UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16
Under the Securities Exchange Act of 1934

For the Month of November 2021

001-40614
(Commission File Number)

INTERCURE LTD.
(Exact name of Registrant as specified in its charter)

85 Medinat ha-Yehudim Street
Herzliya, 4676670, Israel
Tel: +972 77 460 5012
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Exhibit Index

Exhibit No.	Description
99.1	Press Release dated November 15, 2021
99.2	Press Release dated November 15, 2021
99.3	Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and nine-month periods ended September 30, 2021 and 2020
99.4	Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021 (Unaudited)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Intercure Ltd.

Date: November 17, 2021

By: */s/ Amos Cohen*
Amos Cohen
Chief Finance Officer

Exhibit 99.1

InterCure Expands Pharmacy Chain in Israel;
Surpasses One-Ton Medical Cannabis Products
Dispensed Per Month

With addition of four new pharmacies, InterCure's dedicated chain GIVOL now has 20 locations across Israel

NEW YORK, TORONTO, and HERZLIYA, Israel – November 15, 2021 – InterCure Ltd. (NASDAQ: INCR) (TSX: INCR.U) (TASE: INCR) (dba Canndoc) ("InterCure" or the "Company") today announced the addition of four pharmacies to its leading pharmacy chain GIVOL, focused on dispensing pharmaceutical grade medical cannabis, totaling its retail footprint to 20 locations in prime, strategic locations across Israel. Fourteen of the pharmacies are licensed to dispense medical cannabis.

The branded pharmacy chain GIVOL leverages InterCure's unique integrated operating model focused on serving the growing medical cannabis patient community and is the top performer in the GMP regulated global market. InterCure's leading dispensing operation is backed by a complex structure of pharmaceutical logistics hubs and owned medical cannabis trade houses, supporting the vertically integrated nation-wide operations.

Additionally, the Company also announced that in October 2021 it reached a record one ton of medical cannabis products dispensed in one month. This represents approximately 30 percent market share of Israel's entire medical cannabis market.

Alexander Rabinovich, CEO of InterCure said, "Surpassing the one-ton mark is a world record in the GMP certified cannabis market, and a major milestone for InterCure as we are focused on expanding patient access for medical cannabis globally. With 14 of our 20 pharmacy locations now licensed to sell medical cannabis, we continue to open more doors in Israel and build on our winning model globally."

About InterCure (dba Canndoc)

InterCure (dba Canndoc) (NASDAQ: INCR) (TSX: INCR.U) (TASE: INCR) is the leading 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 market leading distribution network, best in class international partnerships and a high-margin vertically integrated "seed-to-sale" model to maintain its position as Israel's leading cannabis company as well as to drive further growth through global expansion.

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

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 Q4 2021 revenue, the success of its global expansion plans, the expected annualized revenue for 2021, its continued growth, the expected operations, financial results business strategy, competitive strengths, goals and expansion and growth plans, expansion strategy to major markets worldwide and the impact of the COVID-19 pandemic. 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 in other filings that InterCure has made and may make with the SEC in the future.. The forward-looking statements contained in this press release are made as of the date of this press release and reflect InterCure's current views with respect to future events, and InterCure does not undertake and specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

InterCure Ltd.
Amos Cohen, Chief Financial Officer
amos@intercure.com

KCSA Strategic Communications
Investor and Media Relations
InterCure@kcsa.com

Exhibit 99.2

InterCure Announces Record Third Quarter
Financial Results with 3 Times YoY Revenue Growth and 36% QoQ Growth

Seventh consecutive quarter of high double-digit, sequential revenue growth

Annualized revenues run rate of $100 million

Adjusted EBITDA[1] run rate of $23 million

$85 million in cash

Revenue growth expected to continue in the 4th quarter and throughout 2022

NEW YORK, TORONTO, and HERZLIYA, Israel – November 15, 2021 – InterCure Ltd. (NASDAQ: INCR) (TSX: INCR.U) (TASE: INCR) (dba Canndoc)(“InterCure” or the “Company”) today announced financial results for the third quarter of 2021 and is pleased to provide shareholders with a business update. All amounts are expressed in Canadian dollars ($) or New Israeli Shekels (NIS), unless otherwise noted.

