

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

IM Cannabis Corp. (the “Company”)  
Kibbutz Glil Yam  
Central District 4690500 Israel

**Item 2: Date of Material Change**

July 12, 2024.

**Item 3: News Release**

A news release disclosing the material change was issued by the Company through the services of Canadian Newswire on July 12, 2024 and subsequently filed on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 4: Summary of Material Change**

Effective July 12, 2024, the Company completed a consolidation of its issued and outstanding common shares (“**Common Shares**”) on the basis of one post-consolidated Common Share for every six pre-consolidated Common Shares (the “**Consolidation**”) and in conjunction the Common Shares began trading on the Canadian Securities Exchange (the “**CSE**”) and Nasdaq Stock Market LLC (“**NASDAQ**”) on a 6:1 post-consolidated basis.

The Company’s trading symbol remained “IMCC” on both the CSE and NASDAQ. The Company’s new CUSIP and ISIN numbers are 44969Q406 and CA44969Q4060, respectively.

**Item 5.1: Full Description of Material Change**

After giving effect to the Consolidation, the Common Shares were reduced from 13,394,136 to 2,232,357 Common Shares. No fractional Common Shares were issued in connection with the Consolidation. Instead, all fractional Common Shares equal to or greater than one-half resulting from the Consolidation were rounded to the next whole number, otherwise, the fractional Common Shares were cancelled. The exercise price and/or conversion price and number of Common Shares issuable under any of the Company’s outstanding convertible securities were proportionately adjusted in connection with the Consolidation.

Computershare Investor Services Inc., the Company’s registrar and transfer agent for the Common Shares, mailed letters of transmittal to registered shareholders of record as of July 12, 2024 providing instructions for the exchange of their Common Shares as soon as practicable following the effective date. Registered shareholders may also obtain a copy of the letter of transmittal by accessing the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). Until surrendered, each Common Share certificate or direct registration system statement representing pre-consolidated Common Shares will represent the number of whole post-consolidated Common Shares to which the holder is entitled as a result of the Consolidation. No action is required by beneficial holders to receive post-consolidation Common Shares in connection with the Consolidation. Beneficial holders who hold their Common Shares through intermediaries (e.g., a broker, bank, trust company investment dealer or other financial institution) and who have questions regarding how the Consolidation will be processed should contact their intermediaries with respect to the Consolidation.

**Item 5.2: Disclosure for Restructuring Transactions**

Not applicable.

**Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7: Omitted Information**

Not applicable.

**Item 8: Executive Officer**

Michal Lebovitz  
Corporate Secretary  
Phone: +972-54-2815033  
Email: [michal.l@imcannabis.com](mailto:michal.l@imcannabis.com)

**Item 9: Date of Report**

July 18, 2024.