**Blazing The Trail To European Exports:**

**Panaxia Israel Announces receipt of EU-GMP Certification, Required For The Manufacture And European Export Of Medical Cannabis And Advanced Products**

**The Israeli company is the first to join the exclusive team of international companies awarded the prestigious certification from a European agency, which opens the doors to Europe for Israeli medical cannabis growers as well.**

**Panaxia (TASE: PNAX) ,expects to begin sales of its brands in Germany, the largest European cannabis market, and in Denmark later this year.**

**Dr. Dadi Segal, CEO of Panaxia Global, said, “Receiving EU-GMP certification is a defining moment for us and for the medical cannabis industry in Israel as a whole. We are proud to be the first and only medical cannabis company in Israel to have broad EU-GMP certification from a European agency, which enables commercial export of raw materials as well as oils and additional products to Europe. It is a certification with tremendous strategic importance that moves Panaxia and the State of Israel another step forward towards exporting medical cannabis. EU-GMP certification enables us to accelerate completion of the process for regulatory registration of Panaxia products and brands in Germany, Denmark and other target countries in the European Union and brings us closer than ever to commercialization and sales jointly with our strategic partners who are the leaders in these markets, Neuraxpharm in Germany and STENOCARE in Denmark. Furthermore, the certification makes Panaxia the sole gateway to Europe today for Israeli cannabis growers who want to export their cannabis brands.”**

**(Tel Aviv, June 10, 2020) - Pharmaceutical company, Panaxia Labs Israel Ltd. (“Panaxia Israel,” TASE: PNAX)**, Israel’s largest manufacturer of medical cannabis products, today announced that it has received official EU-GMP certification. This certification is necessary for the manufacture, export, and marketing of pharmaceuticals within the European Union (EU), and it applies to medical cannabis products, which are defined in the EU as pharmaceutical products requiring a prescription. Panaxia is the first and only medical cannabis company in Israel to have been awarded EU-GMP certification from a European health authority, making the commercial manufacture, export and sale of a variety of oils and medical cannabis extracts possible. As a result, Panaxia is joining the top tier of a select few international medical cannabis companies that have been recognized with this prestigious certification.

Receipt of the certification enables Panaxia to move to the next stage necessary to export and sell in Europe - completion of the regulatory registration process for its medical cannabis oils and brands in Germany, the largest and fastest growing medical cannabis market in Europe, as well as in Denmark, the most strictly regulated market in Europe and other target countries within the EU. Panaxia, which is in the midst of the registration process in these countries, has already received these marketing approvals, and the first sales of the products are expected later this year. This will be done through its strategic partners and subject to receipt of an export permit from the Israeli Ministry of Health.

Additionally, certification opens the doors of Europe to Israeli medical cannabis growers, as Panaxia is currently the only manufacturer certified to manufacture their cannabis brands for them. To this end, they must be certified by Panaxia and their products must be produced at the Panaxia facility, which has been awarded EU-GMP certification.

The marketing and sales of Panaxia’s premium products under the Panaxia brand in Germany will be done through an exclusive marketing and distribution agreement with German pharmaceutical company, Neuraxpharm, the largest producer of products for the central nervous system (CNS) in Europe. As part of the partnership, Neuraxpharm will be responsible for branding, penetration and commercialization of the products with physicians and all of the pharmacies approved for this purpose in Germany, as part of its extensive portfolio of products. The agreement includes a mutual option to consider expanding the collaboration to other EU countries.

In Denmark, marketing and sales will be performed under a strategic distribution agreement with STENOCARE, the largest distributor of medical cannabis products in Denmark, which specializes in distribution of medical cannabis to approximately 70% of the Danish market. STENOCARE will market the Panaxia medical cannabis products to physicians and approved pharmacies in Denmark.

To date, Panaxia has approved and certified its partners in Israel: Seach, Better, Together, Canndoc and IMC to grow raw materials in accordance with the European standard and, therefore, with Panaxia’s receipt of the European certification, products made from raw materials that are grown on one of the above-mentioned farms and produced at Panaxia's facility may be exported subject to completion of regulation of exports by the Israeli Ministry of Health. To date, through its collaboration with Seach, Panaxia has an amount of raw material that complies with European regulations and is sufficient for production of oils under EU-GMP for the first months of sales in Germany.

**About Panaxia Labs Israel**

Panaxia Labs Israel, Ltd., a publicly traded company on the TASE (PNAX) is currently the largest Israeli manufacturer and home-delivery distributor of medical cannabis products, and the first to have received the approval of the Israeli Ministry of Health for the manufacturing of medicinal cannabis-based pharmaceuticals (under the IMC-GMP directive) and European manufacturing standard, EU-GMP, which is required for the manufacture and commercial export of medical cannabis and medical cannabis products to Europe. Panaxia has been approved to provide manufacturing and distribution services for medical cannabis products in Israel, and it manufactures over 30 hemp-based medicinal products and has accumulated a broad foundation of clinical experience based on tens of thousands of patients.

Panaxia is part of the Segal Pharma Group, owned by the Segal family and founded over forty years ago. The company manufactures over 600 different pharmaceutical products that are distributed in over 40 countries worldwide. Panaxia Labs Israel is a subsidiary of Panaxia Pharmaceutical Industries, co-founded by Dr. Dadi Segal, Dr. Eran Goldberg, and Assi Rotbart, Adv. as the cannabis division of the Segal Pharma Group. A sister subsidiary, Panaxia US, manufactures in North America over 60 hemp-based medicinal products, including sublingual tablets, lozenges, oils, and inhalators aimed for the treatment of conditions such as PTSD, cancer, chronic pain, epilepsy, anorexia, burns, and many other ailments. Panaxia Group has over 150 employees, and all clinical trials are conducted by its members.

The Segal Pharma Group additionally owns Luminera Derm, manufacturer of injectable dermal fillers, and Tree of Life Pharma, manufacturer of over-the-counter drugs. For more information, visit the Panaxia website at: <https://panaxia.co.il/>

**For more information**:

Noa Leviel
Lnoa@ibh.co.il
972-50-869-1843