Third Quarter 2021 and Recent Financial & Operating Highlights

- All-time record quarterly revenue of **$25 million** (NIS 62 million), three times greater than Q3 2020 and up 36% sequentially compared to the prior quarter.
- Annualized Revenue run rate of **$100 million** (NIS 247 million).
- Normalized[2] gross margin reached approximately **45%** compared to 43% in the second quarter of 2021, due to first steps of implementing InterCure’s vertically integrated model.
- EBITDA for the third quarter of the Company’s cannabis sector was **$6 million** (NIS 14 million). This represents an annual run rate of **$23 million** (NIS 56 million), driven by revenue growth, improvement in gross profit and operating profit.
- Generated **$4 million** (NIS 10 million) cash flow from operations. Fifth consecutive quarter of positive operating cash flow.
- **$85 million** in cash (more than NIS 209 million) as of September 30, 2021.
- Added **3** pharmacies from the Cannomed assets acquisition, 2 of which are licensed to dispense medical cannabis.

[1] This is a non-IFRS financial measure and does not have a standardized meaning prescribed by IFRS, please see “Non-IFRS Measures” below

[2] excluding the impact of consolidating the trading house operation acquired last quarter.

- After the quarter announced additional **4** medical licensed pharmacy bringing the total retail location to **20 pharmacies** located in prime and strategic locations across Israel, 14 of which are licensed to dispense medical cannabis.

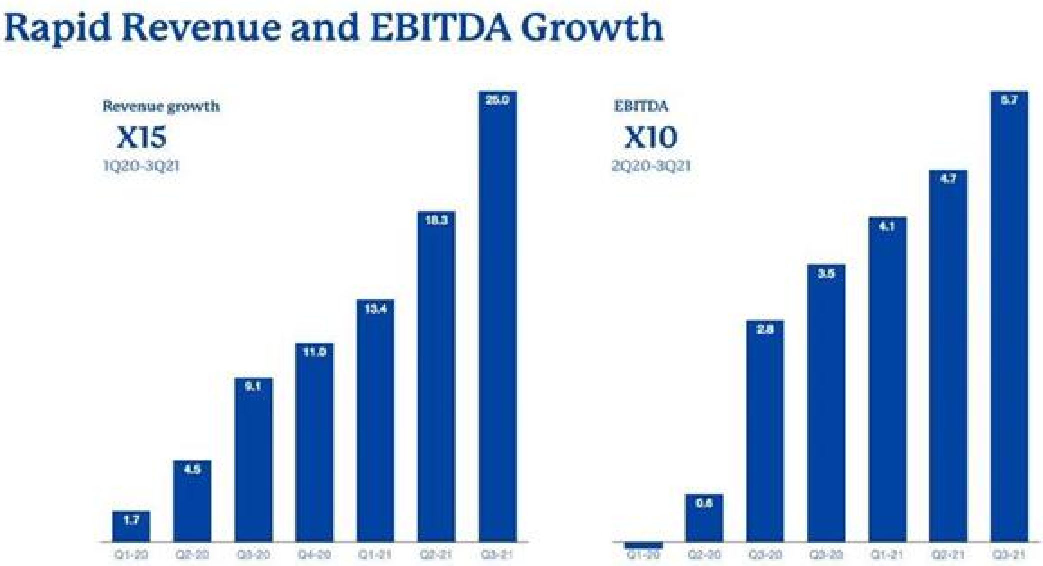
- Additionally, during the month of October the Company reached a record of **one Ton** of GMP medical cannabis products dispensed in one month. This represents approximately 30% market share of Israel's medical cannabis.

- During the quarter, InterCure's CEO purchased over **420,000 shares** of the Company's stock on the open market, valued at over **$3.7 million**.

- First company to meet the new importation requirements set by the Israeli Medical Cannabis Agency, known as the 109 reg. resume importation from our strategic partners, successfully landed and released shipments from Tilray, Organigram and Fotmer Life Sciences.

- Commenced trading on NASDAQ in September under the symbol INCR

- Finally, post period end InterCure received **5.2 million shares back** from the sponsor of our SPAC transaction. According to the agreement the shares were subject to free 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 miliion** by the current share price to all InterCure's shareholders.



"during the quarter we continue to execute our profitable growth strategy establishing our leadership position, achieving new firsts and new records," said InterCure's Chief Executive Officer, **Alexander Rabinovitch**. "These include, 7 consecutive quarters of high double-digit growth and improved profitability, five consecutive quarters with positive cash flow, crossing the one ton mark in GMP medical cannabis products dispensed monthly, over 70,000 patients served, and achieving an annualized revenues run rate of $100 million, increased gross profits and adjusted EBITDA run rate of $23 million. We expect growth to continue in the fourth quarter and through 2022 as we will continue focusing on executing our profitable growth strategy building long and short-term shareholder value."

Amos Cohen, InterCure's Chief Financial Officer, added, "With the strength of our balance sheet and our solid performance including cash flow generation, we are well positioned to continue executing and implementing our vertically integrated model, leveraging the foundation and leadership we have built to capitalize on global expansion and consolidation opportunities."

