

Unprecedented Achievement in the Medical Cannabis Market

Panaxia and Neuraxpharm will be the first companies to exclusively launch Medical Cannabis Extracts for Inhalation in Europe

After announcing the first regulatory marketing permit issued in Germany for their inhalation cannabis-based products * Inhalation extracts are over 50% of US and Canada Medical Cannabis market * First sales are expected later this year

Lod, Israel, June 21, 2021

Panaxia Labs Israel Ltd. ("Panaxia Israel"), TASE: PNAX, a global pharma company, specializes in developing, manufacturing and marketing progressive medical cannabis products in pharmaceutical quality, and its German partner, **Neuraxpharm**, a leading European pharmaceutical company, specialized in the central nervous system (CNS), announced the receipt of a first of its kind regulatory permit from the German Authorities, for marketing and distribution of medical cannabis extracts for inhalation.

Dr. Dadi Segal, Founder and CEO of Panaxia Israel: "We are excited to be the first and exclusive company in Europe to receive a marketing permit for inhaled medical cannabis extracts. This is an unprecedented commercial and regulatory achievement and significant news for patients in Germany, who will now be able to consume, for the first time, a clean product. The cannabis-based extracts contain only active ingredients, without by-products and harmful combustion products, that accompany smoking medical cannabis products, with or without tobacco. It is similar to other mature markets such as the US and Canada, in which inhalation extracts market segment is currently over 50 percent of the market and is still expanding. We are looking forward to making our high-

quality inhalation extracts accessible to patients in other European countries and we are operating to register them in the appropriate regulatory methods."

Panaxia and Neuraxpharm will be the first ever companies to market advanced products of this kind in Europe in general and in Germany in particular, as well as being the exclusive companies in Europe that have a regulatory permit for the marketing of medical cannabis tablets in France, in addition of the marketing permits for medical cannabis oils in Germany and France. The inhalation extract, which will be marketed in Germany under the joint brand **Naxiva-Panaxol**, is manufactured by Panaxia in accordance with the EU-GMP standard under strict pharmaceutical regulations according to clinical knowledge and methods developed by the company.

According to market researches, inhaled medical cannabis extracts are the most in-demand and consumed medical cannabis product in the US, and have a market share of over 50% of the US medical cannabis market. The most characteristic advantage of inhaled cannabis extracts is that it is a cleaner medical cannabis product, contains only active ingredients, without wax and chlorophyll included in smoking inflorescences. Furthermore, the process of evaporation of inhaled extracts is known to be a healthier process than smoking, since it does not require combustion and does not produce smoke, and consequently does not involve the release and inhalation into the lungs of harmful substances formed during the combustion processes.

The marketing permit allows Neuraxpharm, Panaxia's strategic partner, to import the products, distribute it to pharmacies, and market to physicians qualified to issue prescriptions for medical cannabis products to patients for a various range of medical indications,. In addition, on top of the series of products currently approved for marketing, as part of the strategic collaboration with Neuraxpharm, applications are due to be submitted in the near future for registration and marketing of other advanced products developed by Panaxia, including capsules and other products.

Panaxia is the only company in Israel with an EU-GMP approved facility from a European Health Authority, which allows the export of all types of medical cannabis products to most European countries.

About Panaxia Labs Israel

Panaxia Labs Israel, Ltd. is a publicly traded company at TASE (TASE: PNAX). It is a global pharma company, that develops, manufactures and markets advanced medical cannabis products of pharmaceutical high quality. Panaxia, the pioneer and largest medical cannabis manufacturer in Israel, is the only company in Israel with an EU-GMP approved factory from the European Health Authority, which is required for the commercial production and export of medical cannabis and its products to Europe. Panaxia specializes in the development, production and marketing of complex and advanced cannabis plant products, based on clinical information and a broad database of tens of thousands of patients.

Panaxia Israel is a subsidiary of the Panaxia Pharmaceutical Industries, established in 2010 by Dr. Dadi Segal (PhD), Dr. Eran Goldberg (PhD) and Assi Rotbart (LL. B), as the cannabis division of Segal Pharma Group, operating for over four decades, producing more than 600 different pharmaceutical products distributed in over 40 countries.

The Panaxia Group has over 150 employees.

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

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