

August 26, 2019



Khiron Life Sciences Reports Second Quarter Fiscal 2019 Financial Results

- Advances multi-country operator strategy with acquisition of NettaGrowth, securing first medical THC and CBD cannabis license and cultivation capacity in Uruguay, and potential for access to Brazilian market
- Closes \$28,751,035 bought deal financing, including full exercise of over-allotment option
- Completed the quarter with \$55.8 million in cash
- Expands distribution for Kuida cosmeceutical brand, signing distribution agreements with Fedco, Linio, Cafam – large consumer distribution channels in Colombia. Subsequent to the quarter signed distribution agreement with Grupo Exito, one of South America's market leading retail groups. Khiron has now signed distribution agreements for at least 190 stores across various retailer channels and partners in Colombia
- Subsequent to the quarter secured TSXV approval to bring Kuida to the U.S. market through Company JV with Dixie Brands
- Transitioned and integrated ILANS clinics to progressively stronger margins, and subsequent to the quarter launched fixed fee pilot program with EPS SURA, a leading Colombian insurance provider, and 450 of its patients
- Completed construction and commenced operations of cultivation, extraction, and analysis facilities near Ibague, Colombia. Khiron has a total of 22 cannabis strains registered and commercial production of CBD medical products is expected in September, 2019

TORONTO, Aug. 26, 2019 /PRNewswire/ - Khiron Life Sciences Corp. ("Khiron" or the "Company") (TSXV:KHRN, OTCQB:KHRNF), a cannabis company with core operations in Latin America announced today its financial results for the second quarter ended June 30, 2019. 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 financial results

<i>(Canadian dollars)</i>	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Revenues	2,207,680	-	4,298,657	-
Gross profit	381,719	-	794,477	-
Net loss	10,645,726	6,207,151	18,649,465	8,121,747
Adjusted EBITDA ⁽¹⁾	7,704,965	5,031,042	14,022,527	6,830,296
Net loss per share (basic and diluted)	0.11	0.15	0.21	0.22
Weighted average shares outstanding	95,973,144	40,566,495	87,807,867	36,827,902

- Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization or in this case loss) is a non-GAAP measure calculated as net loss as reported under International Financial Reporting Standards and adding back share-based compensation expense, transaction fees and depreciation.

Discussion of operations for three months ended June 30, 2019

The Company recorded a net loss for the three months ended June 30, 2019 of \$10.6 million (\$0.11 per share) compared to a net loss of \$6.2 million for the same period in 2018. Adjusted EBITDA, which excludes mostly non-cash items, was \$7.7 million for the three months ended June 30, 2019.

Revenues of \$2.2 million were recognized from the sale of services at its clinics and sale of its cosmeceutical products, both of which commenced in the fourth quarter of 2018. Revenues were in line with expectations and gross profits were consistent with the first quarter of 2019. The Company continues to focus on strengthening margins by rebalancing the services of the clinics to focus on higher margin and/or higher volume services.

Adjusted EBITDA was a loss of \$7.7 million for the second quarter of 2019, which was \$2.7 million higher than the prior year second quarter largely due to the growth of the business and readiness to grow in multiple countries. In addition, the Company incurred \$1.1 million in research and development costs in the second quarter of 2019 which were related to operating costs at the Company's cultivation site.

Management Commentary

Alvaro Torres, Khiron CEO and Director, commented: "We are pleased to report significant progress during the Q2 financial reporting period, including revenue generation, expansion of our Kuida cosmeceutical retail network, a growing and more profitable patient base at our ILANS clinics, closing of a \$28.75 million bought deal and commencement of full operations at our completed Colombia lab facilities."

Mr. Torres continues, "We are about to commence commercialization of our CBD strains of cannabis for medical purposes and subsequent to the quarter have received TSXV approval to bring Kuida to the U.S. market. As we strengthen our position in other jurisdictions, including Europe, to be ready for business as regulations open for us, our leadership, research, medical and operational teams continue to be fully focused towards our mission to be a Latin American cannabis leader with global growth."

About Khiron Life Sciences Corp.

Khiron Life Sciences Corp. is positioned to be the dominant integrated cannabis company in Latin America. Khiron has core operations in Latin America and is fully 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 set of CBD cosmetic products on shelf in Colombia, and is currently facilitating testing to meet and surpass all license requirements for commercial cannabis derived products.

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.

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. 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

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Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

Further information in respect of the Company can be found at www.khiron.ca.

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