Key Q3 2021 Financial Highlights – Cannabis Sector

(In thousands NIS)

	Q3-20	Q3-21
Revenues	22,497	61,695
Gross Profit (1)	10,755	24,682
Operating Profit	**6,092**	**9,731**
Adjusted EBITDA (2)	**6,970**	**14,040**

	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
Revenues	4,259	11,185	22,497	27,094	33,051	45,230	61,695
Gross Profit (1)	1,516	4,814	10,755	13,302	15,427	19,268	24,682
Adjusted EBITDA(2)	**(1,313)**	**1,582**	**6,970**	**8,675**	**10,065**	**11,701**	**14,040**

1 Gross profit before effect of fair value. Normalized, excluding the impact of consolidating the trading house operation acquired last quarter, gross margin reached approximately 45% compared to 43% in the second quarter of 2021, due to first steps of implementing InterCure's vertically integrated model.

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.

Third Quarter 2021 Results Commentary

The Company reported third quarter 2021 revenue of $**25** million (NIS **62** million), an increase of three times compared to revenue of CAD$**9** million (NIS 22 million) in the prior year period and up 36% sequentially compared to the second quarter of 2021. Estimated revenue represents an annual run rate of $**100** million (NIS **247** million).

Revenue and same-store sales growth during the third quarter of 2021 reflects increased market share, growing consumer demand for the Company's branded products and expansion of its medical cannabis dispensing operations, including its 'GIVOL' pharmacy chain. Further increases in EBITDA realized during the quarter reflect InterCure's execution success.

Legislation of adult-use cannabis and CBD products in Israel is expected to drive further domestic demand for the Company's products. Complementing this, solid international demand for InterCure's GMP-branded products and easing regulation in Israel for medical cannabis exportation is expected to support the Company's global expansion in international target markets, including Europe.

With one of the strongest balance sheets in the industry, including $**85** million in cash (more than NIS **209** million) as of September 30, 2021, and a vertically integrated and scalable seed to sale model, the Company expects to lead market consolidation in medical cannabis.

Consolidated Financial Statements and Management's Discussion and Analysis

InterCure's unaudited financial statements and accompanying notes for the three and nine-month periods ended September 30, 2021 and related management's discussion and analysis of financial condition and results of operations ("MD&A") are available under the Company's profile on SEDAR and EDGAR.

Conference Call

The Company will conduct a conference call on Tuesday, November 16, 2021 at 08:30 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 1-877-705-6003, or for international callers, 1-201-493-6725. A replay will be available shortly after the call, United States participants can access the replay by dialing 1-844-512-2921, or for international callers, 1-412-317-6671. The passcode for the live call and the replay is 13725075. The replay will be available until November 30, 2021.

A live webcast of the conference call can be accessed on the 'Events and Presentations' section of the InterCure website at http://www.intercure.co. An online archive of the webcast will be available on the Company's website for 30 days following the call.

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 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.

To be added to InterCure's email distribution list, please email InterCure@kcsa.com with "InterCure" in the subject.

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 measured 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 (revenue), which is incorporated by reference to this press release, is available in InterCure's MD&A for the period under the heading "Results of Operation", available under the Company's profile on SEDAR at www.sedar.com.

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 Q3 2021 revenue, the success of its global expansion plans, the expected annualized revenue for 2021, its continued growth, the expected operations, financial results business strategy, competitive strengths, goals and expansion and growth plans, expansion strategy to major markets worldwide and the impact of the COVID-19 pandemic. 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 in other filings that InterCure has made and may make with the SEC in the future.. The forward-looking statements contained in this press release are made as of the date of this press release and reflect InterCure's current views with respect to future events, and InterCure does not undertake and specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

InterCure Ltd.
Amos Cohen, Chief Financial Officer
amos@intercure.co

KCSA Strategic Communications
Investor and Media Relations
InterCure@kcsa.com

Company Overview

We are an Israeli public corporation with shares listed for trading on the Tel Aviv Stock Exchange under the symbol “INCR” and on Toronto Stock Exchange under the symbol “INCR:U” and on New York City Stock Exchange (NASDAQ) under the symbol “INCR”.

We have three main direct subsidiaries, Canndoc Ltd. (“**Canndoc**”), Cannolam Ltd. (“**Cannolam**”) and Pharma-zone Ltd (“**Pharma-zone**”). We currently own all of the issued and outstanding shares of Canndoc and Pharma-zone and 50.1% of the issued and outstanding shares of Cannolam. Unless otherwise specified, references in this section to “we”, “our” and “us” refer to the business of Intercure and its subsidiaries.

