

Panaxia Israel continues growth trend in the first quarter of 2021: reports record revenues of 19.7 million

**62% growth over the corresponding period the previous year and 16% over the
previous quarter;**

**The company is currently focused on implementing its global strategy and the shift to
development, production and export of its products to premium markets in Israel
and overseas, which are characterized by high profitability and a small number of
competitors, and as a result, announced the sale of its Israeli distribution and
logistics activity for 20 million**

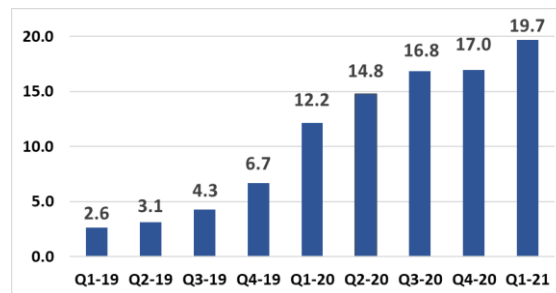
(Lod, May 31, 2021)- The Israeli subsidiary of Panaxia Global, **Panaxia Labs Israel Ltd. (“Panaxia Israel,” TASE: PNAX)**, Israel’s largest medical cannabis company and a global company with activity in **Germany, France, Israel, Cyprus, Greece and Malta**, today published its financial results for the first quarter of 2021.

Dadi Segal, CEO of Panaxia Israel, said, “We are delighted to cap another record quarter of strong growth in revenues, which for the first time include retail sales of Panaxia products in Germany and Cyprus, along with a significant decrease in operating and net losses. As the only company in Israel with EU-GMP certification from the EU Health Authority, which is required to export to Europe, Panaxia is currently focused on implementing its global strategy and a gradual shift to development, production and export of its brands to the premium markets that are characterized by high profitability and a small number of competitors, and on exclusive partnerships with global pharmaceutical companies.

“In addition to our premium oils, which at the beginning of the first quarter of the year were already available and supplied according to a branded doctor’s prescription at pharmacies in Germany, France and Cyprus, and our entry into new markets in which medical cannabis is regulated, we plan on expanding the supply of products over the year and to start marketing and sales of the advanced products we have developed, such as inhaled extracts and tablets in the future.”

Panaxia Israel - revenues in millions:

2019-2021 quarterly revenues



Results in the first quarter of 2021:

The company's revenues in the first quarter of 2021 amounted to a record 19.7 million, growth of 62% over revenues of 12.2 million the corresponding quarter the previous year, and growth of 16% compared to revenues of 17 million in the previous quarter.

The gross profit in the first quarter of 2021 amounted to 822,000 (gross profit rate of 4.2%), compared to gross profit of 413,000 (gross profit rate of 3.4%) in the corresponding quarter the previous year, and gross profit of 740,000 (gross profit rate of 4.4%) in the previous quarter.

About Panaxia Labs Israel

Panaxia Labs Israel, Ltd., is a publicly-traded company at Tel Aviv Stock Exchange (TASE: PNAX). It is the largest manufacturer of medical cannabis in Israel, a global company which also conducts business operations in Germany, France, Cyprus, Greece and Malta. Panaxia is the only company in Israel to receive an EU-GMP European production standard from the EU Health Authority, which is required for the commercial manufacture and export of medical cannabis and its products to Europe. Panaxia specializes in the development, manufacture and marketing of complex and advanced medical cannabis products, based on a large clinical database of tens of thousands of patients.

Panaxia Israel is a subsidiary of Panaxia Pharmaceutical Industries, which was founded in 2010 by Dr. Dadi Segal (Ph.D.), Dr. Eran Goldberg (Ph.D.) and Assi Rotbart (LL. B), as the cannabis division of the Segal Pharma Group, which has been operating for over four decades, manufacturing more than 600 various pharmaceutical products, and distributes them in over 40 countries.

Panaxia USA (a subsidiary of Panaxia Israel) manufactures in North America over 60 medical cannabis-based products, including sublingual tablets, lozenges, premium oils, inhalers and other products, designed to treat diseases such as PTSD, Cancer, Chronic Pain, Epilepsy, Anorexia, Burn Treatment and many other diseases.

The Panaxia Group has over 150 employees.

Panaxia website: <https://panaxia.co.il/>

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