

May 1, 2019



Khiron Life Sciences Reports 2018 Fiscal Year End Results and Provides Corporate Update

- Secured approximately \$40 million of investment capital for cultivation site construction, product development and distribution
- Became the first Colombian cannabis company to list on the TSX Venture Exchange
- Geographic footprint to countries including Colombia, Mexico, Chile, Peru, Uruguay and Italy
- Received first INVIMA approvals for seven CBD-based cosmeceutical products in Colombia.
- Generated first revenue in Q4 2018 with the commercialization of the Kuida® brand of cosmeceutical products
- Increased potential cultivation capacity to 220 tonnes per annum through organic growth and pending acquisitions
- Made key management and board appointments including Mr. Vicente Fox as Director of the Board, the former CEO of Coca Cola Mexico and former President of Mexico
- Net working capital position of \$17,493,835
- Raised \$28,842,000 in bought deal financing including full exercise of over-allotment option, subsequent to the quarter

TORONTO, May 1, 2019 /CNW/ - Khiron Life Sciences Corp. ("**Khiron**" or the "**Company**") (TSXV: [KHRN](#)), (OTCQB: KHRNF), (Frankfurt: A2JMZC), is pleased to report its financial results for the year ended December 31, 2018. Khiron has filed today its audited consolidated financial statements and related management's discussion and analysis, both of which are available on Khiron's profile at www.sedar.com. All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

Quarterly Summary of Financial Results

	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Revenues	\$-	\$-	\$-	\$891,677
Comprehensive Loss	2,031,848	6,203,970	5,829,913	6,165,034
Weighted avg. shares	33,042,295	40,566,495	49,851,687	70,187,318

Total assets	2,345,202	8,601,765	18,775,679	40,348,817
Total non-current financial liabilities	-	-	-	2,353,080

**December 31,
2018**

Revenues	\$891,677
Comprehensive Loss	20,230,765
Weighted avg. shares	48,518,873
Total assets	\$40,348,817
Total non-current financial liabilities	2,353,080

Financial Highlights

Khiron achieves first sales during the fourth quarter of fiscal 2018. Sales totalled \$891,677 and were attributable to the commercialization of Kuida branded cosmeceutical products, and the acquisition of ILANS, a network of medical clinics in Bogota, Colombia. These initial sales represent an initial market entrance in advance of any other licenced producer in Colombia. Gross margin on sales was 33.3%. Management anticipates gross margin to increase with the introduction of higher margin medical cannabis products.

Operating costs were consistent with management expectations and totalled to \$20,093,697. The majority of these expenditures were comprised of general and administrative expenses of \$9,560,797. The total comprehensive loss for the period was \$20,230,765.

Cash and cash equivalents as at year-end were \$18,963,272. These amounts are reflective of equity capital and warrant exercises completed during the period. Cash resources have enabled the Company to accelerate its business plan and expand its team across markets. Subsequent to the reporting period, the Company also completed a bought deal financing for gross proceeds of \$28,842,000 in Q1 2019.

Year-end accounts receivable and accounts payable were, respectively, \$4,323,771 and \$6,817,235. These amounts are directly attributable to the commercial operations of the Company, including accounts receivable and payables associated with the ILANS acquisition. The Company had total working capital of \$17,493,835 as at December 31, 2018.

Management Commentary

Alvaro Torres, Khiron CEO and Director, commented: "Fiscal 2018 marked an important year for Khiron as we accomplished a number of significant objectives towards delivering on our strategy of becoming an internationally recognized, market-leading cannabis company. From a start-up to a team over 250, we have established operations and activity in multiple jurisdictions, acquired medical clinics, developed a market-leading skincare brand, entered into research partnerships, set up educational programs and received patient association endorsements."

Mr. Torres continued, "We operate in a complex, fast-moving industry, and I would like to recognize our incredible team who have worked hard to bring the Khiron vision to life. It has been their passion and commitment that has made our significant progress possible."

Mr. Torres concluded, "We have much work to do in growing the Company and remain focused on executing all aspects of our business to generate value for our shareholders and bring medical cannabis products to people in Latin America and globally."

2018 Highlights

Listing

- On May 24, 2018, the Company's common shares began trading on the TSX Venture Exchange ("**TSXV**"). Khiron became the first fully-licensed grower of medical cannabis with operations in Colombia to be listed on the TSXV.

Capital

- Closed a subscription receipt and private placement offering for total gross proceeds of \$12,135,000 concurrent with the completion of its reverse takeover transaction.
- Closed a marketed short form prospectus offering on September 12, 2018, resulting in gross proceeds of \$12,937,500.
- Received \$14,007,000 from the accelerated expiry and exercise of warrants.
- Subsequent to the quarter, the Company completed a bought deal short form prospectus offering of 13,110,000 Common shares for aggregate gross proceeds of \$28,842,000.

Geographic Expansion

- Obtained approval from the Obligatory Sanitary Notification for commercialization of four Kuida® CBD-based cosmeceutical products in Peru.
- Increased cultivation capacity into Chile on closing of its agreement with Fundacion Daya, the first organization to receive cultivation permits from the Chilean Agricultural and Livestock Services.
- Khiron was invited to sit on the U.S. National cannabis Roundtable, led by John Boehner, Former Speaker of the U.S. House of Representatives
- Khiron obtained preliminary approvals from COFEPRIS and the New Government of Mexico for the sale of its nutraceutical products. Entered into a retail distribution agreement with Farmalisto for Kuida® CBD cosmeceutical products in Mexico.
- In Q1 2019, the Company:

- entered into a non-binding LOI with an Italian-based hemp company Canapalife Group.
- Executed a definitive agreement for the acquisition of 100% of NettaGrowth which, through its wholly-owned subsidiary, has secured the first medical THC and CBD cannabis licence.