We are a pioneer in the production (including the breeding, cultivating, and processing), manufacturing and distribution of pharmaceutical-grade cannabis and cannabis-based products for medical use. For more than 14 years, we have been a leader in the licensed production and distribution of cannabis and cannabis-based products throughout Israel, one of the first countries with a governmentally sanctioned regime for the production, manufacturing, and distribution of cannabis for medical use. Our goal is to be a global leader in the production and distribution of high-quality pharmaceutical-grade cannabis and cannabis-based products to patients in all territories that permit and regulate the distribution of cannabis for medical use, including Israel, the European Union and Canada.

Since the beginning of 2020, we have focused on accelerating and growing our commercial activity in major markets around the world. As part of this strategy, we have entered into exclusive collaborations with the largest international cannabis companies in the world including Tilray, Organigram, Aphria and Charlotte’s Web. These strategic agreements serve to advance our capabilities and emphasize our focus on delivering premium quality and branding to Israel and other target markets. We have expanded cooperation agreements for the production, marketing and distribution of our products in countries with supportive regulations such as Germany, the United Kingdom, Canada and more, all of which are pending the permanent approval of commercial cannabis exports from Israel.

Through (mainly) Cannolam, we operate the private pharmacy chain Givol™ which is the first and leading chain of pharmacies focused on medical cannabis in Israel. The chain currently includes nineteen pharmacies across Israel. In addition, the chain operates a nationwide ordering and delivery system that serves the entire medical cannabis patient community in Israel. Thirteen of the pharmacies holds permits and licenses for the distribution of medical cannabis and we are in the process of obtaining those licenses for the additional six.

Additionally, during the second and third quarter of 2021, we completed the purchase of two licensed leading operating trading houses which will expand our sales channel, distribution, delivery, and storage capacity. The trading houses is authorized to distribute GMP medical cannabis products to pharmacies.

Our production system, assuming that the facilities operate at their maximum capacity, and all regulatory approvals are received, allows for a maximum production capacity of over 100 tons of high-quality medical cannabis. This system enables us to be flexible and efficient, and to meet the standards required to execute commercial exports from Israel and to serve growing demand in Israel and around the world.

In 2019, we invested significant resources to upgrade and expand our production systems and establish a global network of advanced production facilities that meet the quality requirements and strict standards across target markets. In December 2020, we were granted a permit by the Israeli Ministry of Health (the “**MOH**”), as part of a cannabis-export pilot program,[1] for the commercial export of its products to Tilray as part of a strategic partnership between the companies. The export permit was obtained after the Company secured an import permit from the Portuguese authorities, demonstrating its products complied with the requirements of European regulation in Portugal and the EU-GMP standard. The export request is a continuation of the developments that have taken place in Israel in recent months and the Company’s preparations for exporting its products.[2]

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[1] **Note**: during the fourth quarter of 2020, the Israeli government, as part of a pilot project to issue export permits for licensed producers, granted us a temporary export permit. The pilot program (as well as our temporary export permit) was set to expire on December 31, 2020, but was subsequently extended.

[2] **Note**: We received an export license in the fourth quarter of 2020, which was subsequently extended.

We believe in the uncompromising quality of our products and we are leading the trend towards the pharmaceutical standard in the medical cannabis industry, both through a high quality, advanced production system and through extensive research and development with nine clinical studies approved by the MOH and one active phase 3 clinical trial. We have acquired a unique knowledge throughout our 13 years of experience operating in the cultivation, growth and genetics of cannabis strains. Combined with our analyses of patient use and experience data, we are uniquely positioned to enter into research collaboration agreements with leading organizations and companies. In addition, we have invested in a production system that adheres to the strictest regulatory and quality standards. In doing so, we achieve the highest standard of product quality for our patients and for commercial research collaborations. We believe this will enable us to enter into future partnerships and agreements with pharmaceutical companies.

On April 5, 2021, we signed a non-binding letter of intent to acquire 100% of the Israeli activity of Cann Pharmaceutical Ltd. (“**Cann**”) which holds the rights for cultivation and marketing medical cannabis products under the brand “Better”, one of our competitors and a pioneer in the Israeli medical cannabis market, with operations in Australia and several Asian countries. The transaction is subject to satisfaction of due diligence and signing of a definitive agreement. Pursuant to the letter of intent, we will allocate Cann shareholders a number of our ordinary shares with a value of $35 million. The allocated shares will be subject to a contractual lock-up for a period of three years, with one-third of the shares being released from lock-up every year (with a moderate monthly exercise mechanism).

