

November 5, 2019



IM Cannabis to Become First Israeli Medical Cannabis Operator to List on CSE and Provides Update on Operations in Europe and Israel

- IMC is the first Israeli medical cannabis company to list its shares in Canada and will trade under the ticker "IMCC" on the Canadian Securities Exchange
- The Company recently completed a private placement for gross proceeds of over CAD\$20 million to bolster its footprint across Europe, including Germany, Portugal and Greece
- Initial shipment from the EU-GMP facility in Europe to Germany is expected in Q22020

TORONTO and GLIL YAM, Israel, Nov. 5, 2019 /CNW/ - IM Cannabis Corp. (the "Company" or "IMC"), one of the world's pioneering medical cannabis companies with operations across Europe, is pleased to announce that its common shares are set to commence trading today under the ticker "IMCC" on the Canadian Securities Exchange (the "CSE"). IMC becomes the first Israeli medical cannabis operator to list its shares in Canada. The listing follows the recent completion of its reverse takeover by Israeli-based IMC Holdings Ltd. that included a private placement offering of subscription receipts for gross proceeds of approximately CAD\$20.4 million. The Company is also pleased to report progress in expanding its cultivation and distribution network across the fast-growing European Union ("EU").

"The team at IMC has done exceptionally well to position the Company as a market leader in the EU," said Oren Shuster, Chief Executive Officer. "Against a backdrop of challenging capital market conditions in the cannabis industry, investors have recognized the team's stellar operating history in the medical cannabis sector, recognized its potential and have bought into its European expansion strategy, which now includes operations in Germany, a supply agreement in Europe, and will soon include operations in Portugal and Greece as well."

Operational Update

- Focus Medical Herbs Ltd. ("Focus Medical"), a licensed medical cannabis producer in Israel with whom IMC has an exclusive commercial agreement to contribute IMC's intellectual property and branding, has recognized revenue of CAD\$4.3 million in the first half of 2019 from operations in Israel, a 180% increase in Focus' sales over the prior year

- The first cycle of production has been planted by the Company's supply partners in Europe and the initial shipment to Germany is expected in Q2 2020
- Additional EU-GMP cultivation facilities and supply sources in Portugal and Greece progressing according to plan

In the first half of 2019, Focus Medical increased revenue to a record CAD\$4.3 million, from CAD\$2.4 million in the same period last year. The increase in revenue is attributable to an increase in medical patients served over the prior year, which has reached over 5,000 monthly patients. Under its exclusive commercial agreement with Focus Medical, the Company is entitled to a royalty of 25% of Focus Medical's revenue in addition to amounts for certain services billed at cost plus 25%.

Additionally, Focus Medical received an extension to its licenses from the Israeli Institute of Quality & Control to grow and propagate cannabis for medical use until October 2020. The license extension confirms that Focus Medical meets IMC-G.A.P. standards.

A key pillar of the Company's growth strategy is continued international expansion. IMC has made significant progress at increasing its cultivation and distribution operations in the EU. IMC views the market in Germany as particularly attractive given its size, regulatory structure and proximity to Israel. Accordingly, in March 2019, IMC purchased Adjupharm GmbH ("Adjupharm"), an EU-GMP manufacturer and distributor based in Germany. Adjupharm is fully licensed to import, export and distribute medical cannabis in Germany with a 13-year track record of distributing medical products to pharmacies.

Furthermore, the Company's cultivation partner in Europe has received its EU-GMP certification and has already planted the first cycle of production. First shipment of IMC-branded medical cannabis to Germany is expected in second quarter of 2020. Management continues to pursue other partnerships that will increase the distribution of IMC-branded products to pharmacies in Germany.

"We are making great strides expanding our operations in Europe. This is attributable to the unmatched experience and knowledge our team has accumulated over the past nine years in the medical cannabis sector in Israel," Mr. Shuster continued. "We expect that the demand for medical cannabis in the EU will continue to increase over the long-term. Accordingly, our business strategy focuses on leveraging the first mover advantage by operating the highest standard facilities, producing top quality pharma-grade cannabis and distributing IMC-branded products through established channels. At the same time, we will continue to leverage our presence in Israel to bolster IMC's research and development initiative and collaborate with world renowned scientists on cutting-edge technology to the benefit of patients around the world. We have been active in the research and development ecosystem for cannabis technologies in Israel and expect to make further announcements regarding these efforts in the near term."

About IM Cannabis Corp.

IMC is an international medical cannabis company, and a well-known Israeli brand of medical cannabis products. In Europe, IMC is establishing a fully operational, vertically integrated medical cannabis business spearheaded by its distribution arm in Germany and augmented by strategic agreements with certified EU-GMP Standard suppliers, making it one of the only medical cannabis companies with fully integrated operations in Europe. IMC

intends to leverage IMC's brand to establish a foothold in emerging medical cannabis markets including Germany, Portugal and Greece. IMC's core Israeli business includes offering branding, know-how and other intellectual property-related services to the Israeli medical cannabis market. Its key assets in Israel include commercial agreements with licensed producers and an option to purchase licensed entities. IMC has developed proprietary processes in its operations and is active in developing innovative technology for global medical cannabis consumers.

Disclaimer for Forward-Looking Statements

This press release contains forward-looking statements within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "likely" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. The forward-looking statements in this press release include statements relating to the Company's strategic plans, European expansion, the Company's expectations regarding the long term growth of European demand for medical cannabis, the timing on the first shipment of medical cannabis from its cultivation partner in Europe and plans to bolster its research and development activities in Israel. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements, including, without limitation: the ability of the Company to comply with applicable government regulations in a highly regulated industry; unexpected changes in governmental policies and regulations affecting the production, distribution, manufacture or use of medical cannabis in Israel, Germany, Portugal, Greece or any other foreign jurisdictions in which the Company intends to operate; reliance on management; inconsistent public opinion and perception regarding the use of cannabis; engaging in activities considered illegal under US federal law; political instability and conflict in the Middle East; adverse market conditions; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; currency fluctuations; competition; and loss of key management and/or employees. Please see the Company's Form 2A Listing Statement which is available under the Company's profile on SEDAR for additional related risks factors that could materially affect the Company's operations and financial results. The Company does not undertake any obligation to update forward-looking statements except as required by applicable securities laws. Investors should not place undue reliance on forward-looking statements.

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