**Panaxia’s agreement with international pharma Neuraxpharm is finalized:**

**A definite agreement entered on commercial marketing of medical cannabis in Europe**

**The two companies will apply for an import permit to Germany and an export permit from Israel**

*The collaboration will start in Germany, the largest market for medical cannabis outside the USA, then scaled gradually to additional countries*

*The first sales of Panaxia/Neuraxpharm products in Germany are expected in H2 2020, as soon as the export license is granted*

**Tel Aviv, 19 July 2020, Neuraxpharm**, a leading European pharmaceutical company specialized in CNS, and **Panaxia Global**, the controlling owner of Panaxia Labs Israel (Panaxia Israel, TASE: PNAX), Israel's largest medical cannabis manufacturer, announced today they have entered a definite agreement to start a business collaboration for marketing Panaxia’s medical cannabis products in Germany, Europe’s largest and fastest-growing market for cannabis in Europe. The agreement, which anchors a previous MOU entered by the companies, includes exclusivity for Panaxia products, as well as an option for scaling the distribution to additional countries, also including further major European countries.

The agreement is one of a kind in the cannabis industry. It represents the first time a global pharma company of Neuraxpharm caliber marketing medical cannabis products as part of its broad prescription and non-prescription product portfolio. On top of distributing the products to pharmacies through local distributors, the venture will focus on marketing efforts to the relevant target audiences in Germany, namely the prescribing physicians, and the patients. The marketing activity is critical for the success of commercial sales and will be implemented according to the standards used in the pharmaceutical industry.

The prescriptions issued in Germany by authorized physicians are for a specific brand. Hence, marketing the products to prescribing physicians in Germany is a prerequisite for succeeding in that country. Germany is considered as the largest market for medical cannabis outside the USA with 60 thousand patients out of a population of 82.8 million people. The average spending on medical cannabis per patient stands at ~ €500 per month.

The Neuraxpharm Group is one of the largest specialty pharma companies in Europe. It is present in 12 European countries, including Germany, Spain, France, Italy, the Czech Republic, Poland, Austria, Switzerland, Slovakia, UK, Hungary, and Portugal. Neuraxpharm’s annual turnover is € 480 million, having access to more than 80% of the CNS market in Europe and a portfolio of over 130 active medicines for CNS conditions.

Following the signing of the agreement, Neuraxpharm will work to obtain an import permit of Panaxia’s products to Germany. Panaxia will concurrently work to obtain an export license from Israel's health authorities. Panaxia started manufacturing the products to have a stock ready as soon as it receives the export permit. The first sales of Panaxia/Neuraxpharm products in Germany are expected to start as soon as the export permit is issued.

Panaxia is the only Israeli company that received an EU-GMP certification, which allows it to export all of its medical cannabis products to most of the European countries.

Under the agreement, Panaxia will be responsible for manufacturing the product in compliance with EU-GMP standards, develop new and advanced products, such as tablets, suppositories, and inhaled products, and their registration according to the German regulation. Neuraxpharm will be responsible for branding, introduction and commercialization of the products to all authorized pharmacies in Germany.

**Dr. Dadi Segal, CEO of Panaxia Global, commented:** “We are proud to pioneer a collaboration of this scale, which opens a door for us in the EU. The agreement establishes Neuraxpharm and Panaxia as dominant players in the European medical cannabis market. It is the first time a European pharma company, let alone of Neuraxpharm’s caliber, markets medical cannabis products. Hence, it is also a landmark announcement for the patients, whose needs will be finally met, and for other companies that have been fighting to achieve recognition of the medical benefits of cannabis. As a pharma company that has been manufacturing medical cannabis according to the strictest scientific and medical standards for years, we are excited with the formal recognition of our uncompromising professionalism. We will work together to solidify our market leadership.”

**About Panaxia Global**

**Panaxia Global** is the controlling owner of Panaxia Labs Israel, Ltd., a publicly-traded company on TASE (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) as well as EU-GMP standard certification required for commercial production and export of medical cannabis and its products to Europe. 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 a 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 was co-founded by Dr. Dadi Segal, Dr. Eran Goldberg, and Adv. Assi Rotbart as the cannabis division of the Segal Pharma Group. The sister, Panaxia US, manufactures in North America over 60 hemp-based medicinal products, including sublingual tablets, lozenges, oils, and inhalators designed for treating conditions such as PTSD, cancer, chronic pain, epilepsy, anorexia, burns, and many other ailments. Panaxia Group has over 150 employees, who also conduct all of its clinical trials.

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:**

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