We, mainly through our wholly-owned subsidiary, Canndoc and Pharma-zone and our 50.1% interest in Cannolam operate primarily in the cannabis sector (“**Cannabis Sector**”). In addition, we, as a result of our operations prior to our acquisition of Canndoc, have financial assets in the biomed sector that were made for investments purposes and do not represent a material focus of our current business (“**Biomed Sector**”). Our only reporting segment as of the date of this MD&A is the medical cannabis sector which generates 100% of our revenue.

NASDAQ Listing

On September 1, 2021, the Company shares were listed and the first trade of the common shares on the Nasdaq Global Market (NASDAQ) under the ticker symbol “INCR”.

The Company believes that the NASDAQ listing will enable the Company to broaden its global exposure through the world’s largest capital market, enhancing shareholder value. The Company believes that the listing will provide current investors with additional liquidity and prospective investors with better access to one of the leading and most profitable international cannabis companies outside of North America.

Qualified Transaction

On February 9, 2021, we entered into an amended and restated definitive agreement (hereinafter: the “**Arrangement Agreement**”) with Subversive Acquisition LP (formerly Subversive Acquisition REIT LP), a limited partnership established under the Limited Partnerships Act (Ontario) and a special purpose acquisition company (SPAC) (“**Subversive LP**”). As a SPAC, Subversive had limited operational activity. As of December 31, 2020, its material assets consisted of USD $226 million in cash and securities held in escrow with no material liabilities.

Pursuant to the Arrangement Agreement, on April 23, 2021 our subsidiary acquired all of the outstanding limited partnership units of Subversive LP, in exchange for our ordinary shares by way of a plan of arrangement (the “**SPAC Transaction**”). Concurrently with the SPAC Transaction, Subversive LP conducted a non-brokered private placement of 5 million limited partnership units for an aggregate amount of USD $50 million. At the closing of the SPAC Transaction, which occurred on April 23, 2021, the Company issued 15,650,280 ordinary shares to Subversive LP unit holders, including those that participated in the concurrent private placement. 5,243,616 of our ordinary shares were allocated as part of the SPAC Transaction and are subject to forfeiture unless the Company’s ordinary shares are listed on NASDAQ and obtain a target weighted average price per share of $13.00 (subject to appropriate adjustments) for any five (5) consecutive trading days during the thirty (30) trading days after the shares are traded on NASDAQ. Total net funds raised from the SPAC Transaction, after redemptions, and the private placement equaled USD $56 million (excluding transaction related expenses).

By October 13, 2021 that condition was not met and 5,243,616 ordinary shares are up for forfeiture.

Key Q3 2021 Financial Highlights – Cannabis Sector

	Q3-21	Q3-20	Change (%)
Revenues	61,695	22,497	174%
Gross Profit (1)	24,682	10,755	129%
% Gross Profit (2)	40%	48%	—
Operating Profit	9,731	7,918	23%
Adjusted EBITDA (3)	14,040	8,669	62%
Net Cash from Operating Activities (consolidated)	9,597	6,325	52%

(1) Gross profit before effect of fair value.

(2) Normalized, excluding the impact of consolidating the trading house operation acquired last quarter, gross margin reached approximately 45% compared to 43% in the second quarter of 2021, due to first steps of implementing InterCure's vertically integrated model.

(3) 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. See "Non-IFRS Measure".

- Achieved record revenue of NIS 62 million (CAD$25 million), approximately three times greater than the third quarter of 2020 and up over 36% compared to the second quarter of 2021.

- EBITDA for the third quarter of the Company's cannabis business was NIS 14 million (CAD$6 million), and NIS 12 million (CAD$5 million) on a consolidated basis. This represents an annual run rate of NIS 56 million (CAD$23 million), a significant increase year over year, driven by revenue growth, improvement in gross profit and operating profit.

- Reported positive cash flow from operations for the fifth consecutive quarter.

- Strong balance sheet with NIS 209 million (CAD$85 million) cash on September 30, 2021.

Review of the Company's Operations

a. Expansion of the Medical Cannabis Dispensing Operation

We, mainly through Cannolam, operate the private chain Givol™ which is the first and leading chain of pharmacies focused on medical cannabis in Israel. The chain currently includes 19 pharmacies across Israel. In addition, the chain operates a nationwide ordering and delivery system that serves the entire medical cannabis patient community in Israel.

During the reported quarter, we added 5 additional pharmacies (part of the 19 mentioned above) located in major cities across Israel. The operations were consolidated in our Q3 financials (based on the date of the purchase). After the date of the balance sheet (October 1st and up to date of this MD&A) we entered into transactions to purchase additional one pharmacy, which this activity would be consolidated in our Annual financial statements. The purchase price was immaterial to the Company.

