

A breakthrough in the global medical cannabis market:

Neuraxpharm enters the medical cannabis market as the first-ever European pharmaceutical company to market medical cannabis products

Business collaboration signed with Panaxia Labs, Israel's largest cannabis manufacturer, to market and distribute medical cannabis products

Collaboration to start in Germany, Europe's largest cannabis market, and expected to expand to additional countries

Düsseldorf and Tel Aviv, April 1, 2020 - Neuraxpharm, a leading European specialty pharmaceutical company, together with Panaxia Labs Israel, Israel's largest medical cannabis manufacturer, today announced it is starting to market medical cannabis products, becoming the first European pharmaceutical company to include medical cannabis products in its portfolio. Neuraxpharm, which specializes in pharmaceutical products for the central nervous system (CNS), chose Panaxia Labs Israel ("Panaxia Israel," TASE: PNAX), Israel's largest medical cannabis manufacturer, as its partner in a business collaboration for the manufacture, commercialization and distribution of advanced medical cannabis products in Germany, Europe's largest and fastest-growing medical cannabis market.

The breakthrough agreement inked by the two companies positions them as dominant players in the international cannabis market. The agreement is expected to cover more markets in the future. To date, collaborations between large pharmaceutical and medical cannabis companies were limited to research and development partnerships or local-scale distribution. The establishment of the business collaboration reflects Neuraxpharm's and Panaxia's strategy to become a European leader in the commercialization of medical cannabis products.

Currently, a complex patchwork and different regulatory approaches for cannabis use are found across the European countries. While the sector is still in its early stages, market possibilities are expected to increase strongly with the growing acceptance of medical cannabis in more countries.

With its direct presence in now 12 European countries and annual revenues of around EUR 480 million, Neuraxpharm is a leading European CNS Specialist. Neuraxpharm covers over 80% of the European CNS drug market with its pharmaceutical products with more than 130 different CNS active ingredients.

With over 60,000 patients treated with medical cannabis (out of a total population of 82.8 million), Germany is the largest cannabis market outside the USA. The average cannabis expenditure per patient in Germany is EUR 500 per month. The market is backed by regulatory support, concurrently with strict quality standards and increasing demand for advanced administration methods. With the consistent increase in the number of patients treated with medical cannabis, the market is expected to account for 1-2% of Germany's population in four years. Products are prepared and sold prescription only by specially certified pharmacies.

Initial sales in Germany of the Panaxia / Neuraxpharm medical cannabis products are expected upon the receipt of the regulatory approval later in 2020.

Under the business collaboration, Panaxia will be responsible for manufacturing the products according to EU-GMP standards, as well as for the development and production of advanced new products, including tablets, suppositories and inhaled products. Panaxia will also be responsible for registering the products for commercialization according to the German regulatory requirements. Neuraxpharm will be responsible for branding, market penetration and distribution of the products to all certified pharmacies in Germany. The business collaboration includes a mutual option to consider expanding the collaboration to other EU countries.

Dr. Jörg-Thomas Dierks, CEO of Neuraxpharm, commented: "As a leading European pharmaceutical company specialized in CNS, we are delighted to announce this promising collaboration with Panaxia, a leader in medical cannabis products. As part of our commitment to find new solutions for unmet needs, we are truly excited to jointly pioneer in the fast growing medical cannabis sector and expand our portfolio of products in CNS. This follows our recent entry into the market for cannabidiol (CBD) products, and is a logical step that further strengthens our specialist position in Germany, and subsequently in other European countries."

Dr. Dadi Segal, CEO of Panaxia Labs Israel, commented: "We are excited and proud to have an European leader of Neuraxpharm's caliber select Panaxia to move forward together into the medical cannabis market. Having Neuraxpharm distribute our products in Germany is not only an incredible achievement for Panaxia, but also strong momentum for the medical cannabis industry in general and for the Israeli medical cannabis industry in particular. For the first time, an international pharmaceutical player includes medical cannabis products in its portfolio, formally acknowledging the market need and the medical value of cannabis based products. As a company with global capabilities since its inception, Panaxia manufactures according to the strictest scientific standards. We are beginning to see the fruits and to realize our business potential in sales in Europe's largest market, and in additional EU countries at a later stage. We are confident this is a favorable signal of the strong interest the pharmaceutical world has in Panaxia's products."

For further information please contact:

Optimum Strategic Communications

Mary Clark, Supriya Mathur, Manel Mateus

Tel: +44 203 922 0891

Email: neuraxpharm@optimumcomms.com

About Neuraxpharm – the European CNS specialist

Neuraxpharm is a leading European specialty pharmaceutical company focused on the treatment of central nervous system disorders (CNS) with a direct presence in Germany, Spain, France, Italy, Czech Republic, Poland, Austria, Switzerland, Slovakia, United Kingdom, Hungary and Portugal. Backed by funds advised by Apax Partners, 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>

About Panaxia Israel

Panaxia Labs Israel, Ltd. is a publically traded company at TASE (PNAX). It is the largest Israeli manufacturer and home-delivery distributor of medical cannabis products, and the first to have received the approval of the Israeli Ministry of Health for the manufacturing of medicinal cannabis based pharmaceuticals (under the IMC-GMP directive). The company manufactures over 30 hemp-based medicinal products and has accumulated a broad foundation of clinical experience based on tens of thousands of patients.

Panaxia is part of the Segal Pharma Group, owned by the Segal family and founded over forty years ago. The company manufactures over 600 different pharmaceutical products that are distributed in over 40 countries worldwide. Panaxia Labs Israel is a subsidiary of Panaxia Pharmaceutical Industries, co-founded by Dr. Dadi Segal, Dr. Eran Goldberg, and Assi Rotbart, Adv. as the cannabis division of the Segal Pharma Group. A sister subsidiary, Panaxia US, manufactures in North America over 60 hemp-based medicinal products, including sublingual tablets, lozenges, oils, and inhalators aimed for the treatment of conditions such as PTSD, cancer, chronic pain, epilepsy, anorexia, burns, and many other ailments. Panaxia Group has over 150 employees, and all clinical trials are conducted by in-house.

The Segal Pharma Group additionally owns Luminera Derm, manufacturer of injectable dermal fillers, and Tree of Life Pharma, manufacturer of over-the-counter drugs. For more information, visit the Panaxia website at: <https://panaxia.co.il/>