. The Company anticipates that it will also be fully authorized to fulfill prescriptions and dispense psychoactive (high-THC) medical cannabis once the pharmacies are authorized by the Narcotics National Fund (FNE).
- The Company announced on February 26, 2020 that it had received commercial cultivation quotas from the Colombian Technical Quotas Group ("TQG"), to cultivate 9.3 tons of psychoactive cannabis for national and export purposes in 2020, representing 17% of Colombia's total production quota for 2020. Out of the total of 9.3 tons, 50% is designated for Colombian domestic distribution, while 50% is designated for international export purposes to countries that include Peru, Uruguay and Brazil. The Company was subsequently granted quotas from TQG on March 1, 2020, which authorize the Company to manufacture high THC, whole-plant extracts of cannabis for both domestic distribution and international export. The Company's cultivation and laboratory facilities in Ibagu e, Colombia remain fully operational during the COVID-19 pandemic, under an exemption from the Government of Colombia as an essential service.
- Khiron's clinics, including ILANS and the recently launched, 15,000 sq. ft. Zerenia clinic in Bogota's medical services district, continue to operate under an essential services exemption from the Government of Colombia, with appropriate safety procedures in place. While certain invasive procedures such as neurosurgeries have been suspended, Khiron continues to provide clinical and prescribing services via a combination of in person, in home and telemedicine consultations to ensure continuity of treatment for its network of over 120,000 patients. The Company has also implemented home delivery services to ensure patients can continue to receive their prescriptions for medical cannabis and other drugs.
- As recently announced on April 22, 2020, Khiron has entered into a sales and distribution agreement with Locatel, a pharmacy, healthcare products, and medical equipment retailer with a database of over 2 million patients in Colombia to bring Khiron's medical cannabis products to Locatel's pharmacies and medical equipment

stores in Bogota and Cartagena.

- Khiron announced on April 3, 2020 that it had finished the 2019 calendar year with approximately \$36 Million CAD in cash and working capital. The Company continues to focus on liquidity measures announced on March 20, 2020 during the current period of economic instability, including the following:
  - Uruguay: The Company has decided to suspend construction of cultivation assets in Uruguay for the time being.
  - Wellness/CPG: The Company is significantly reducing sales and marketing spending for Kuida in the European and US markets. The Company intends to continue its current marketing efforts in Colombia.
  - Dixie JV: The Company and Dixie Brands Inc. ("Dixie") have terminated the joint venture that was announced on January 30, 2019, due to the planned merger of Dixie with BR Brands, LLC, announced by Dixie on March 9, 2020.

#### Normal Course Issuer Bid

- To date, Khiron has re-purchased for cancellation, 511,500 shares of the Company pursuant to the Normal Course Issuer Bid (the "NCIB") announced by the Company on February 11, 2020, pursuant to which the Company may repurchase, for cancellation, up to 5,830,615 common shares of the Company ("Shares"), representing approximately 5% of the Company's presently issued and outstanding Shares.

#### Changes to Board of Directors and Audit Committee

- Joseph Mimran has resigned as director of the Company's subsidiary, Khiron Colombia S.A.S. ("Khiron Colombia") effective April 28, 2020, to focus on other commitments. The Company thanks Mr. Mimran for his contribution to Khiron Colombia and wishes him well in his other endeavors.
- Following the previously announced resignation of Sidney Himmel from Khiron's Board of Directors and as Chair of the Audit Committee effective November 29, 2019, Deborah Rosati was appointed as a director of the Company and as Chair of the Audit Committee. Alvaro Torres, Khiron's CEO, was appointed as Interim Chair of the Board until Mr. Himmel's successor was appointed. The Company's search for a new independent director and member of the audit committee has been delayed due to COVID-19. Mr. Torres was appointed to fill the vacancy on the Audit Committee effective April 22, 2020.

#### **About Khiron Life Sciences Corp.**

Khiron Life Sciences Corp. is the dominant integrated medical cannabis company in Latin America. Khiron has core operations in Latin America, along with activity in North America and Europe, and is licensed in Colombia for the cultivation, production, domestic distribution, and international export of both tetrahydrocannabinol (THC) and cannabidiol (CBD) medical cannabis. The Company delivers best in class regulatory compliance, has the first approved line of CBD cosmetic products on shelf in Colombia, and is fully authorized to manufacture high- and low-THC medical cannabis, and to fill prescriptions for low-THC medical cannabis in the country.

With a focused regional strategy and patient oriented approach, the Company combines global scientific expertise, agricultural advantages, branded product market entrance

experience and education to drive prescription and brand loyalty to address priority medical conditions such as chronic pain, epilepsy, depression and anxiety in the Latin American market of over 620 million people. The Company is led by Co-founder and Chief Executive Officer, Alvaro Torres, together with an experienced executive team, and a knowledgeable Board of Directors that includes former President of Mexico, Vicente Fox.

Visit Khiron online at [www.khiron.ca](http://www.khiron.ca) and on Instagram @khironlife

## **Cautionary Notes**

### ***Forward-Looking Statements***

This press release may contain certain "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. All information contained herein that is not historical in nature may constitute forward-looking information. Khiron undertakes no obligation to comment analyses, expectations or statements made by third-parties in respect of Khiron, its securities, or financial or operating results (as applicable). Although Khiron believes that the expectations reflected in forward-looking statements in this press release are reasonable, such forward-looking statement has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond Khiron's control, including the risk factors discussed in Khiron's Annual Information Form which is available on Khiron's SEDAR profile at [www.sedar.com](http://www.sedar.com). The forward-looking information contained in this press release is expressly qualified by this cautionary statement and are made as of the date hereof. Khiron disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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