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IM Cannabis Provides Update to Listed Issuer Financing Exemption Offering

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TORONTO and GLIL YAM, Israel, Jan. 27, 2023 /CNW/ - IM Cannabis Corp. (the "**Company**" or "**IMC**") (NASDAQ: IMCC) (CSE: IMCC), an international medical cannabis company announces that it has engaged certain eligible finders (each a "**Finder**"), in connection with its previously announced private placement offering of units of the Company (each, a "**Unit**") pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – Prospectus Exemptions (the "**LIFE Offering**"). Each Finder will receive a cash finder's fee equal to 5% of the aggregate gross proceeds received from purchasers introduced to the Company by the Finder for the LIFE Offering. The Units are being offered for sale to purchasers resident in Canada (except Quebec) and/or other qualifying jurisdictions.

In connection with the announcement, the Company has prepared an amended and restated offering document related to the LIFE Offering that can be accessed under the Company's profile at www.sedar.com and on the Company's website at www.imcannabis.com. Prospective investors should read this amended and restated offering document before making an investment decision.

To date, the Company has closed on an aggregate of 1,917,171 Units under a previously announced concurrent non-brokered private placement offering at a price of US\$1.25 per Unit for aggregate gross proceeds under the concurrent offering of US\$2,396,463.75. The Company has also closed on an aggregate of 400,000 Units under the LIFE Offering at a price of US\$1.25 per Unit for aggregate gross proceeds of US\$500,000, such amounts exclusive of 102,152 Units issued to a director of the Company under the LIFE Offering whose subscription price was satisfied by the settlement of US\$127,690 in debt owed by the Company to the director.

Each Unit consists of one common share of the Company (each a "**Common Share**") and one Common Share purchase warrant (each a "**Warrant**"). Each Warrant entitles its holder to purchase one additional Common Share at an exercise price of US\$1.50 for a period of 36 months from the date of issue. The Company may complete one or more additional closings under the LIFE Offering, with the final closing to occur no later than March 2, 2023. The securities issued pursuant to the LIFE Offering are not subject to any statutory hold period in accordance with applicable Canadian securities laws. The securities issued pursuant to the concurrent offering to the LIFE Offering are subject to a statutory hold period in accordance with applicable Canadian securities laws. The Company intends to use the net proceeds

from the LIFE Offering and the concurrent offering for general working capital purposes.

None of the securities have been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, the Units may not be offered or sold within the United States, its territories or possessions, any state of the United States or the District of Columbia (collectively, the "**United States**") or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and all applicable state securities laws or an exemption from such registration requirements is available. This press release does not constitute an offer to sell or a solicitation of an offer to buy any Units within the United States or to, or for the account or benefit of, U.S. persons.

About IM Cannabis Corp.

IMC (Nasdaq: IMCC) (CSE: IMCC) is an international cannabis company that provides premium cannabis products to medical patients in Israel and Germany, two of the largest medical cannabis markets. The Company has recently commenced exiting operations in Canada to pivot its focus and resources to achieve sustainable and profitable growth in its highest value markets, Israel and Germany. The Company leverages a transnational ecosystem powered by a unique data-driven approach and a globally sourced product supply chain. With an unwavering commitment to responsible growth and compliance with the strictest regulatory environments, the Company strives to amplify its commercial and brand power to become a global high-quality cannabis player.

The IMC ecosystem operates in Israel through its commercial relationship with Focus Medical Herbs Ltd. ("**Focus Medical**"), which imports and distributes cannabis to medical patients, leveraging years of proprietary data and patient insights. The Company also operates medical cannabis retail pharmacies, online platforms, distribution centers, and logistical hubs in Israel that enable the safe delivery and quality control of IMC products throughout the entire value chain. In Germany, the IMC ecosystem operates through Adjupharm GmbH, where it distributes cannabis to pharmacies for medical cannabis patients. Until recently, the Company also actively operated in Canada through Trichome Financial Corp. and its wholly-owned subsidiaries Trichome JWC Acquisition Corp. and MYM Nutraceuticals Inc., where it cultivated, processed, packaged, and sold premium and ultra-premium cannabis at its own facilities under the WAGNERS and Highland Grow brands for the adult-use market in Canada. The Company's Canadian operation continues to export premium and ultra-premium medical cannabis to Israel. The Company is exiting operations in Canada and considers these operations discontinued. For more information, please visit www.imcannabis.com.

