



## **Khiron Completes Acquisition of Pharmadrug Production GmbH, Establishing German Pharmaceutical Distribution Capabilities**

*Acquisition provides Khiron with an EU-GMP European manufacturing and distribution hub for medical cannabis and other pharmaceutical products*

- The acquisition of Pharmadrug Production GmbH provides Khiron with direct access to German pharmacies and increase in gross margins for its products
- With acquisition completed, Khiron will continue sales of its current products and expand its portfolio, expecting higher gross margins and stronger market presence, with its own sales force and pharmacy network

TORONTO, August 2, 2022/CNW/ - Khiron Life Sciences Corp. ("Khiron" or the "Company") (TSXV: KHRN) (OTCQX: KHRNF) (Frankfurt: A2JMZC), a global leader in medical cannabis throughout Europe and Latin America, announces that it has completed the acquisition of Pharmadrug Production GmbH ("Pharmadrug GmbH" or the "Target") from Pharmadrug Inc. (CSE:PHRX) (OTC: LMLLF) ("Pharmadrug"). The acquisition was previously announced on May 31, 2022, and was completed in accordance with its disclosed terms.

With the completion of the acquisition, Khiron has expanded its presence in Europe with an EU GMP-certified manufacturer and wholesaler and has gained a European manufacturing and distribution center for pharmaceuticals. The acquisition is an optimal complement for Khiron in Europe and is in-line with its economic asset-light strategy. As Khiron Europe's own wholesaler, the Target will promote and sell Khiron's products directly to German pharmacies, which enables Khiron to control the whole value chain within the country and recognize an increased gross margin.

With this acquisition, Khiron is able to accelerate the expansion of its medical product portfolio with additional exclusive flower varieties which are in demand in the market and a THC-dominant full spectrum extract that combines the medicinal properties and areas of application of the established THC isolate formulations (dronabinol) with the specific advantages of a full-spectrum extract. Additional new products are already in the pipeline, that will comprise the entire spectrum of therapies with medical cannabis to be able to offer the right therapy for every patient, and more details will follow soon.

Franziska Katterbach, President of Khiron Europe, stated: “We are very pleased that we have now received all the necessary permits and licenses in connection with the acquisition and integration of the Target and that we can continue our growth course in Europe on an expedited pace with full control over the value chain up to the pharmacy. We are very excited to take advantage of the Target’s excellent infrastructure and experienced team, which will enrich us professional and personally. After opening our ZERENIA clinic in London last year and now adding a powerful asset in Germany, our European force is complete and ready to ramp our sales in Germany. Now we expect to sell our products faster and at higher margins directly to German pharmacies, which will save distribution fees. A first signal in this direction is the imminent expansion of our medical portfolio for European patients. These are products manufactured exclusively in Europe, and our medical portfolio now covers the entire spectrum of chemotypes and forms of administration. We will provide more detailed information on our new products in a timely manner.”

Pursuant to the terms of the acquisition, in consideration for the acquisition of all of the issued and outstanding shares of the Target, Khiron issued to Pharmadrug 5,500,000 common shares of the Company (at a deemed price of \$0.16 per share) and an additional 468,750 common shares in connection with certain closing adjustments for a total of 5,968,750 common shares, as well as a non-interest bearing promissory note that was adjusted downward pursuant to certain closing adjustments to an aggregate principal amount of \$974,137. The promissory note is payable one year from the date of issue in cash or, at Khiron’s option, by the issuance of additional Khiron shares. Any issuance of Khiron shares on conversion of the promissory note will be subject to the prior approval of the TSX Venture Exchange.

A total of 5,000,000 Khiron shares issued in connection with the closing are subject to a lockup agreement, pursuant to which Pharmadrug may not transfer such shares without Khiron’s consent, with a quarter of the total number of shares subject to lock-up being released every 90 days following the closing date (with all such shares being released 360 days following the closing date).

#### **About Khiron Life Sciences Corp.**

Khiron is a leading vertically integrated international medical cannabis corporation with core operations in Latin America and Europe. Leveraging medical health clinics and proprietary telemedicine platforms, Khiron combines a patient-oriented approach, physician education programs, scientific, product innovation, and cannabis operations expertise to drive prescriptions and brand loyalty with patients worldwide. The Company has a sales presence in Colombia, Peru, Germany, United Kingdom, and Brazil and is positioned to commence sales in Mexico. 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 <https://investors.khiron.ca>.

Linkedin <https://www.linkedin.com/company/khiron-life-sciences-corp/>

#### **About Pharmadrug Production GmbH**

Pharmadrug GmbH has been active worldwide for more than 30 years as a manufacturer and wholesaler of medicinal products and active pharmaceutical ingredients, as well as holding a licence to handle narcotics in Germany. Pharmadrug GmbH is EU-GMP (Good Manufacturing Practice) and EU-GDP (Good Distribution Practice) certified, fulfilling the European guidelines for the highest quality standards.

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This press release may contain "forward-looking information" within the meaning of applicable securities legislation. All information contained herein that is not historical in nature constitutes forward-looking information. Forward-looking information contained in this news release may include statements pertaining to the expected synergies and benefits to the Company from the acquisition of the Target as well as statements as to the expected synergies of the Target to the business of the Company, and its impact on the Company's business strategy. Forward-looking information and statements contained in this news release reflect management's current beliefs and is based on information currently available and on assumptions that management believes to be reasonable. These assumptions include, but are not limited to, the expected benefits to be realized by Khiron's business as a result of the acquisition of the Target, expected synergies resulting from the acquisition, and assumptions regarding market opportunities in the jurisdictions in which the Company and the Target operates and where it seeks to operate.

Although management believes that its expectations and assumptions to be reasonable, forward-looking information is always subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of management, that may cause actual results to differ materially from those expressed or implied in such forward-looking information. Such risks and uncertainties include but are not limited to the following: general economic conditions, adverse conditions in capital markets, political uncertainties, counterparty risk, failing to obtain required regulatory requirements and approvals, failure to maintain required permits and licences, business integration risks, as well as those other risk factors discussed in Khiron's most recent annual information form which is available on Khiron's SEDAR profile at [www.sedar.com](http://www.sedar.com).

As a result of the foregoing and other risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking information contained in this press release. Readers are further cautioned that the foregoing risks and uncertainties is not exhaustive, and there may be other risks and uncertainties, presently unknown to management of the Company, that may cause actual results to differ materially from those expressed or implied in forward-looking statements contained in this press release. The forward-looking information contained in this press release is expressly qualified by this cautionary statement. Khiron disclaims any intention to update or revise any forward-looking information disclosed herein, whether as a result of new information, future events or otherwise, except as required by law.

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