In addition, during the period and up to the date of publication of this MD&A, we purchased 100% of one of a leading operating trading house in Israel (addition to Pharma-zone), which is authorized to distribute GMP medical cannabis products to pharmacies. The purchase of the trading house will support our vertically integrated model and be an addition to our existing distribution channels. The operation of the trading house was consolidated in Q3 financials (based on the date of the purchase). The purchase price of the trading house was immaterial to the Company.

b. Exclusive Partnerships with Global Leaders

We have entered into the following partnerships, all of which provides us with exclusive relationships to distribute the noted products within certain geographical areas:

Cookies is one of the most well-respected and top-selling cannabis brands in California and throughout the world. The company and its product are recognized globally and offer a collection of over 150 proprietary cannabis varieties and product lines.

Cannolam entered into an exclusive license agreement with Cookies in 2019 by which Cannolam will have the exclusive rights to use the Cookies brand in Israel. Cannolam opened a Cookies branded pharmacy in Jerusalem and is expected to open an additional branded pharmacy in Be'er Sheva during the fourth quarter of 2021

In April 2021, we expanded our partnership with Cookies by entering into a letter of intent to expand the Cookies brand into Europe. According to the letter of intent, we will establish joint ventures in European countries that will focus on cultivating, manufacturing, and distributing Cookies branded products. In addition, we will cultivate Cookies branded products at our southern facility in Israel which we also plan will supply Cookies products to Cookies stores throughout Europe.

Tilray Inc. (NASDAQ: TLRY) ("**Tilray**") is a global pioneer in the research, cultivation, production, and distribution of cannabis and cannabinoids, currently serving patients and consumers in 16 countries spanning five continents.

In December 2019, we established a strategic collaboration with Tilray for the purpose of providing us with access to existing and potential markets in Tilray's operating territories. The collaboration between us and Tilray consists of a set of agreements with Tilray Portugal Unipessoal Ltd., a wholly-owned subsidiary of Tilray, pursuant to which, Tilray will import GMP-quality medical cannabis products from us (the "**Tilray Agreements**"). Tilray's facility in Portugal has an annual maximum production capacity of 25 metric tons of cannabis. [3]

As of the date of the MD&A, we agreed with Tilray that we are entitled to additional shipments of cannabis products, subject to both parties obtaining the required permits. In this regard, in July 2021 we successfully completed the import of additional shipment to Israel and the product sales for that shipment commenced in August 2021. Together with Tilray, we are exploring several more potential shipments.

[3] **Source**: ttps://mjbizdaily.com/canadas-tilray-build-marijuana-production-arm-portugal-serve-eu/

The Tilray Agreements provide us with a seven-and-a-half year exclusivity period over all of the final Tilray-branded products sold in Israel.

Tilray’s Cantanhede site in Portugal

ORGANIGRAM

Organigram, Inc. (NASDAQ: OGI) (TSX: OGI) (“**Organigram**”), is a leading licensed producer of cannabis.

In June 2020, we entered into a contractual relationship with Organigram for the purpose of collaborating to develop, import and export medical cannabis products in the state of Israel and across Europe (the “**Organigram Agreement**”). Organigram’s facility located in New Brunswick has a potential annual capacity of 70 tons.

The Organigram Agreement specifies that, subject to obtaining the required permits, we will import from Organigram 3,000 kilograms of medical cannabis products from Organigram’s advanced indoor facility in Canada (“**Indoor Products**”) within a period of 18 months (the “**Organigram Initial Period**”). In accordance with the Organigram Agreement, we will produce and market the medical cannabis products imported from Organigram in pharmacies throughout Israel and Europe. We will be provided with the option to import from Organigram an additional 3,000 kilograms per year of medical cannabis products for a period of two years from the end of the Organigram Initial Period, under the same terms and conditions as those in place during the Organigram Initial Period. These products will be marketed under our “Canndoc Indoor” brand and we, and Organigram, will examine the possibility of selling these products under a joint brand, in compliance with and subject to the Israeli Medical Cannabis agency’s (“**IMCA**”) instructions. We will then manufacture and transform the imported product into Canndoc’s GMP-branded product. Final products will be distributed by Canndoc’s distribution channels to all pharmacies in Israel. In August 2020, we successfully imported our first shipment of the noted products from Organigram into Israel and successfully launched the “Canndoc Indoor” family of products.

The Organigram Agreement provides us with an aggregate of up to a seven-and-a-half year exclusivity period (in addition to certain other rights and subject to certain conditions) over all of the final Organigram-branded products sold in Israel.

Organigram’s Indoor site (Moncton Campus) in Canada

Aphria Inc. (NASDAQ: APHA) (TSX: APHA) (“**Aphria**”) is one of the largest leading worldwide cannabis production companies, with its “Diamond Facility” in Leamington, Ontario being one of the biggest and most advanced cannabis facilities in the world, and having an annual production capacity of 140 metric tons.

