

April 29, 2021



Khiron Life Sciences Reports 2020 Fiscal Year End Results and Provides Corporate Update

- Generated 31% sequential quarter-on-quarter growth in Q4 2020, driven by normalized clinic operations and more than doubling of medical cannabis sales.
- Benefited from medical cannabis insurance coverage in Colombia effective December 2020. Insurance coverage continues to be a catalyst for growth in Colombia, with more than 7,500 prescriptions filled in Q1 2021 versus over 3,300 in Q4 2020.
- Maintained strong domestic pricing, with an average sales price of \$58 per unit in Colombia during the fourth quarter.
- Positioned for growth with sales execution underway in four countries (Colombia, Peru, UK and Germany), and first sales anticipated in Latin America's largest markets (Brazil and Mexico) this year.
- Well-capitalized with \$21.6 million in cash as of December 31, 2020.

TORONTO, April 29, 2021 /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 year ended and quarter ended December 31, 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 Financial Results

<i>Canadian dollars</i>	3 Months ended Dec 31 2020	3 Months ended Dec 31 2019	12 Months ended Dec 31 2020	12 Months ended Dec 31 2019
	\$	\$	\$	\$
Revenues ('000s)	2,518	2,510	8,017	9,582
Gross profit before fair value adjustments ('000s)	402	1,048	1,481	2,436
General and administrative costs ('000s)	5,157	6,260	20,877	20,525
Net loss ('000s)	(2,374)	(8,235)	(24,039)	(36,378)
Adjusted EBITDA ⁽¹⁾ ('000s)	(4,335)	(6,342)	(18,762)	(24,504)
Net loss per share (basic and diluted)	(0.01)	(0.06)	(0.20)	(0.36)
Weighted average shares outstanding ('000s)	130,292	115,399	120,294	101,966

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

Q4 2020 highlights

- Total revenues in Q4 2020 reached \$2.5 million, reflecting sequential quarter-on-quarter growth of 31%, as patient consultations at Company-owned clinics returned to pre COVID-19 levels and Medical Cannabis Product revenues more than doubled over

Q3 2020. Fourth quarter revenue growth was flat year-over-year, due to lower Health Services and Wellbeing Product revenues, offset by Medical Cannabis Product sales of \$234,000.

- The Company continues to benefit from favourable market conditions and vertically integrated operations, generating gross margins of 92% on its Medical Cannabis Product segment in Q4 2020.
- The Company continues to prudently manage expenses, with fourth quarter selling, general and administrative ("**SG&A**") expenses declining 22% year-over-year. Following cost reductions implemented earlier in the year, Q4 2020 SG&A expenses of \$5.9 million increased 3% sequentially from Q3 2020.
- On November 26, 2020, the Company completed a bought deal financing selling 32,200,000 units at a price of \$0.45 per unit for aggregate gross proceeds of \$14,490,000.
- In December 2020, the Company announced that, following a directive by Colombia's federal government, Colombia became one of the first countries to extend national health insurance to include medical cannabis as a first line therapy for patients. As a result, Medical Cannabis Product sales increased significantly starting December 2020, contributing to sequential quarter-on-quarter revenue growth of 113% in Q4 2020.
- In December 2020, the Company initiated its satellite clinic expansion strategy, opening its first location in Medellin, Colombia's 2nd largest city.
- As of December 31, 2020, the Company had cash of \$21.6 million and working capital of \$29.1 million.

2020 Annual Highlights

- During the year, the Company commenced medical cannabis sales in Colombia, Peru, and the UK, becoming the first Company to sell medical cannabis magistral preparations in Colombia and Peru, and medical cannabis flower in Scotland.
- In 2020, the Company launched its Zerenia medical clinic strategy, opening its flagship Bogota, Colombia location in May 2020 and first satellite location in Medellin, Colombia in December 2020.
- In September 2020, Khiron was declared a National Strategic Project by the government of Colombia, simplifying and accelerating regulatory processes for the Company in the country.
- In 2020, the Company filled approximately 5,700 prescriptions in Latin America, generating total Medical Cannabis Product sales of \$370,000, including \$234,000 in the fourth quarter.
- In total, the Company generated total revenues of \$8.0 million and gross profit of \$1.5 million in 2020. While COVID-19 had a negative impact on Health Services revenues and margins, particularly earlier in the year, the Company was able to largely offset declines through prudent expense management.

Subsequent events and 2021 highlights

- With the start of medical cannabis insurance coverage in Colombia in December 2020, the Company filled approximately 135% more prescriptions in Q1 2021 than in all of 2020. Additionally, in Q1 2021, 60% of medical cannabis prescriptions filled in Colombia were fully covered by insurance.

