

November 29, 2019



IMC Holdings Increases Consolidated Revenues by 70% in Third Quarter of 2019

- Consolidated revenues increased 70% to \$2.3 million as sales volume and patient count continue to increase compared to previous year
- Focus increased its active registered patients by 28% to 4,636 as IMC-branded products maintain a leadership position in Israel
- Navasota completed private placement for gross proceeds of \$20.4 million to fund the Company's Europe-focused growth strategy

** Currency is in Canadian dollars unless specified otherwise.*

TORONTO and GLIL YAM, Israel, Nov. 29, 2019 /CNW/ - IM Cannabis Corp. (the "Company" or "IMC") (CSE:IMCC) (formerly Navasota Resources Inc. or "Navasota"), one of the world's pioneering medical cannabis companies with operations across Europe, is pleased to announce financial results for the three and nine months ending September 30, 2019, for I.M.C. Holdings Ltd. ("IMC Holdings"), a wholly-owned subsidiary of the Company.

IMC currently operates in the Israeli medical cannabis market by providing intellectual property and services to licensed producers. Focus Medical Herbs Ltd. ("Focus"), a licensed medical cannabis producer in Israel with whom the Company has exclusive commercial agreements, is the first major Israeli licensed producer to utilize the Company's intellectual property and know-how. Neither the Company nor any of its subsidiaries currently hold, directly or indirectly, any licenses to engage in the cultivation, production, processing, distribution or sale of medical cannabis in Israel. However, under International Financial Reporting Standards ("IFRS") 10, IMC Holdings and the Company are required to consolidate the results of Focus, a licensed propagator and cultivator of medical cannabis under the current Israeli regulatory regime, in its current financial results.

Business Highlights

Highlights during the three months ended September 30, 2019:

- Consolidated revenues increased to \$2.3 million or 70%, compared to \$1.4 million in the prior year, as Focus increased medical cannabis sold to 583kg from 424kg in the prior year;
- Focus increased its active registered patients to 4,636 from 3,617 over the prior year, or 28%, as the IMC brand continues to be one of the most well recognized in Israel; and
- On August 30, 2019, Navasota announced the completion of a private placement for gross proceeds of \$20.4 million, the net proceeds of which would be used to fund the

Company's Europe-focused growth strategy, among other initiatives.

Highlights subsequent to September 30, 2019:

- Focus received an extension to its licenses from the Israeli Institute of Quality & Control to grow and propagate cannabis for medical use until October 2020, confirming that Focus meets all IMC-G.A.P. standards;
- On November 5, 2019, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "IMCC"; and
- On November 21, the Company announced that 9,730,258 common share purchase warrants began trading on the CSE under the ticker symbol "IMCC.WT".

"The IMC brand is known for quality, purity and consistency of its medical cannabis products in Israel. These financial results and Focus' increasing active patient base attest to the reputation we have developed and demonstrate the ability to leverage our knowledge to successfully execute the growth strategy in Europe," said Oren Shuster, Chief Executive Officer of IMC. "While operations in Israel are expected to benefit from increased pricing and increased usage of medical cannabis by patients, expanding to Europe represents a very large opportunity for the Company. IMC is building its distribution capacity in Germany and diversifying its supply sources of EU-GMP medical cannabis products, with the goal of establishing leadership of IMC-branded products used by medical cannabis patients across Europe."

Financial Results	For the nine months ended September 30,		For the three months ended September 30,	
	2019	2018	2019	2018
Revenues ('000)	\$ 6,595	\$ 3,758	\$ 2,326	\$ 1,377
Gross margin before fair value impacts in cost of sales ('000)	\$ 3,433	\$ 2,225	\$ 1,026	\$ 1,204
Gross margin before fair value impacts in cost of sales (%)	52%	59%	44%	87%
Net Income (Loss) ('000)	\$ -9,112	\$ 1,359	\$ -1,915	\$ 1,414
Operational Results - Medical Cannabis				
Active registered patients	4,636	3,617	4,636	3,617
Average net selling price of dried cannabis	\$ 3.06	\$ 2.67	\$ 2.89	\$ 2.66
Quantity produced (in Kilograms)	1,448	1,155	1,264	1,155
Quantity sold (in Kilograms)	1,698	1,135	583	424
Balance Sheet				
	September 30, 2019	December 31, 2018		
Total assets ('000)	\$ 15,193	\$ 14,994		
Total liabilities ('000)	\$ 10,386	\$ 3,383		

Revenues of IMC Holdings for the three-month period ended September 30, 2019 were \$2.3 million compared to \$1.4 million for the three-month period ended September 30, 2018, an increase of \$0.9 million or 70%. The increase in revenues, year-over-year, is primarily due to the growth in Focus' customer base and increased pricing.

Total product sold for Focus for the three-month period ended September 30, 2019 was 583 kilograms at an average selling price of \$2.89 per gram compared to 424 kilograms for the three-month period ended September 30, 2018 at an average selling price of \$2.66 per gram.

Gross profit before fair value impacts for the three-month period ended September 30, 2019 was \$1.0 million compared to \$1.2 million for the three-month period ended September 30, 2018. Higher sales volumes and pricing for Focus was offset by costs incurred to implement new regulatory requirements on medical cannabis producers.

IMC Holdings realized a net loss for the three-month period ended September 30, 2019 of \$1.9 million compared to net income of \$1.4 million for the three-month period ended September 30, 2018. This variance is primarily due to hiring financial advisors and increased personnel, costs associated with listing on the CSE, investments into market awareness of IMC Holdings and its products, options granted to employees and warrants granted as part of IMC Holdings financing activities.

Conference Call

IMC will host a conference call on Monday, December 2, 2019, at 8:30 a.m. ET to discuss its third quarter financial results and provide investors with key business highlights. The call will be chaired by Oren Shuster, Chief Executive Officer.

Date: December 2, 2019 | Time: 8:30am ET

Participant Dial-in North America: (877) 648-7976

Participant Dial-in International: (617) 826-1698

Participant Dial-in Israel toll-free: 1809315362

Replay Dial-in (14 days): (404) 537-3406

Conference ID: 2777664

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 medical cannabis operation first with its distribution subsidiary 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 its operational experience and 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 for pricing of medical cannabis in Israel and the growth of medical patients 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.

SOURCE IM Cannabis Corp.