**Panaxia Israel Announces successful completion of the capital raising of 23 million ILS in privately allocated by Israeli institution investors and the company’s controlling shareholders.**

Proceeds include a unilateral option for the investment of 6 million ILS by the company’s controlling shareholders and additional investors, including company Chair, Jonathan Kolber, Dr. Dadi Segal, CEO, and Ran Nussbaum.

Dr. Dadi Segal, Panaxia CEO: “The successful completion of the private placement to leading Israeli Institutional Investors as Mor Investment house and Noked Capital, marks an outstanding achievement against the backdrop of the unfolding COVID-19 crisis and the challenging financial market conditions. We appreciate the confidence expressed by our new and existing shareholders in Panaxia's potential to become a leading player in the European market of pharmaceutical cannabis. The proceeds raised will support our plans of penetrating and expanding into the European market in the current year as we continue to grow our business in Israel”

(Tel Aviv, March 2020) – Pharmaceutical company Panaxia Labs Israel Ltd. (Panaxia Israel, TASE: PNAX), the largest manufacturer of medical cannabis products in Israel, announced the successful completion of a 17 Million ILS private placement of common stock and warrants to Israeli Institutional Investors: the provident funds, mutual funds, and portfolio management entities of Mor Investment House and Noked Capital Hedge Fund. In connection with the offering, the Company issued 6,319,703 shares of the Company's common stock at a purchase price per share of 2.69 ILS, and warrants to purchase an additional 5,055,762 shares of common stock at an exercise price of 4.00 ILS per share.

Besides, the company has been granted a unilateral option from controlling shareholders and investors within the controlling shareholder, for additional investment of a minimum of 6 million ILS in return to common stock and warrants under identical terms. Among the investors: Panaxia Israel's Chairman, Mr. Jonathan Kolber, CEO Dr. Dadi Segal, General Manager Assi Rotbart, LL.B., CTO Dr. Eran Goldberg, Mr. Ran Nussbaum, and additional Israeli and foreign investors. Exercise of the option is subjected to, among other conditions, the approval of Panaxia Israel shareholders’ meeting.

Total gross proceeds raised, including the exercise of the option by the company, are of 23 million ILS. The company intends to use the proceeds from the financing to advance the execution of its strategic plans, especially the export, the marketing, and the sales in Europe. Ori Mor of Mor-Langermann, investment banking consultancy firm, served as financial advisor in the private placement. The investment agreements are subject to general conditions required in such agreements.

**Dr. Dadi Segal, the Panaxia CEO, responded**: “The successful completion of the private placement to leading Israeli Institutional Investors as Mor Investment house and Noked Capital, marks an outstanding achievement against the backdrop of the unfolding COVID-19 crisis and the challenging financial market conditions We appreciate the confidence expressed by our new and existing shareholders in Panaxia's potential to become a leading player in the European market of pharmaceutical cannabis. The proceeds raised will support our plans of penetrating and expanding into the European market in the current year as we continue to grow our business in Israel.”

**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/>