



Panaxia sums up 2021 with a growth of 38% in total revenues of its Israeli activity, including initial revenues from cannabis oils export of 5.6 million

- Net Israeli revenues in 2021 increased 38% to 83.6 million.
- Initial revenues from medical cannabis oils export from Israel, which began at the end of 2020, were 5.6 million in 2021.
- As of February 2022, about a year after the oils export's launch, Panaxia is ranked #3 in cannabis oils sales in the category in Germany, with about 8% market share (*Insight Health Report, Feb 2022*).
- Export revenues yet to include revenues from cannabis extracts for vaporization sales, Panaxia's flagship product, whose sales in Germany started this year.
- The company anticipates that the cessation of contract manufacturing activities, distribution, logistics, and retail in Israel will significantly improve the company's gross profitability, along with a decrease in the company's sales turnover revenues in the first stage.

Dr. Dadi Segal, CEO of Panaxia Israel: "We conclude 2021 with double-digit revenue growth, including export revenues of approximately 5.6 million and 8% market share in the oils category in Germany. It was a launching year and a market penetration of the first product we have exported, clinically repellent and clinically backed. We are proud that at such an early stage, about a year after we first started exporting our premium oils to Germany, Panaxia ranks #3 in cannabis oil sales in Germany. At the beginning of the year, we began initial sales in Germany of our flagship product – medical cannabis extracts for vaporization, a clean product with 100% active ingredients and no hazardous combustibles. This product has many benefits, and it's the first and only product that, as we estimate, will have a market share of a few dozen percent. It receives very positive reactions from doctors, and we presume all this will be reflected in demand for the product by patients along the road".

"Looking ahead to 2022, the company continues to pursue its profitability improvement plans and in the production and export of unique finished products, including the extracts for vaporization in Germany and cannabis tablets for the experimental government program in France, as well as expansion to other countries. The experimental program in France is expected to be finalized on March 2023, and we then intend to submit a regulatory marketing

permit request to the authorities in France for commercial marketing and product distribution. We believe that this market is expected to be one of the largest markets in the Western world”.

(Lod, April 5, 2022) - The Israeli subsidiary of Panaxia Global, Panaxia Labs Israel Ltd. (“Panaxia Israel”, Tel Aviv: PNAX), a global pharma company that develops, manufactures, and markets advanced medical cannabis products in pharmaceutical quality, published its financial results for the 4th quarter and the fiscal year of 2021.

4th quarter and 2021 Results:

The Company's revenues in the 4th quarter of 2021 amounted to approximately 23.8 million, an increase of approximately 40% from the revenues of approximately 17 million in the corresponding quarter last year.

The Company's revenues in 2021 amounted to approximately 83.6 million, an increase of 37.6%, compared to revenues of approximately 60.7 million in 2020.

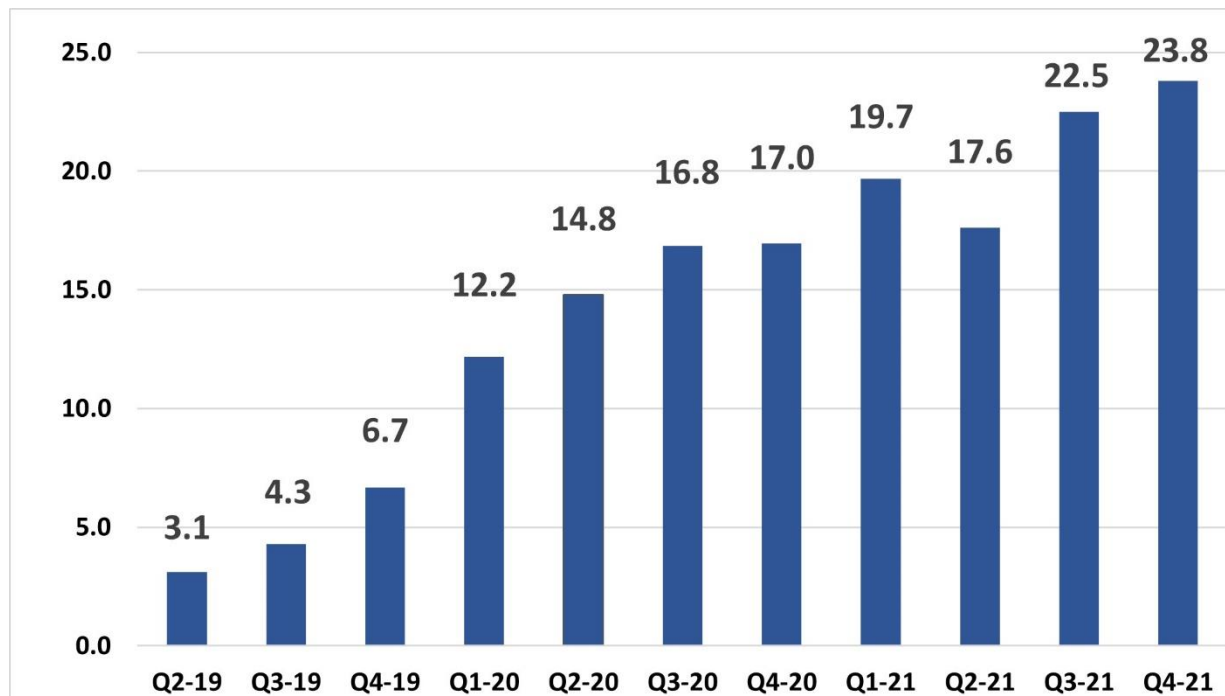
The increase in the Company's revenues in 2021 is due to its progress and the sale of its products, in parallel with a reduction in the volume of production services to third parties and retail sales to patients. In addition, in December 2020, the company began exporting its medical cannabis oils to Germany and Cyprus.

Exports: During 2021, which was a year of penetration into the German market, the company recorded revenues from exports of medical cannabis oils in the amount of approximately 5.6 million. As of February 2022, about a year after it started selling cannabis oils in Germany, Panaxia ranks 3rd in cannabis oil sales in the country, occupying about 8% share in the category, despite a late entry into the German market due to restrictions on exports from Israel.

It should be emphasized that the above export revenues do not yet include revenues from sales of inhaled medical cannabis extracts, the company's flagship product, whose sales began this year. As of the date of publication of the report, this will be reflected in demand for the purchase of the products by patients later on.

Panaxia Israel – Revenues (Millions)

Quarterly revenues, 2019-2021



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 is the largest manufacturer of medical cannabis products in Israel. Panaxia is a pioneer in the medical cannabis market 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 developing, producing, 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 Panaxia Pharmaceutical Industries, established in 2010 by Dr. Dadi Segal (Ph.D.), Dr. Eran Goldberg (Ph.D.), and Adv. Assi Rotbart (LL. B, BSc), as the cannabis division of Segal Pharma Group, has been operating for over four decades, manufacturing more than 600 different pharmaceuticals distributed in over 40 countries.

Panaxia USA (a subsidiary of Panaxia Global) 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 conditions.

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

