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Mandatory Insurance Coverage for Medical Cannabis Now Expands to More than 50 million Colombians

- Starting January 1st, 2022, every insurance provider in Colombia, is now mandated to cover the costs of high and low THC medical cannabis prescriptions
- Significantly improves the current insurance coverage process, simplifying the procedure and reducing approval times for patients to obtain insurance coverage across the country
- Colombia has upwards of **6 million** potential patients for medical cannabis products (Source: IMS Quintiles), and more than **97%** of the population is covered with health insurance
- In 2021, the Company filled almost **52,000** medical cannabis prescriptions in Colombia, 9 times more than in 2020. Over **60%** of the product sales were covered by insurance under the previous coverage rules

TORONTO, Jan. 4, 2022 /CNW/ - Khiron Life Sciences Corp. ("Khiron" or the "Company") (TSXV: KHRN) (OTCQX: KHRNF)(Frankfurt:A2JMZC), a vertically integrated medical cannabis leader with core operations in Latin America and Europe, announces that the Government of Colombia has added high and low THC medical cannabis to its list of mandated covered medications for every insurance provider in the country. This change will continue to cement Khiron's leadership position in the Colombian domestic medical cannabis market, leveraged by the Company's premium brand and its "seed to sale" medical cannabis clinic model.



"In March 2020, Khiron became the 1st licensed producer in Colombia to sell medical cannabis to patients through our wholly-owned clinics. Since then, the Company has continued to experience double-digit monthly growth and has exceeded more than **57,000** prescriptions sold to date, servicing more than **16,000** individual patients in the country and becoming a category leader in the Colombian medical cannabis industry. In December 2020, the Colombian government included medical cannabis as an approved medication for insurance coverage", commented Alvaro Torres, Khiron CEO, and Director.

"Since then, we have worked with insurance companies across the country to include this medication in their administrative systems. In 2021, **60%** of our products were sold through agreements with **two** major insurance providers. Today, all insurance companies are mandated to cover medical cannabis in Colombia, with less paperwork and hassle for patients. Even though the previous rules were more complicated, the insurance coverage made a dramatic difference in our results:

| KPI | | 2020 | 2021 |
|--------------------------------------|--|---------|----------|
| Conversion Rate | <i># of prescribed patients / # of total consults</i> | 8% | 32% |
| Retention Rate | <i># of returning patients / # of new + returning patients</i> | 33% | 60% |
| Average monthly transaction value | <i>CAD spent per month per patient on medical cannabis</i> | CAD 55 | CAD 75 |
| Total prescriptions sold in Colombia | <i># medical cannabis prescriptions sold</i> | ~ 5,600 | ~ 52,000 |

With the inclusion of medical cannabis in the mandatory health coverage plan ("POS"), we expect these trends to continue to grow further. Starting January 1st 2022, any patient in Colombia will be able to get their medical cannabis medication almost free of charge, regardless of the insurance company they are subscribed to. This unprecedented regulatory

framework update will create one of the largest insured markets for medical cannabis in the world and help position Khiron as a leading company in this industry worldwide", added Mr. Torres.

About Khiron Life Sciences Corp.

Khiron is a leading vertically integrated international medical cannabis company with core operations in Latin America and Europe. Leveraging wholly-owned medical health 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 with patients worldwide. The Company has a sales presence in Colombia, Peru, Germany, UK, 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 investors.khiron.ca

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

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