September 8, 2022

RAFAEL GABAY ACQUIRES COMMON SHARES OF IM CANNABIS CORP.

TORONTO and GLIL YAM, Israel, Sept. 8, 2022 /CNW/ -- Rafael Gabay, a promoter and significant shareholder of IM Cannabis Corp. ("**IMCC**" or the "**Company**") (CSE: IMCC) (NASDAQ: IMCC), announces that he has acquired an aggregate of 613,496 common shares in the capital of IMCC (the "**Common Shares**") as part of IMCC's non-brokered private placement of 4,887,496 Common Shares at a price of USD$0.50 per Common Share for aggregate proceeds of USD$2,443,748 (the "**Private Placement**"). Mr. Gabay paid aggregate cash consideration of USD$306,000 ($397,279.80 based on the Bank of Canada daily average exchange rate on August 24, 2022).

Immediately prior to the Private Placement, Mr. Gabay held beneficial ownership of, or control or direction over, 8,090,720 Common Shares, representing 11.61% of the issued and outstanding Common Shares on a non-diluted basis. As a result of the Private Placement, Mr. Gabay now holds beneficial ownership of, or control or direction over, an aggregate of 8,704,216 Common Shares, representing approximately 11.67% of the issued and outstanding Common Shares on a non-diluted basis. Mr. Gabay acquisition of Common Shares as part of the Private Placement, result change in Mr. Gabay's share ownership

position greater than 2% from Mr. Gabay's last early warning report that was filed on October 16, 2019 (the "**Previous EWR**") in which he reported the beneficial ownership of 22.34% of the then-issued and outstanding Common Shares on a non-diluted basis. The decrease in Mr. Gabay's share ownership since the Previous EWR was due primarily to a series of Common Share treasury issuances by the Company that diluted Mr. Gabay's last reported position.

Mr. Gabay acquired the Common Shares for general investment purposes only. Mr. Gabay may in the future take such actions in respect of his holdings in IMCC as he may deem appropriate based on his assessment of market conditions and any other conditions he considers relevant at the time, including the purchase of additional Common Shares through open market or privately negotiated transactions or the sale of all or a portion of his holdings in the open market or in privately negotiated transactions to one or more purchasers, subject in each case to applicable securities laws.

A copy of the related early warning report filed by Mr. Gabay under applicable Canadian securities legislation in connection with his shareholdings in IMCC may be found at www.sedar.com under IMCC's profile.

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