

PRESS RELEASE

Panaxia and Neuraxpharm to enter new medical cannabis markets in Europe

Both companies will expand their cooperation through the distribution of medical cannabis products in the highly attractive Czech and Swiss markets

Dusseldorf and Barcelona / Tel Aviv, October 6, 2022 – Neuraxpharm Group (Neuraxpharm), a leading European specialty pharmaceutical company focused on the central nervous system (CNS), and **Panaxia** (TASE: PNAX), a global pharmaceutical company that develops, manufactures and markets advanced medical cannabis products of pharmaceutical quality, today announced the signing of two addendums to their agreement to expand their collaboration into the Czech and Swiss markets.

The collaboration includes the marketing and distribution of advanced medical cannabis products, including cannabis extracts for inhalation, produced by Panaxia. This follows former collaborations between the companies in Germany and France. The collaboration model will be similar to the one in Germany with the joint branding, **Naxiva[®] Panaxol[™]**: Panaxia will manage the manufacturing of the products, such as pharmaceutical-grade medical cannabis premium oils and extracts for inhalation based on clinical data, while Neuraxpharm will be responsible for the marketing, distribution, and commercialization of the products in the Czech Republic and Switzerland markets.

Dr Dadi Segal, CEO of Panaxia, said: *"We are proud to expand our collaboration with our partner, Neuraxpharm, to the Czech Republic and Switzerland, two of the most advanced countries in Europe in terms of their medical cannabis policy. We are excited to make our advanced medical cannabis products available to patients in both countries and expand the variety of products offered."*

Dr Jörg-Thomas Dierks, CEO of Neuraxpharm, added: *"We are delighted about the new agreement with Panaxia, which is a great opportunity to benefit from the strong growth in the Swiss and Czech medical cannabis markets. We are confident that with our partner Panaxia we will be able to successfully leverage the potential of both markets going forward."*

This agreement strengthens the position of Neuraxpharm and Panaxia as key players in the European medical cannabis market, with the two companies planning to further expand the agreement to other countries.

In order to combine its activities and to reinforce its position as one of the key European players in medical cannabis, Neuraxpharm has created a business unit at corporate level dedicated to medical cannabis and established a dedicated sales force in Germany. To this end, Neuraxpharm has appointed Rita Barata as new head of the specified corporate medical cannabis business unit to accelerate the launch and drive its growth at European level. Rita Barata has over 15 years of experience in the pharmaceutical industry and has a strong track-record in driving commercial growth and innovation, both at national and international level in different companies. Prior to joining Neuraxpharm she was Head of Marketing EMEA & Country Manager Iberia at Tilray.

Panaxia operates two EU-GMP facilities in Israel and Malta, which allow the export of advanced medical cannabis products to most European countries.

First sales of products in the Czech Republic and availability of scientific information in Switzerland are expected to begin by the end of 2022, subject to completing the regulatory registrations of the Czech and Swiss authorities for the distribution of medical cannabis products.

The medical cannabis market in the Czech Republic¹

The Czech Republic is one of the most advanced countries in Europe in terms of the medical cannabis market size. The consistent increase in the number of patients, doctors and prescriptions issued during the last five years can be attributed to the subsidy of medical cannabis costs by health insurance. According to a report published by the SAKL, the Czech government agency for medical cannabis, prescriptions issued in the Czech Republic in 2021 increased by 37% from 2020. Medical cannabis is mostly prescribed for patients with chronic pain (80% of patients), Multiple sclerosis (12%) and Parkinson's disease. The report also reveals that 61.8% of medical cannabis patients in the Czech Republic are women.

The medical cannabis market in Switzerland²

Switzerland holds a leading position worldwide in the medical sector. However, its medical cannabis market is still in its infancy. In 2021, according to official reports, there were approximately 3,000 licensed patients for medical cannabis, although it is estimated that there are thousands more without a license. Recently, as a revision of the Swiss policy, access for patients has been dramatically streamlined, enabling the local cannabis industry to flourish. Starting in August 2022, patients are able to receive a prescription for medical cannabis without the need for a special license, similar to other drugs. This is expected to add thousands of additional patients to the legal, regulated medical cannabis market in the country.

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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 19 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 established brands, value added medicines, generics, Consumer Healthcare products, medical cannabis and beyond-the-pill solutions 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.

For further information, please visit: <https://www.neuraxpharm.com>

About Panaxia Labs Israel

Panaxia Labs Israel Ltd. traded on the Tel Aviv Stock Exchange (TASE: PNAX) is a global pharmaceutical company that develops, manufactures and markets advanced medical cannabis products of pharmaceutical quality. In addition, Panaxia operates two EU-GMP approved factories in Israel and Malta, which enable the export of advanced medical cannabis products to most European countries. Panaxia's products are developed based on strong clinical data and a wide database of tens of thousands of patients.

¹ Prohibition Partners, The European Cannabis Report, 7th edition; <https://prohibitionpartners.com/2022/01/19/could-czech-republic-be-europes-most-progressive-medical-cannabis-market/>

² Prohibition Partners, The European Cannabis Report, 7th edition.

Panaxia Israel is a subsidiary of Panaxia Pharmaceutical Industries, which was established in 2010 by Dr. Dadi Segal, Dr. Eran Goldberg and Adv. Assi Rotbart, as the cannabis division of the Segal Pharma group, which has been operating for over four decades, producing over 600 different pharmaceutical products, available in over 40 countries.

For further information, please visit: <https://www.panaxia.co.il>