# **First distribution agreement for Israeli medical cannabis products in Danish market: Panaxia Israel will distribute and sell medical cannabis oil through STENOCARE, the largest distributor of medical cannabis stock in Denmark**

## STENOCARE, supplier of medicinal cannabis stock to approximately 70% of the Danish market, will distribute Panaxia manufactured medical cannabis stock to authorized pharmacies in the country; the partners are exploring further collaboration in other countries in which Stenocare operates; Denmark regulation enforcement is considered stringent among European countries, comprising a right-end marker with respect to cannabis-related quality and regulatory requirements

**Dr. Dadi Segal, CEO of Panaxia Israel: “Entering the Danish market, where regulation is among the most stringent in Europe, provides us with a standard that will allow entry into further European markets. We see Denmark as our entry gate into Scandinavian countries, and we look forward to helping thousands of patients in this important market. We are making progress towards the establishment of additional distribution agreements in our European target countries as we complete the registration processes in these countries.**

TEL AVIV, Israel, March 12, 2020 /PRNewswire/ -- Pharmaceutical company Panaxia Labs Israel Ltd. (Panaxia Israel, TASE: PNAX), the largest manufacturer of medical cannabis products in Israel, announced today its agreement with STENOCARE (STENOCARE, FRA:STENO), the largest distributor of medical cannabis stock in Denmark, to distribute and market Panaxia medical cannabis products in the Danish market.

The 5-year agreement stipulates that STENOCARE, distributor of medical cannabis stock to approximately 70% of the Danish market, will distribute, market, and sell Panaxia's products to authorized Danish pharmacies. A non-competition clause sets exclusivity of certain Panaxia products in the STENOCARE portfolio in this market. The agreement also stipulates distribution and public awareness campaigns concerning Panaxia cannabis products among relevant medical professionals. The partners are exploring additional potential collaboration in other European countries in which STENOCARE operates.

The Danish medicinal cannabis market has the most stringent entry barriers among European countries and is characterized by a low number of competitors. Therefore, despite being small, comprising about potential ten thousand patients in a four million strong population, the Danish market is a strategic market for Panaxia as it sets the highest regulatory standard. The number of Danish patients is expected to increase within four years four to five times fold, amounting to 1-2% of the population. An additional advantage of the Danish market is that products are sold in pharmacies pendant on prescription and in their final form (as opposed to markets where preparatory compounding is required of pharmacists).

Cannabis oil products are currently unavailable in Denmark as the only approved medicinal cannabis oil, of Canadian origin, was recently disqualified by the Danish authorities, leaving the Danish market in want of advanced forms of administration such as sublingual drop and tablets based on cannabis extract.

A long process of due diligence preceded the signing of the agreement with STENOCARE, during which STENOCARE assessed the preparedness and capacity of Panaxia to uphold the stringent regulatory requirements of the Danish Medicines Agency (DMA) and receive regulatory certification for marketing its products in Denmark. The company is expected to launch its sales in Denmark during Q3 of 2020 pendant upon the completion of registration and licensing for distribution in this market as well as an export permit from Israel to Europe. The herbal substance designated for products to be sold in the Danish market will be cultivated by Seach Medical Group Ltd. (Seach, TASE:  SEMG) in a manner meeting specific criteria set by Danish regulation.

**Dr. Dadi Segal, CEO of Panaxia Israel**: "Entering Denmark, where regulations are most stringent within Europe sets a standard for us that will further allow us to enter other European markets. We regard Denmark as an entry point leading to other Scandinavian countries, where the use of medicinal cannabis is prohibited. We expect to extend our help to thousands of patients in this important market through a distribution agreement with a strategic partner such as STENOCARE, the most prominent player in the Danish market of medicinal cannabis, and provide them with our high-quality medical cannabis products that are characterized by regulatory compliance that is more stringent than the market typically accepts and accurately dosed to address the most stringent medicinal requirements.  We are making progress towards the establishment of further distribution agreements in our European target markets as we finalize registration and licensing in these countries."

**Mr. Thomas Skovlund Schnegelsberg, STENOCARE CEO**: "As a company that is highly focused on import, supply, and distribution of finalized high-quality medical cannabis products to patients in Denmark, we chose Panaxia following a meticulous investigation of various suppliers of advanced medical cannabis products aimed at identifying the one manufacturer or supplier with the best high-quality products that would meet the stringent demands of the DMA. Panaxia's team of executives and experts, among who are doctors and even a Nobel laureate (Prof. Aaron Ciechanover), has impressed us in its pharmaceutical approach to medicinal cannabis, starting with manufacturing, through knowledge and clinical data of patients, all the way to its ability to grasp and comply with DMA requirements. These allow us to file for product approval upon signing the agreement. We are looking forward to our collaboration and extending our knowledge concerning effective care using these products for the benefit of our patients."

**About STENOCARE**

Founded in Denmark in 2017, STENOCARE's main goal is to participate in the four-year Danish Program of medical cannabis products for patients. The company is operating in a highly regulated market, under the jurisdiction and control of the Danish Medical Agency, where the products are legally available only via physician prescription. STENOCARE's headquarters is located in Denmark and its fully owned subsidiary, STENOCARE Ireland Ltd., is located in Ireland. For more information visit the company's site at: [https://STENOCARE .com/](https://c212.net/c/link/?t=0&l=en&o=2747426-1&h=918724679&u=https%3A%2F%2Fstenocare.com%2F&a=https%3A%2F%2FSTENOCARE+.com%2F).

**About Panaxia Israel**

**Panaxia Israel (**[**www.panaxia.co.il**](https://c212.net/c/link/?t=0&l=en&o=2747426-1&h=306365212&u=http%3A%2F%2Fwww.panaxia.co.il%2F&a=www.panaxia.co.il)**) is part of the pharmaceutical group of the Segal family, operating for over four decades, and manufacturing over 600 different pharmaceutical products, which it distributes in over 30 countries. Panaxia was founded by Dr. Dadi Segal, Dr.Eran Goldberg and Assi Rotbart, LL.b, and constitutes the Group's cannabis division. In addition, the sister-division of North America manufactures over 60 pharmaceutical products based on medical cannabis, including sublingual tablets, oral tablets, oils, inhalers, and more, intended to treat conditions such as post-traumatic stress, cancer, chronic pains, epilepsy, anorexia, burns, and many other medical conditions. Panaxia employs around 90 employees and all clinical experiments are conducted by the company.**

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