In August 2020, we entered into an agreement with Aphria (the “**Aphria Agreement**”) for the import of bulk cannabis products from Aphria’s facility in Canada into Israel. Pursuant to the Aphria Agreement, we will purchase from Aphria’s production facility in Canada, and import into Israel, up to 3,000 kilograms of “bulk” quality medical cannabis for a period of two years (“**Aphria Initial Period**”). We have the option to import up to 6,000 kilograms of additional product from Aphria for two additional periods of two years each. This option begins at the time on expiry of the Aphria Initial Period and under the same terms and conditions as during the Aphria Initial Period. We will then manufacture and transform the imported product from into Canndoc’s GMP-branded product. Final products will be distributed by Canndoc’s distribution channels to all pharmacies in Israel. In November 2020, we successfully imported our first shipment of the noted products from Aphria into Israel and successfully launched the “Canndoc Stars” family of products.

The Aphria Agreement provides us with an aggregate of up to a seven-and-a-half year exclusivity period (in addition to certain other rights and subject to certain conditions) over all of the final Aphria-branded products sold in Israel.

Aphria’s Diamond Site in Canada

Charlotte's Web Inc. (TSX: CWEB) (OTCQX: CWBHF) ("**Charlotte's Web**") is the owner of one of the largest worldwide CBD brands.

In December 2020, we entered into a collaboration with Charlotte's Web, under which we will be the sole partner of Charlotte's Web in Israel, and through which its products will be marketed in Israel under a joint brand for the Israeli market, subject to certain conditions, including certain regulatory matters within central European countries and England (the "**Charlotte's Web Agreement**"). The arrangement is subject to the receipt of the required regulatory agreements.

We will be responsible for obtaining the regulatory approvals required in order to register the purchased products and their importation and will take appropriate marketing and sales actions. Together with Charlotte's Web, we will explore opportunities for clinical trials, product development and Israeli product manufacturing.

The Charlotte's Web Agreement is for a period of five years (with a one year extension option) from the date that CBD is removed from the Israeli Dangerous Drug Ordinance [New Version], 5733-1973 (which has yet to occur).

Fotmer Corporation S.A. ("**Fotmer**") is a corporation established in Uruguay that cultivates and produces medical cannabis at an internationally high level. In December 2020, we entered into an agreement with Fotmer, under which we will import from Fotmer approximately 3,000 kilograms of quality medical cannabis products, each year for a period of four years (the "**Fotmer Agreement**").

During August 2021 we completed the first import shipment from Fotmer.

Subject to the terms set out therein, the Fotmer Agreement provides us with a seven-and-a-half year exclusivity period over all of the final Fotmer-branded products sold in Israel.

c. Global Production System

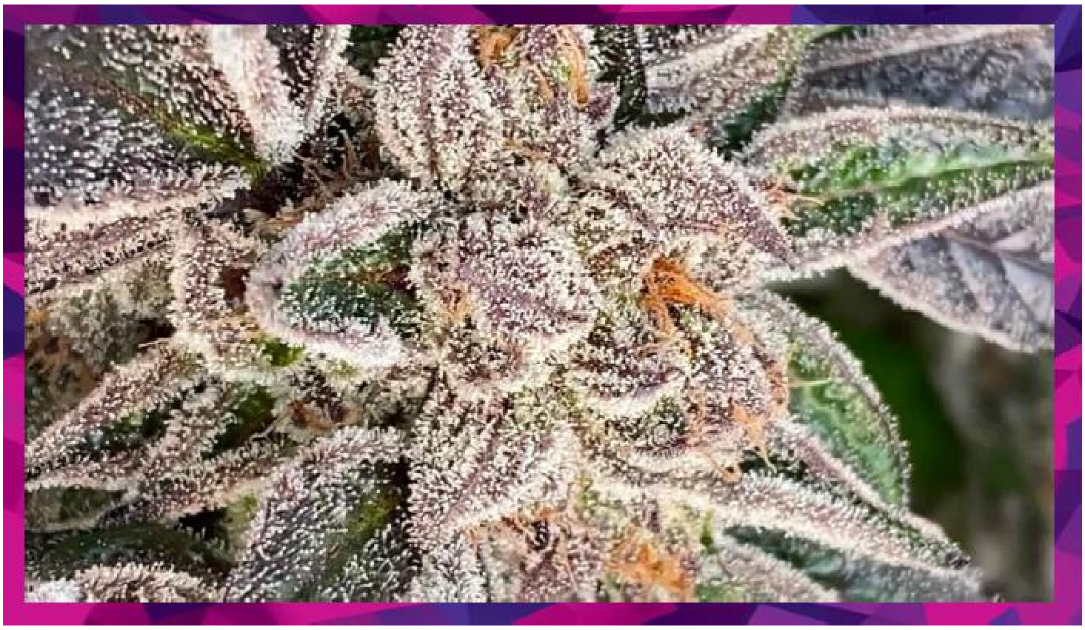
As of the date of this MD&A, our production capacity, assuming that the facilities operate at their maximum capacity, and all regulatory approvals are received, produces over 100 tons of GMP-certified pharmaceutical-grade cannabis. In addition, through strategic partnerships with leading license producers, we may have access to additional high quality medical cannabis on demand.

