

Panaxia and Neuraxpharm - the first in Europe to sell medical cannabis extracts for vaporization

(Düsseldorf/Tel Aviv, December 8th, 2021) – Panaxia Labs Israel, Ltd. ("Panaxia Israel" Tel Aviv: PNAX), a global pharma company that develops, manufactures and markets advanced medical cannabis-based products in pharmaceutical quality, and Neuraxpharm, Europe's leading pharma company in the field of the central nervous system (CNS) drugs distribution, announced today its first retail sales of medical cannabis extracts which may be used for vaporization in Germany under the joint Brand: Naxiva-Panaxol. Thus, both companies became the first and only companies in the world to market medical cannabis extracts which may be used for vaporization in Europe.

Dr. Dadi Segal, CEO of Panaxia: "We are proud to reap the rewards and start in Germany the first sales of our innovative and leading product, the extracts for vaporization, and actualize our strategy together with our partner, Neuraxpharm. We are looking forward to the next ventures and the benefits of our collaborations as the first and only company licensed to sell medical cannabis extracts for vaporization in Germany, with a goal of reaching as wide a clientele as possible. At the same time, we will keep on expanding our business all over Europe, registering our products in appropriate regulatory routes".

Dr. Jörg-Thomas Dierks, CEO of Neuraxpharm: "With the first sales of medical cannabis extracts which may be used for vaporization in Germany, we have reached another milestone in our successful partnership with Panaxia. Going forward, we will continue to expand our product portfolio together with Panaxia, not only in Germany but also in other European countries. Above all, I am delighted that we can now offer our patients in Germany even more tailored treatment options with medical cannabis."

Dr. Bernd Grünberg, a pharmacist and owner of a big pharmacy in Munich, Apotheke Forum Schwanthalerhöhe, active in the field of medical cannabis: "We are very happy to have the new medical extracts which may be used for vaporization in our pharmacy in Munich, Ebersberg and Erding. Vaporization technology will provide our patients a safer alternative by decreasing respiratory and oncological risks, while maintaining the pharmacokinetic advantages comparable to smoking, such as the rapid absorption via the lungs directly into the circulatory system and more accurate and consistent dosage form, allows safer medical cannabis administration".

Sales of the products began after successfully passing rigorous laboratory tests upon arrival in Germany and were approved for distribution and sales in accordance with the regulatory permit for marketing the products granted in Germany. The extracts are manufactured by Panaxia under EU-GMP standard, strict pharmaceutical standards according to the company's clinical knowledge and methods, and are marketed in Germany by Neuraxpharm to physicians qualified to issue patients with branded prescriptions for medical cannabis products for a various range of medical indications and available in medical clinics.

The first sales come following the companies' announcement regarding the receipt of a marketing permit for the extracts for inhalation in Germany, the first and only permit of its kind, and the first shipment from Israel to Germany took off three weeks ago. Both companies are also the first and only companies in Europe to have a regulatory permit for the distribution of medical cannabis tablets in France under the government program of the French Medicines Authority, ANSM.

Market Potential

According to publications and market research¹, the total market share of inhaled cannabis extracts in North America was 27% in 2020, compared to 20% in 2018. This is in comparison to a decrease in the market share of inflorescences at the parallel periods. Sales volume of inhaled cannabis extracts in the major states that allow cannabis use in the US and Canada reached over half a billion dollars in the first quarter of 2021, reflecting an annual sales rate of over 2 billion dollars, with a growth of tens and hundreds of percent over 2020. This is due to the clear advantage of cannabis extracts for vaporization as a cleaner cannabis product, containing only active ingredients, without the wax and chlorophyll involved in smoking inflorescences. The process of evaporation of inhaled extracts is known as a healthier process than smoking, which does not require combustion and does not produce smoke, and as such does not involve the release and inhalation into the lungs of harmful substances formed in the combustion processes.

The companies see medical cannabis extracts for vaporization as a powerful growth and profitability engine and anticipate that this product will capture significant market share in Germany in the next years, as it did in North America.

As part of the strategic cooperation between both companies, applications will later be submitted for the registration and marketing of other advanced products developed by Panaxia, including sublingual tablets and other products.

About Panaxia Labs Israel

Panaxia Labs Israel, Ltd., which is traded on the Tel Aviv stock exchange (TASE: PNAX), is

¹ Arcview Market Research and Greentank Technologies, North American Vape Market, Q1 2021 Report.

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. The Panaxia Group has over 150 employees. To learn more about Panaxia, please visit: <https://panaxia.co.il>

About the Group Neuraxpharm

Neuraxpharm is a leading European specialty pharmaceutical company focused on the treatment of central nervous system disorders (CNS) with a direct presence in 18 countries. Backed by funds advised by Permira, Neuraxpharm has a unique understanding of the CNS market built over 35 years.

With its focus on CNS, Neuraxpharm develops and commercializes value-added medicines, standard generics and Consumer Healthcare products, e.g. probiotics and other nutraceuticals, and is continuously striving to offer a wide range of effective, high quality and affordable CNS treatment options in Europe.

Present with its products in more than 50 countries, Neuraxpharm also manufactures pharmaceutical products and active pharmaceutical ingredients in its own manufacturing sites in Spain, Lesvi and Inke.

To learn more about Neuraxpharm, please visit: <https://www.neuraxpharm.com>