

November 30, 2020



Khiron Reports Third Quarter 2020 Financial Results

- Company surpassed 5,600 patient prescriptions for its medical cannabis products in Colombia. Prescriptions filled increased over 450% in Q3 2020 over Q2 2020
- Khiron declared a National Strategic Project by the Government of Colombia, simplifying and accelerating administration and processes for the Company in executing strategic projects in Colombia and for export
- Subsequent to the quarter, the Company completed a bought deal financing on November 26, 2020, selling 32,200,000 units at a price of \$0.45 per unit for aggregate gross proceeds of \$14,490,000 CAD
- Khiron signed partnerships with 15 clinics and health centres in Colombia, extending education and sales reach further across the country
- As a result of the Company's Doctor Zerenia™ telehealth platform more than 25% of the Company's medical cannabis prescriptions came from outside of Bogota, expanding geographic presence of its Colombian clinics
- Company achieved first sales of High CBD medical cannabis through private pharmacies in Peru. Additional approval received from Peru's drug regulatory authority for Company's High THC cannabis, with first prescriptions anticipated in Q1 2021
- Expanded medical cannabis E-Learning platform to UK market in partnership with Medical Cannabis Clinicians Society ("MCCS")
- Entered an exclusive partnership with Rappi SAS, Latin America's largest home multi-vertical app platform to distribute the Company's CPG product portfolio, introducing Kuida products to Rappi users across the LatAm region
- Signed agreement to distribute the Company's Kuida™ CBD skincare brand through pharmacy, beauty retail and online markets serving the Hong Kong territory, with first orders expected in Q4 2020
- Prudent cash use of \$5 million in Q3 2020, compared with \$4 million in Q2 2020, \$12 million in Q1 2020 and \$10 million in Q4 2019

TORONTO, Nov. 30, 2020 /CNW/ - 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 and Europe, announced today its financial results for the quarter ended September 30, 2020. These filings are available for review on the Company's SEDAR profile at www.sedar.com All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.



Summary of Key Quarterly Financial Results

<i>Canadian dollars</i>	3 Months ended Sept 30 2020	3 Months Ended Sept 30 2019	9 Months ended Sept 30 2020	9 Months Ended Sept 30 2019
	\$	\$	\$	\$
Revenues ('000s)	1,928	2,773	5,499	7,072
Gross profit before fair value adjustments ('000s)	323	593	1,079	1,388
General and administrative costs ('000s)	(5,341)	(4,330)	(15,719)	(12,264)
Net loss ('000s)	(6,715)	(10,621)	(21,665)	(28,143)
Adjusted EBITDA ⁽¹⁾ ('000s)	(4,706)	(5,438)	(14,426)	(18,162)
Net loss per share (basic and diluted)	(0.06)	(0.09)	(0.19)	(0.29)
Weighted average shares outstanding ('000s)	117,644	113,997	116,937	97,448

1. Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization or in this case loss) is a non-IFRS measure calculated as net loss before tax as reported under International Financial Reporting Standards and adding back share-based compensation, fair value adjustments on biological asset, transaction fees, depreciation, interest expense and non-recurring items. Refer to the Company's MD&A for a reconciliation.

Discussion of Operations for the Three Months Ending September 30, 2020

The Company recorded a net loss of \$6.7 million in the third quarter of 2020. This compares to a net loss of \$10.6 million in the prior year third quarter. On an adjusted EBITDA basis Q3 2020 was a \$4.7 million loss compared to the adjusted loss of \$5.4 million in Q3 2019 (see *Adjusted EBITDA* for calculation).

Q3 2020 and the impact of COVID-19 – starting in March 2020, the Company's health centres experienced a decline in patient visits due to the Colombian government's strict quarantine regulations which required the Company to limit the number of patient visits and suspend surgeries. During Q3 2020, following the launch of teleconsultation services in April 2020 and the resumption of surgeries in May 2020, the number of patient services increased and have now surpassed levels observed at the beginning of the year, including complex services such as surgeries. The Company experienced a 12% increase in service revenues from Q2 2020. The Company experienced a 34% decline in service revenues in Q3 2020 compared to Q3 2019. The Company has maintained the cost cutting measures implemented during the second quarter.

Throughout Q3 2020, the Company sold increasing levels of both low- and high-THC medical cannabis through its health centres in Colombia and pharmacy partners. Revenue contributions were \$0.1 million in the quarter, a 514% increase from Q2 2020 as prescriptions and sales accelerated on a weekly basis. Cultivation is increasingly focused on growing for commercial sales purposes and less on research and development. In Q3 2020, the Company capitalized \$0.3 million in operating costs to inventory and recorded its fair

value gain on biological assets of \$0.6 million.

Management Commentary

"We have remained fully focused on our sales execution strategy in Q3, while continuing to prudently manage our cash position. Despite the significant impact of the global COVID-19 pandemic we have been able to advance across key sales metrics with our Colombian clinic services returning to pre-pandemic levels of 9,500 monthly consultations and surpassing 5,600 Khiron medical cannabis prescriptions filled. We welcome the rapid adoption of our Doctor Zerenia™ telehealth services which accounted for 55% of prescriptions through the end of October, including 25% from outside of Bogota. These are significant advancements in our Colombian business and provide us with proprietary data and experiences that we can adopt as we increase revenue opportunities and utilize towards improving the quality of lives of patients in Latin America," comments Alvaro Torres, Khiron CEO and Director.

Webcast and Q&A

Khiron invites individual and institutional investors, as well as advisors and analysts, to attend a webcast and Q&A to discuss the Company's Q3 2020 financial statements and further activities.

DATE: Tuesday, December 1, 2020

TIME: 10:00am EST/7:00am PST

PRESENTERS: Alvaro Torres, CEO and Director, Joel Friedman, CFO, and Chris Naprawa, Chairman

FORMAT: Live 20 minutes presentation and Q&A session

REGISTER LINK:

<https://event.on24.com/wcc/r/2819768/9328DB919FFBB024F2CF5F4F5119285E>

About Khiron Life Sciences Corp.

Khiron is a vertically integrated medical and CPG cannabis company with core operations in Latin America, and operational activity in Europe and North America. Khiron is the leading cannabis company in Colombia and the first company licensed in Colombia for the cultivation, production, domestic distribution, and international export of both low and high THC medical cannabis products. The Company has presence in Mexico, Peru, Uruguay, Brazil, UK, Spain and Germany, where it is positioned to begin sales of medical cannabis.

Leveraging its first-mover advantage, and patient oriented approach, Khiron combines global scientific expertise, product innovation, agricultural infrastructure, wholly-owned medical clinics, and online doctor education programs to drive prescription and brand loyalty to address priority medical conditions. Its Wellbeing unit launched the first branded CBD skincare brand in Colombia, with Kuida™ now marketed in multiple jurisdictions in Latin America, the US and UK. The Company is led by Co-founder and Chief Executive Officer, Alvaro Torres, together with an experienced and diverse executive team and Board of Directors.

Visit Khiron online at www.khiron.ca, investors.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 on 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. The forward-looking information contained in this press release is expressly qualified by this cautionary statement and is 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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