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IM Cannabis Corp. Provides Israeli Market Update

TORONTO and GLIL YAM, Israel, Dec. 18, 2019 /CNW/ - IM Cannabis Corp. (the "Company" or "IMC") (CSE: IMCC), one of the world's pioneering medical cannabis companies with operations in Israel and across Europe, is providing an update on an interim order recently issued by the Israeli High Court of Justice (the "High Court") (the "Interim Order") requiring medical cannabis cultivators and production companies in Israel to extend the supply of medical cannabis to certain patients who, under the former regulatory regime, were licensed to receive medical cannabis until July 30, 2019, as per conditions and prices set in that former regulatory regime. The High Court delivered the Interim Order despite a new regulatory regime implemented in October 2019 that mandated new conditions and prices for supply of medical cannabis to qualifying patients. The Interim Order is applicable until March 2020 or such time as may be decided by the High Court.

Focus Medical Herbs Ltd. ("Focus Medical"), a licensed producer in Israel with which the Company has certain commercial agreements has filed, along with other cultivators, motions seeking further clarification with regard to the Interim Order pending a final decision by the High Court.

The Company does not expect the Interim Order to have a material impact on IMC given the short period during which the decision is effective and the limited number of patients to which the decision applies. Furthermore, Focus Medical has a nine-year track record of operating under the former regulatory regime and believes it can make the necessary preparations to adjust its operations to supply patients under the terms of the Interim Order.

Focus Medical continues to expect to increase its annual capacity in order to satisfy rising demand for medical cannabis products under the IMC brand in Israel. At the same time, IMC and its management team remain focused on executing on its growth strategy and advancing the Company's operations across Europe.

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 impact of Israeli regulatory reforms on the Company's operations, Focus Medical increasing capacity to meet rising demand and execution of the Company's growth strategy in Europe. 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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