



InterCure Estimates Record Fourth Quarter and Fiscal Year End 2021 Results¹

Fourth quarter 2021 Revenue and Adjusted EBITDA² of \$33 million and \$9 million, representing an increase of almost 200% and 140% YoY, respectively

Record fiscal year 2021 revenue and Adjusted EBITDA² of \$89 million and \$23 million, representing an increase of over 230% and of almost 250% YoY, respectively

Estimated net income of \$5 million for 2021

Strong balance sheet with \$89 million cash

Six consecutive quarters with positive cash flow from operations

Revenue growth expected to continue in the first quarter and throughout 2022

NEW YORK, TORONTO, and HERZLIYA, Israel – April 4, 2022 – [InterCure Ltd.](#) (NASDAQ: INCR) (TSX: INCR.U) (TASE: INCR) (dba Canndoc)("InterCure" or the "Company") is pleased to announce its estimated financial and operating results for the fourth quarter and year ended December 31, 2021. All amounts are expressed in New Israeli Shekels (NIS) or Canadian dollars (\$), unless otherwise noted.

Fourth Quarter 2021 Key Financial¹ & Operating Highlights

- Record revenue of \$33 million (NIS 80 million), higher than preliminary results and three times greater than the fourth quarter of 2020 and representing sequential growth of 29%.
- Record adjusted EBITDA of \$9 million (NIS 21 million), representing an 140% increase year-over-year, sequential growth of almost 50% and adjusted EBITDA margin of 26%.
- Eighth consecutive quarter of high double-digit growth representing an estimated annualized run rate of over \$130 million (NIS 320 million).
- Estimated net income of \$1 million (NIS 3 million) for 2021.
- Sixth consecutive quarter of positive cash flow from operations.
- Announced European expansion with international cannabis brand Cookies™ - opening first retail locations in Austria and the United Kingdom.

¹ Unaudited estimated cannabis sector results.

² EBITDA adjusted for changes in the fair value of inventory, share-based payment expense, impairment losses (and gains) on financial assets, non-controlling interest and other expenses (or income). This is a non-IFRS financial measure and does not have a standardized meaning prescribed by IFRS, please see "Non-IFRS Measures" below.



- Company surpassed one-ton medical cannabis products dispensed per month in the fourth quarter, representing approximately 30% market share of Israel's medical cannabis.

Full Year 2021 Key Financial¹ & Operating Highlights

- Record fiscal year 2021 revenue and Adjusted EBITDA of \$89 million (NIS 220 million) and \$23 million (NIS 55 million), representing an increase of 230% and 250% year-over-year, respectively.
- Adjusted EBITDA margin of 25% for the fiscal year 2021 up 1% from 2020.
- Cash at year end of \$89 million (NIS 217 million).
- Estimated net income of \$5 million (NIS 13 million) for 2021.
- Increased market share due to solid demand for Canndoc's branded products and expansion of the Company's medical cannabis dispensing operations.
- Added 19 locations to its leading medical cannabis dedicated pharmacy chain, out of which 13 are actively dispensing medical cannabis.
- Announced the first major consolidation in the pharmaceutical medical cannabis space with the signing of an LOI to acquire multi-national licensed producer "Better".
- Solid international demand for InterCure's GMP branded products expected to boost global expansion as Israeli government eases regulation on exportation.
- Legislation of adult use cannabis and CBD products in Israel progresses as a new government sworn into office in June 2021.
- InterCure commenced trading on Nasdaq, CEO Alexander Rabinovitch purchased on the open market a total of 423,501 shares of the Company's common stock for a total investment in the Company of \$3,790,238 per share or NIS 9,608,631.
- During the third quarter, InterCure received 5.2 million shares back from the sponsor of our SPAC transaction. According to the agreement the shares were subject to forfeiture from the SPAC sponsor based upon share price target criteria. The return of the shares to the company without cost adds a significant value of approximately \$56 million by the current share price to all InterCure's shareholders.

Post-fourth quarter 2021 Highlights

- Announced it has signed a definitive agreement to acquire 100% of Better's shares.
- Announced international strategic partnership with Clever Leaves.
- Company expected to capitalize on new CBD market following the Israeli Minister of Health's announcement that CBD will be removed from the Dangerous Drugs Act through strategic partnerships with Charlotte's Web.
- Signed definitive agreement with Altman Health, the leading Israeli wellness brand with distribution into 1,700 points of sale, focusing on the new Israeli CBD product market.



- Added 3 new medical cannabis dedicated pharmacies to the Company's chain, totaling 23 retail locations across Israel, out of which 15 are actively dispensing medical cannabis.

"2021 was another successful year for InterCure as we continued to execute our profitable growth strategy while strengthening our brands, manufacturing, distribution and consolidation leadership" said **InterCure CEO Alexander Rabinovich**, adding "We achieved another significant milestone of almost 230% year-over-year growth in revenues with 250% growth in adjusted EBITDA, with one of the strongest balance sheets in the sector. In addition, we increased our number one market share in the leading medical cannabis market outside North America. Looking towards 2022, we are focused on executing our international expansion, including opening the first medical cannabis pharmacies in Austria and UK, entering the Australian medical cannabis market and laying down the infrastructure for entering the US market in the mid-term as federal legalization advances. Leading the consolidation process, continued expansion of our pharmaceutical grade cannabis dispensing operation, and our global expansion creates visible momentum for continued near and long-term profitable growth, generating value for shareholders and relief for patient communities."

"The fourth quarter of 2021 is InterCure's eight consecutive quarter with quarter-to-quarter high double-digit growth and sixth consecutive quarter with positive cash flow from operations" said **InterCure CFO Amos Cohen**, adding "Our focus and strong execution in 2021 positions us very well for the significant growth opportunities in 2022 and beyond. I am proud of the hard work and dedication of all our team members who make this success possible."