Forward-Looking Statements

This press release contains forward-looking information or forward-looking statements under applicable Canadian and U.S. securities laws (collectively, "**forward-looking statements**"). All information that addresses activities or developments that we expect to occur in the future are forward-looking statements. 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. Forward-looking

statements are based on the estimates and opinions of management on the date the statements are made. In the press release, such forward-looking statements include, but are not limited to, statements regarding, the payment of finders fees, additional closings under the LIFE Offering, and the use of the net proceeds from the LIFE Offering and concurrent offering.

Forward-looking statements are based on assumptions that may prove to be incorrect, including but not limited, the anticipated increase in demand for medical and adult-use recreational cannabis in the markets in which the Company operates; the Company's satisfaction of international demand for its products; the Company's ability to implement its growth strategies and leverage synergies of acquisitions; the Company's ability to reach patients through e-commerce and brick and mortar retail operations; the development and introduction of new products; the ability to import and the supply of premium and indoor grown cannabis products from the Company's Canadian subsidiaries and third-party suppliers and partners; the changes and trends in the cannabis industry; the Company's ability to maintain and renew or obtain required licenses; the ability to maintain cost-efficiencies and network of suppliers to maintain purchasing capabilities; the effectiveness of its products for medical cannabis patients and recreational consumers; future cannabis pricing and input costs; cannabis production yields; and the Company's ability to market its brands and services successfully to its anticipated customers and medical cannabis patients.

The above lists of forward-looking statements and assumptions are not exhaustive. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include: the ability of the Company to close the offerings; general business risk and liability, including claims or complaints in the normal course of business; any failure of the Company to maintain "de facto" control over Focus Medical in accordance with IFRS 10; potential limitations on stockholdings of the Company in connection with its subsidiaries' engagement in the Israeli medical cannabis market; the ability and/or need to obtain additional financing for continued operations on terms acceptable to the Company; the failure of the Company to comply with applicable regulatory requirements in a highly regulated industry; unexpected changes in governmental policies and regulations in the jurisdictions in which the Company operates; the Company's ability to continue to meet the listing requirements of the Canadian Securities Exchange and the NASDAQ Capital Market; any unexpected failure to maintain in good standing or renew its licenses; the ability of the Company to integrate each of its acquisitions into the Company's operations and realize the anticipated benefits and synergies of each such transaction and the timing thereof and the focus of management on such integration; any potential undisclosed liabilities of entities acquired by the Company that were unidentified during the due diligence process; the interpretation of Company's acquisitions of companies or assets by tax authorities or regulatory bodies, including but not limited to the change of control of licensed entities; the ability of the Company and Focus Medical to deliver on their sales commitments or growth objectives; the reliance of the Company and Focus Medical (collectively, the "**Group**") on third-party supply agreements and its ability to enter into additional supply agreements to provide sufficient quantities of medical cannabis to fulfil the Group's obligations; the Group's possible exposure to liability, the perceived level of risk related thereto, and the anticipated results of any litigation or other similar disputes or legal proceedings involving the Group; the impact of increasing competition; any lack of merger and acquisition opportunities; adverse

market conditions; the inherent uncertainty of production quantities, qualities and cost estimates and the potential for unexpected costs and expenses; risks of product liability and other safety-related liability from the usage of the Group's cannabis products; supply chain constraints; competition; reliance on key personnel; the Company's ability to continue as a going concern; the risk of defaulting on existing debt and war and civil conflict in Eastern Europe and the Middle East.

Please see the other risks, uncertainties and factors set out under the heading "Risk Factors" in the Company's management's discussion and analysis dated November 14th, 2022 and annual information form dated March 31st, 2022 filed with the Canadian securities regulators and which are available on the Company's issuer profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Any forward-looking statement included in this press release is made as of the date of this press release and is based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking information is made. 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. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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