

Panaxia continues growth: sums up 1st half of 2021 with 37.3 million revenues, 38.4% growth in comparison to 2020

In the cumulative first six months of 2021, the company executed retail sales in Germany and Cyprus; Revenues of the 2nd quarter of the year reached 17.6 million, an increase of 19.2% in comparison to 2020.

(Lod, August 31, 2021) – The Israeli subsidiary of Panaxia Global, **Panaxia Labs Israel Ltd.** ("Panaxia Israel", Tel Aviv: PNAX), a global pharma company that develops, manufactures and markets progressive medical cannabis products in pharmaceutical quality, published today its financial reports for the second quarter and first half of 2021.

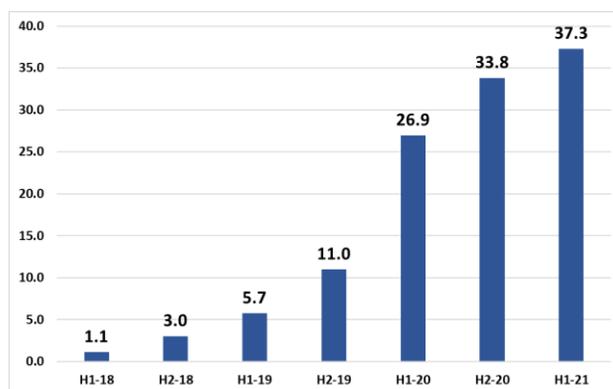
As part of their strategy to exit low-profit activities in Israel and focus on manufacturing and exporting premium products to Europe, Panaxia sold its distribution and logistics operations in Israel and recorded a capital gain of 14.8 million and an operational profit of 3.7 million.

Dr. Dadi Segal, CEO of Panaxia Israel: "We have concluded the second quarter and the first half of the year with an impressive revenue growth compares to last year. It includes sales of the company's products in Germany and Cyprus. It is a transition period, the last line of a long-term strategic process for the expansion of European markets and the exit from secondary activities in Israel, which are not at the core of the company's business. This process is expected to materialize significantly in the upcoming quarters. As part of the process, we have decided to exit activities in Israel, that are characterized by high competition and low profitability, and during that time, we have sold the distribution and logistics activities.

"The extensive resources we have invested in recent years have begun to bear fruits. We are expecting to start exporting medical cannabis extracts for inhalation, the only kind approved for marketing in Germany and throughout Europe. This is good tidings for patients, who avoid smoking medical cannabis for various reasons. It is also a powerful growth and profitability engine, with a potential to reach a significant market share In Europe, similar to mature markets in North America. Meanwhile, we continue regulatory registration of our products in Greece, Denmark and Poland, and look forward to beginning sales of products designed for the Oncology field in partnership with the German pharma company, Axio-Novoo, this year. We intend to enter any market that has a medical cannabis regulation in Europe, based on our relative advantages".

Panaxia Israel – Revenues (Millions)

Median Revenues 2019-2021



The company's revenues in the 2nd quarter of 2021 amounted to 17.6 million, an increase of 19.2% compared to revenues of 14.8 million in the parallel quarter last year. Panaxia's revenues in the first half of 2021 amounted to 37.3 million, an increase of 38.4% compares to revenues of 26.9 million in the same period last year. The increase in revenues is due to both an increase in sales of finished products to patients and pharmacies and an increase in revenues from manufacturing services. In addition, during the first half of 2021, the company made sales to Germany and Cyprus.

Operating profit in the 2nd quarter of 2021 amounted to 3.7 million, in comparison with an operating loss of 8.6 million in the corresponding quarter last year, and an operating loss of 8 million in the previous quarter. The operating loss in the first half of 2021 reached 4.3 million, compared with an operating loss of 17.9 million in the corresponding period last year.

Based on self-manufacture and export, as well as selling the company's distribution and logistics activities in Israel, it is expected to contribute to improvement in Panaxia's operating profitability and expenditures structure, along with expected growth and improvement in profitability in the next quarters, as a result of the company's core activities.

The net profit in the 2nd quarter of 2021 reached 3.6 million, compares with a net loss of 8.7 million in the corresponding quarter last year, and 8.3 million in the previous quarter.

About Panaxia Labs Israel

Panaxia Labs Israel, Ltd., which is traded on the Tel Aviv stock exchange (TASE: PNAX), is a global pharma company, which develops, manufactures and markets advanced medical cannabis-based products of pharmaceutical quality and the largest manufacturer of medical cannabis products in Israel. Panaxia is a pioneer in the medical cannabis market in Israel and the only company in Israel with an EU-GMP European production standard from the EU Health Authority, which is required for the commercial manufacturing 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, which was established in 2010 by Dr. Dadi Segal (PhD), Dr. Eran Goldberg (PhD) and Adv. Assi Rotbart (LL. B), as the cannabis division of Segal Pharma Group, which has been operating for over four decades, manufacturing more than 600 different pharmaceuticals distributed in over 40 countries.

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

The Panaxia Group has over 150 employees.

To learn more about Panaxia, please visit: <https://panaxia.co.il>