Patient Association Endorsements

- Secured medical cannabis endorsements from the Colombian Association of Internal Medicine and the Colombian Association of Neurology, two of the largest medical associations in Colombia.
- Secured medical endorsements from the Colombian Association of Palliative Care
- Secured medical endorsement from the Colombia Association for the Study of Pain.

Product Development and Portfolio

- Launched Kuida[®], the first CBD-based cosmeceutical brand in Colombia and secured multi-channel distribution agreements with leading Colombian cosmeceutical distributors, including with Farmatodo and Farmalisto.
- Announced partnership with Centro Dermatologico Federico Lleras Acosta, to initiate the first cannabis clinical research in Latin America and expand product development to address the global skincare market.

Revenue Generation and Product Distribution

- Initiated revenue generation in Q4 2018 with the launch of the Kuida[®] CBD brand.
- Subsequent to the reporting period, expanded Kuida[®] retail presence, securing partnerships with Fedco, Colombia's top specialist beauty retailer and Linio, Latin America's largest online E-retailer.
- Subsequent to the quarter, signed LOI with Copservir Ltda, to establish medical cannabis distribution agreement for over 900 pharmacies across 200 cities and municipalities across Colombia.
- In Q1 2019, Khiron signed an agreement with Cafam, a prominent Colombian drugstore for Kuida[®] distribution into up to 150 stores

Grow Status – Regulatory and Capacity

- Received medical cannabis quota allocation provided by the Government of Colombia.
- Received approvals from Colombia's National Food and Drug Surveillance Institute ("INVIMA") to commercialize CBD cosmeceutical products for Colombian domestic sale and export, becoming the first fully licensed medical cannabis company to receive approvals from INVIMA for CBD-based cosmeceutical products.
- Secured and expanded agricultural land from an initially leased 4.5 hectares to 17.5 hectares in Ibague, Colombia.
- Acquired additional cultivation quotas from the Colombian Technical Quotas Group to cultivate 5,040 psychoactive cannabis plants for the purposes of completing the ICA agronomic evaluation tests.

Merger and Acquisitions

- Expanded to second Latin America cultivation jurisdiction on closing of agreement with Dayacann to enter Chilean medical cannabis market.
- Acquired ILANS, a network of prominent medical clinics in Colombia treating over 100,000 patients and with gross revenue of approximately C\$10.5 million.
- In Q1 2019, the Company:
 - Entered into a joint venture with Dixie Brands to bring a portfolio of cannabis-infused products to Latin America and Khiron's Kuida® cosmeceutical brand to the U.S. CBD cosmetic market.
 - Signed a definitive agreement to acquire 100% of NettaGrowth
 - Signed a non-binding LOI to acquire 100% of Italy-based prominent hemp company Canapalife Group.

Key Board and Management Appointments

- Appointed Mr. Vicente Fox to its Board. Mr. Fox is the former CEO of Coca Cola Mexico, former President of Mexico and a significant advocate for the legalization of cannabis in Mexico.
- Appointed Chris Naprawa to the position of President. Mr. Naprawa brings extensive institutional capital markets experience to the Company.
- Appointed internationally recognized medical Cannabis specialist Dr. Maria Fernanda Arboleda as Medical Director
- Appoints Former DEA Chief of Pharmaceutical Investigations Matt Murphy as Vice President, Compliance
- In Q1 2019:
 - Larry Holifield, Former U.S. DEA Regional Director, Mexico and Central America appointed as Khiron Security and Compliance Director, Mexico.
 - Seasoned capital markets leader and cannabis authority John Cooke is appointed VP of Corporate Development.
 - Luis Chaves appointed to manage corporate development strategy and guide regulatory affairs for the Company in Mexico.
 - Rodrigo Azócar appointed Country Manager for Chile, to lead Company's market development and patient association strategy.
 - Rodrigo Durán appointed to lead Dixie Brands joint venture to bring Dixie's 100+ market-leading products to Latin America.
 - Khiron expands skincare leadership team with appointment of Dr. Edwin Bendek as Medical Director, Skincare.

About Khiron

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 for the cultivation, production, domestic distribution, and international export of both THC (tetrahydrocannabinol) and CBD (cannabidiol) medical cannabis. In May 2018, Khiron listed on the TSX Venture Exchange, becoming the first Colombian based medical cannabis company to trade on any exchange globally.

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. Khiron 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 <https://investors.khiron.ca/>

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Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking information within the meaning of applicable Canadian and United States securities laws. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Khiron or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this news release. Examples of such statements include statements with respect the future market share, product development, build out of facilities, the proposed acquisitions of NettaGrowth and CanapaLife Group, and additional market and product expansion, among others. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including risks contained in the Company's annual information form filed with Canadian securities regulators available on the Company's issuer profile on SEDAR at www.sedar.com. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. The forward-looking information included in this news release are made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

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