

Khiron and Dixie Receive Conditional TSXV Approval for Roll-Out of Kuida Cosmeceutical Line in U.S. Market and Cannabis-Infused Products in Latin America

- Khiron receives conditional TSXV approval for Latin American joint venture with Dixie Brands and U.S. distribution and sale of Kuida cosmeceutical line
- Conditional approval subject only to receipt of customary closing documentation
- Accelerates strategy as first mover CBD brand targeting U.S. \$20 Billion United States skincare market (Source: Euromonitor)
- Commercialization of Kuida products in the U.S. market anticipated in early 2020
- Latin American commercialization of Dixie CBD-infused products beginning in 2020

TORONTO and DENVER, Aug. 6, 2019 /PRNewswire/ - Khiron Life Sciences Corp. (**Khiron**) (TSXV: [KHRN](#)), (OTCQB: KHRNF), (Frankfurt: A2JMZC), an integrated cannabis company with core operations in Latin America, and Dixie Brands Inc. (**Dixie**) ([CSE: DIXI.U](#)), (OTCQX: DXBRF), (Frankfurt: 0QV), one of the cannabis industry's leading consumer packaged goods companies, announced today that their previously disclosed 50/50 Joint Venture ("**JV**") has received conditional approval from the TSX Venture Exchange ("**TSXV**"), subject to receipt of customary closing documentation. With this approval in place, Khiron and Dixie will begin the process of commercialization of the Kuida cosmeceutical product line in the U.S. marketplace, as well as the introduction of Dixie's CBD-infused products into Latin America.

Through the JV, Dixie will be responsible for the distribution of Khiron's portfolio of Kuida cosmeceutical products in the U.S. Kuida products will be broadly distributed through Dixie's established distribution network to U.S. consumers, and are expected to have particular appeal to the growing U.S. Hispanic population, estimated at nearly 60 million.

Further, the conditional TSXV approval allows for the manufacture and commercialization of Dixie's products in Latin America, leveraging Khiron's legislative, sales and marketing abilities and Dixie's extensive and market-proven product line. It is anticipated that Dixie CBD-based products will be commercialized in Latin America beginning in 2020. The JV also creates a framework for the development of new products and brands tailored to Latin America, allowing Dixie and Khiron to take full advantage of opportunities resulting from advancements in cannabis legalization in the region. The conditional TSXV approval covers operations in Colombia, Chile and Uruguay; additional applications will be made to the TSXV as more Latin American countries legalize the use of cannabis.

Alvaro Torres, Khiron CEO and Director, comments: "With a strong JV leadership, sales and marketing team in place, this regulatory approval positions us to accelerate activities in both our core Latin American markets and in the U.S. Bringing the full Kuida product line to U.S. consumers is an important development as we build capacity and market access to expand Kuida brand distribution into new jurisdictions globally."

Chuck Smith, President and CEO of Dixie Brands, stated, "We are very excited about our strong partnership with Khiron and the rapid progress we are making with them on both major initiatives. The Kuida product line is an excellent fit for our growing CBD distribution network which is on pace to reach several thousand brick and mortar locations in the U.S. by the end of the year in addition to a robust online presence. Introducing the Dixie portfolio to Latin America beginning in 2020 will be an important milestone in our international expansion."

Progress towards market entry for Kuida into the U.S. and Dixie brands in Latin America is advancing, with an internationally experienced and well-connected sales and management team now in place to lead activation of the JV strategy. In June, Kuida was previewed to U.S. industry leaders at the influential FounderMade Discovery Show East in New York City, an elite summit for next generation brands, and in July, at Cosmoprof North America, targeting over 40,000 retail buyers, distributors, and beauty industry professionals.

Launched in October 2018, Kuida brings the benefits of Cannabidiol (CBD) to a comprehensive portfolio of skin and body care products. Kuida remains the only CBD skincare product line widely available at retail in Colombia with

distribution in over 175 points of sale across the country, as well as leading e-commerce platforms.

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.

Further information on Khiron Life Sciences can be found at www.khiron.ca.

About Dixie Brands, Inc

Dixie Brands Inc., through its licensed partners, has been formulating award-winning THC and CBD-infused products since 2009. Currently operating in six U.S. states, the Company is expecting to double its manufacturing and distribution capabilities in 2019 in the U.S. as well as expand internationally, including Canada and Latin America. Dixie leads the global industry in the development, packaging design, product innovation and quality control for the commercial production of cannabis infused products. While the Company started with a single flagship product, the Dixie Elixir (a THC-infused soda), it is now one of the industry's most recognized consumer brands, expanding to over 100 products across more than 15 different product categories representing the industry's finest edibles, tinctures, topicals and connoisseur grade extractions, as well as world-class CBD-infused wellness products and pet dietary supplements. Dixie's executive team has been instrumental in the formation of the marijuana industry for recreational and medicinal use, serving as founding members on several national regulatory and business-oriented industry organizations. To find out more about Dixie's innovative products, or about how Dixie is building the future of cannabis, visit www.dixiebrands.com.

Cautionary Notes

Market and Industry Data

This news release contains market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management of Dixie and Khiron believes it to be reliable, neither independently verified any of the data from third-party sources referred to in this news release, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

Forward-Looking Statements

Certain statements in this news release may constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Khiron or Dixie and its subsidiary entities or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this news release, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect the current expectations of Dixie and Khiron management regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties. Forward-looking statements herein include, but are not limited to, statements regarding the receipt of required regulatory approvals, including from the TSXV, the proposed production, distribution and sale of cannabis-infused products in Latin America, and the proposed manufacture and sale by Dixie of Kuida® products in the U.S. Neither Dixie nor Khiron undertake any obligation to comment on analyses, expectations or statements made by third-parties in respect of Dixie or Khiron, their respective securities, or financial or operating results (as applicable). Although each of Dixie and Khiron believe that the expectations

reflected in forward-looking statements in this news release are reasonable, such forward-looking statements are 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 both Dixie's and Khiron's control. These risk factors are discussed in detail under the heading "Risk Factors" in Dixie's listing statement and Khiron's Annual Information Form, both filed on SEDAR. New risk factors may arise from time to time and it is not possible for the management of Dixie or Khiron to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of Dixie or Khiron to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results, as actual results may differ materially from those contemplated by these statements.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including that: (i) there will be no material adverse competitive or technological change in condition of either Dixie's or Khiron's business; (ii) there will be a demand for Dixie's and Khiron's products that both Dixie and Khiron have accurately forecast; (iii) there will be no material adverse change in Dixie's or Khiron's operations, business or in any governmental regulation affecting Dixie, Khiron or their suppliers; and (iv) entering into certain agreements contemplated by the Agreement, including a license agreement for Dixie-Khiron's use of Dixie intellectual property in Latin America and a manufacturing and distribution agreement for Dixie's sale of Kuida® products in the U.S.

These forward-looking statements are made as of the date of this news release. Neither Dixie nor Khiron undertake any obligation, except as required by law, to update or revise any forward-looking statements contained in this news release, whether as a result of new information, future events or otherwise, other than as required under applicable securities legislation.

United States Disclaimer

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available

The CSE has neither approved nor disapproved the contents of this news release.

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.

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