Key Q4 and Full Year 2021 Estimated Financial Highlights – Cannabis Sector

(In thousands NIS)

Full Year	2020	2021
Revenues	27	89
Gross Profit ⁽¹⁾	12	38
Adjusted EBITDA ⁽²⁾	7	23

Fourth Quarter	Q4-20	Q4-21
Revenues	11	33
Gross Profit ⁽¹⁾	5	15
Adjusted EBITDA ⁽²⁾	4	9

	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21
Revenues	5	9	11	14	19	25	33
Gross Profit ⁽¹⁾	2	4	5	6	8	10	15
GP Margin	43%	48%	49%	47%	43%	40%	46%
Adjusted EBITDA ⁽²⁾	1	3	4	4	5	6	9
Adjusted EBITDA ⁽²⁾ Margin	14%	31%	32%	30%	26%	23%	26%



- (1) Gross profit before effect of fair value.
- (2) EBITDA adjusted for changes in the fair value of inventory, share-based payment expense, impairment losses (and gains) on financial assets, non-controlling interest and other expenses (or income). This is a non-IFRS financial measure and does not have a standardized meaning prescribed by IFRS, please see "Non-IFRS Measures" below.

Rescheduled Webcast and Conference Call

The Company will conduct a webcast on Wednesday, April 6, 2022 at 8:30 a.m. (Eastern Time) to review the results as well as provide an overview of the Company's recent milestones and growth strategy.

To access the conference call, United States participants please dial **(844) 310-5056**, or for international callers, **1-706-679-4749**. Conference ID: **5661207**.

Participants can access the live webcast through the following link:

<https://bit.ly/37N92wN>

Consolidated Financial Statements and Management's Discussion and Analysis

The publication of InterCure's audited financial statements and accompanying notes for the year ended December 31, 2021 and related management's discussion and analysis of financial condition and results of operations ("MD&A") was delayed due to immaterial technical matters being finalized with the Company's auditors and are expected to be available under the Company's profile on SEDAR before market opens April 5, 2022.

About InterCure (dba Canndoc)

InterCure (dba Canndoc) (NASDAQ: INCR) (TSX: INCR.U) (TASE: INCR) is the leading, profitable, and fastest growing cannabis company outside of North America. Canndoc, a wholly owned subsidiary of InterCure, is Israel's largest licensed cannabis producer and one of the first to offer Good Manufacturing Practices (GMP) certified and pharmaceutical-grade medical cannabis products. InterCure leverages its international market leading distribution network, best in class international partnerships and a high-margin vertically integrated "seed-to-sale" model to lead the fastest growing cannabis global market outside of North America.

For more information, visit: <http://www.intercure.co>.

Non-IFRS Measures

This press release makes reference to certain non-IFRS financial measures. Adjusted EBITDA, as defined by InterCure, means earnings before interest, income taxes, depreciation, and amortization, adjusted for changes in the fair value of inventory, share-based payment expense, impairment losses (and gains) on financial assets, non-controlling interest and other expenses (or income). This measure is not a recognized measure under IFRS, does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. InterCure's method of calculating this measure may differ from methods used by other entities and accordingly, this measure may not be comparable to similarly titled measures used by other entities or in other jurisdictions. InterCure uses this measure because it believes it provides useful information to both management and investors with



respect to the operating and financial performance of the company. A reconciliation of Adjusted EBITDA to an IFRS measure will be provided in the MD&A.

Caution Regarding Financial Estimates

The financial estimates set forth above are based on the review of the Company's operations for the year ended December 31, 2021 and are subject to change. The Company's independent registered public accounting firm, Somekh Chaikin (member firm of KPMG International), has not audited, reviewed or performed any procedures with respect to the accompanying financial estimates and other data, and accordingly does not express an opinion or any other form of assurance with respect thereto. They should not be viewed as a substitute for audited financial statements prepared in accordance with generally accepted accounting principles and are not necessarily indicative of the Company's results for any future period.

Forward-Looking Statements

This press release may contain forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to InterCure's objectives plans and strategies, as well as statements, other than historical facts, that address activities, events or developments that InterCure intends, expects, projects, believes or anticipates will or may occur in the future. These statements are often characterized by terminology such as "believes," "hopes," "may," "anticipates," "should," "intends," "plans," "will," "expects," "estimates," "projects," "positioned," "strategy" and similar expressions and are based on assumptions and assessments made in light of management's experience and perception of historical trends, current conditions, expected future developments and other factors believed to be appropriate. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statements. Many factors could cause InterCure's actual activities or results to differ materially from the activities and results anticipated in forward-looking statements, including, but not limited to, the following: the Company's ability to file its audited financial statements and MD&A for the year ended December 31, 2021 on SEDAR before market opens April 5, 2022, the Company's future revenue growth and profitability, the success of its global expansion plans, its continued growth, the expected operations, financial results business strategy, competitive strengths, goals and expansion and growth plans, expansion strategy to major markets worldwide, the impact of the COVID-19 pandemic and the war in Ukraine. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond InterCure's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: changes in general economic, business and political conditions, changes in applicable laws, the U.S. and Canadian regulatory landscapes and enforcement related to cannabis, changes in public opinion and perception of the cannabis industry, reliance on the expertise and judgment of senior management, as well as the factors discussed under the heading "Risk Factors" in Subversive Acquisition LP's final long form prospectus dated March 15, 2021, which is available on SEDAR at www.sedar.com, and under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the registration statement on Form 20-F, filed with the Securities Exchange Commission on July 14, 2021, as amended August 3, 2021 and August 18, 2021.



InterCure undertakes no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Contact:

InterCure Ltd.

Amos Cohen, Chief Financial Officer

Amos@intercure.co