## Panaxia is preparing for European sales:

# Announces an agreement for temporary use rights in an R&D facility in Malta for the commercial production and marketing of its European cannabis products in Europe

### Dr. Dadi Segal, Panaxia CEO: “Using the Malta facility is a significant stepping stone as we enter the European market. We believe this makes Panaxia the first company in Israel in the field of medicinal cannabis to begin selling in the EU. We are in progressive stages of registering and certifying our advanced products – starting in Germany and Denmark and other countries to follow. We aim forward to realize Panaxia’s vision to bring our patients in Israel as well as new patients in Europe a broad variety of advanced reproducible and safer medicinal cannabis products, meeting groundbreaking pharmaceutical standards not currently found in the market.”

**(Tel-Aviv, March 30, 2020) – Pharmaceutical company Panaxia Labs Israel Ltd. (Panaxia Israel, TASE: PNAX),** the largest manufacturer of medical cannabis products in Israel, announced today its contractual agreement with the holder of controlling interest, Panaxia Pharmaceutical Industries, to use the research and development of the holder of controlling interest in Malta for the production and extraction the company’s advanced products (such as oils, inhalers, sublingual tablets, suppositories) designated for the European market.

The agreement allows Panaxia to use the Maltese R&D facility and commence its European activity. The Maltese operations are expected to commence within a few months, subject to complete conversion of the facility into a commercial facility meeting the requirements of the EU-GMP standard and the receipt regulatory approvals from the Maltese government. By that, to the best of the company’s knowledge, it shall become the first medicinal cannabis company in Israel to commercially manufacture and sell medical cannabis products in EU countries.

The Maltese facility to be operated by Panaxia is ready to extract cannabis inflorescence. It has the capacity of producing several hundred thousand products annually, which will join the ensemble of products already manufactured in Israel.

At first, the company is expected to begin its operations in the German and Maltese markets. The company has announced that is in the process of registering its products in additional European countries, which, once complete, will allow it to manufacture its products in the Maltese facility and market them in additional countries.

### Dr. Dadi Segal, Panaxia CEO, stated: “Using the Malta manufacturing facility is a significant stepping stone as we enter the European market. We believe this makes Panaxia the first company in Israel in the field of medicinal cannabis to begin selling in the EU. We are in progressive stages of registering and certifying our advanced products and contracting distribution and marketing agreements – first in Germany and Denmark and then in other countries. In line with our strategic plans, in recent months we have emphasized massive preparation work geared towards our European expansion. Starting our manufacturing and marketing activities through the Maltese facility allows us to shorten our time to market with high quality products that meet the most rigorous standards, developed based on the international R&D capabilities of Panaxia. We aim forward to realize Panaxia’s vision to bring our patients in Israel as well new patients in Europe abroad variety of advanced reproducible and safer medicinal cannabis products, meeting groundbreaking pharmaceutical standards not currently found in the market.”

**About Panaxia Israel**

Panaxia Labs Israel, Ltd. is a publically traded company at TASE (PNAX). It is 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). The company 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/>