- Returning medical cannabis patient volumes continue to improve, increasing from 20-25% of total monthly patients in Q3 2020, to nearly 50% in Q1 2021.
- Between Q2 2020 and Q1 2021, filled prescriptions per Health Care Professional (HCP) increased from 0.9/day to 4.5/day at Khiron's wholly-owned clinics.
- Following the initial success of the Medellin satellite clinic, the Company opened three additional satellite clinics in Colombia in Q1 2021 with plans to open another three locations by June 2021. Additionally, the Company plans to deploy its Zerenia™ medical cannabis clinic and telehealth strategy in Mexico, building on the success of its vertical integration strategy in Colombia.
- Khiron Academy, the Company's medical cannabis e-learning certification, has been completed by hundreds of physicians across Latin America and Europe and was accredited for UK Continuing Professional Development.
- In March 2021, the Company successfully exported its Colombian-registered cannabis strains, in the form of live clones, from Colombia to Europe. This represents the first shipment of medical cannabis live plant material to Europe from Colombia and is expected to accelerate access to European markets as the Company executes on its asset-light growth strategy in the United Kingdom and Germany.
- In March 2021, Khiron commenced sales in Germany with the successful delivery of EU-GMP medical cannabis products. Khiron 1/14 (High CBD flower) has been used to treat indications such as anxiety, substance-use disorder and migraines.
- In April 2021, the Company introduced Khiron 1/14 (High CBD flower) in the UK. Prescribing specialists will also be able to prescribe smaller quantities of Khiron flower products in 5-gram jars.

Management commentary

"2020 marked a turning point for the Company as we transitioned from start-up mode to the sales execution phase of our strategy. Despite the many challenges brought on by the global pandemic, our team persevered and had many significant accomplishments in 2020, including first medical cannabis sales in Colombia, Peru and UK, along with Germany in March 2021, the launch of our telemedicine platform and Zerenia clinics, and expanded patient access through medical cannabis insurance coverage in Colombia. As we progress through 2021, I remain very optimistic about the year ahead. We are very well positioned to leverage the knowledge, experience and infrastructure developed over the last year, to accelerate growth both at home and abroad," comments Alvaro Torres, Chief Executive Officer and Director of the Company.

Webcast details

Khiron invites individual and institutional investors, as well as advisors and analysts, to attend a webcast and Q&A to discuss the Company's Q4 2020 financial statements and further activities.

DATE: April 30, 2021

TIME: 10:00am ET/7:00am PT

PRESENTERS: Alvaro Torres, Khiron Chief Executive Officer and Director, Joel Friedman, Khiron Chief Financial Officer, and Chris Naprawa, Chairman of Khiron's Board of Directors

FORMAT: Live 30 minutes presentation & Q&A session

REGISTER LINK:

<https://event.on24.com/wcc/r/3138835/FCAA726D3D5230BBB75B745ADE070626>

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 medical cannabis provider in Colombia and the first company licensed in Colombia for the cultivation, production, domestic distribution and sales, and international export of both low and high THC medical cannabis products. The Company has filled medical cannabis prescriptions in Colombia, Peru, Germany and the United Kingdom, and is positioned to commence sales in Mexico and Brazil in 2021.

Leveraging wholly-owned medical clinics and proprietary telemedicine platforms, Khiron combines a patient-oriented approach, physician education programs, scientific expertise, product innovation, and agricultural infrastructure to drive prescriptions and brand loyalty. Its Wellbeing Products unit launched the first branded CBD skincare brand in Colombia, with Kuida™ now marketed in multiple jurisdictions in Latin America, the US and United Kingdom. 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 investors.khiron.ca and on Instagram @khironlife.

Non-IFRS Measures

This press release may contain references to "Adjusted EBITDA", "Gross Profit" and "Gross Margin", which are non-IFRS financial measures. The Company defines adjusted EBITDA as net loss before tax as reported under IFRS and adding back share-based compensation expense, transaction fees, unrealized gain on changes in fair value of biological assets, depreciation and non-recurring items and is a measure of the Company's overall financial performance and is used as an alternative to earnings or net income in some circumstances. This performance measure is employed by management to assess the Company's operating and financial performance and to assist in business decision-making. This measure does not have any standardized meaning according to IFRS and therefore may not be comparable to similar measures presented by other companies. Gross Margin is the difference between revenue and cost of goods sold divided by revenue and is expressed as a percentage. Management believes that these measures provide useful information as they provide investors with added insight into Khiron's financial performance. Readers are cautioned that such non-IFRS measures may not be appropriate for any other purpose. Non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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, including without limitation, statements relating to the Company's anticipated sales and operations in Brazil and Mexico, the opening of additional satellite clinics and locations in Colombia, the effects of the Company's first shipment of medical cannabis live plant material to Europe from Colombia, the ability of specialists to prescribe smaller quantities of medical cannabis flower products, the Company's growth expectations and strategic plans. 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 statements have been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate, including without limitation those regarding the continuance of favourable market conditions in the Company's current markets and the anticipated demand for medical cannabis in the markets in which the Company operates or is contemplating operations.

Readers are cautioned that the above lists of forward-looking statements and assumptions are not exhaustive. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include the risk factors discussed in Khiron's most recently filed 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.

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.

📄 View original content to download multimedia <http://www.prnewswire.com/news-releases/khiron-life-sciences-reports-2020-fiscal-year-end-results-and-provides-corporate-update-301280800.html>

SOURCE Khiron Life Sciences Corp.