Israeli Production Facilities

Through our partnership with Kibbutz Nir-Oz we operate one of the largest medical cannabis production sites in Israel and in the world, covering a total area of 1.7 million square feet, of which 300,000 square feet are operational and produce up to 10,000 kilograms of pharmaceutical-grade cannabis per year. Full operations in the Southern Kibbutz will allow us to produce 88 tons of pharmaceutical-grade cannabis per year. The development of the southern site is carried out in a modular manner in accordance with the regulatory developments concerning the export of medical cannabis from Israel.

Through our partnership with Beit HaEmek Kibbutz, we own and operate our primary production facility, located in northern Israel, utilizing climatized greenhouses. This site currently occupies approximately 55,000 square feet with the capacity to produce up to 3,000 kilograms of pharmaceutical-grade cannabis per year.

Canndoc – new genetics - CANNDOC Cali™ cultivated in Canndoc's advanced southern facility



Denmark

In May 2020, we entered into an EU-GMP distribution agreement with a Danish partner for the production of up to 11.7 tonnes of cannabis per year for a period of 3 years. As part of this agreement, we will manufacture our products in a facility located in Denmark. This manufacturing facility is approved by the Good Manufacturing Practice of the European Union ("**EU-GMP**") standard and has all the licenses and permits required for the cultivation, production, distribution and marketing of cannabis. The manufacturer will be responsible for the entire growth and production process of the products, as well as the logistical process of transporting and packaging the products in accordance with all applicable legal requirements. The partner will be entitled to a portion of the profits generated as a result of the sales made through our distribution channel. This facility is operational and we are currently in the process of obtaining approval for importing products from Denmark to Germany with this partner. As of the date of this MD&A, no sale of products has commenced and this partnership does not impact our financial statements in any way.

Canada

In May 2019, we entered into a partnership with a Canadian company that is in the advanced stages of building an indoor complex for the production and distribution of cannabis products for medical use in Canada. We established a joint venture with the Canadian partner, which pursuant to the joint venture agreement, will entitle us to 51% of the profits generated from the sale of our products. The production and distribution of the products will be done under the "CANNDOC" brand while the marketing of the products will be done by the partner. While this facility is operational for cultivation, it has not yet received all of the licenses and permits required for the sale of products. As of the date of this MD&A, no sale of products has commenced and this partnership does not impact our financial statements in any way.

d. Sales and Distribution

Israel

Under current regulations, patients in Israel fill prescriptions directly from a registered pharmacy. Our products meet all of the IMCA standards and are permitted to be sold within all registered pharmacies across Israel that are otherwise permitted to dispense medical cannabis to patients. We sell our products through pharmaceutical distributors and licensed retail pharmacy locations where patients can fill their prescriptions on-site or have our products delivered directly to their residence. Under the old regulations, the IMCA instituted a fixed price for the monthly supply of cannabis products, regardless of the dosage or form of use. Under the current regulations, the price of cannabis products is not fixed and will be determined primarily by market demand.

We have developed wholesale supply relationships with government and academic research institutions and private businesses throughout Israel and these relationships require minimal selling, administrative and fulfillment costs. We believe there is potential for the wholesale of finished, packaged products to other licensed producers, and we intend to pursue this sales channel as a part of our growth strategy.

SLE

In September 2019, we entered into a distribution agreement with SLE, a subsidiary of Teva Group Pharmaceutical Industries Ltd., a leading Israeli company in the health services field (the "**SLE Agreement**").

Pursuant to the SLE Agreement, SLE will provide us with logistics, storage, collection and distribution services for our medical cannabis products throughout Israel for a term of three years, with two optional extensions of two years each. SLE holds an IMC-GDP distribution license and possesses an advanced logistics facility.

Novolog

In December 2020, we entered into a distribution agreement with Novolog, a leading Israeli company in the logistic health services field.

Pursuant to the noted agreement, Novolog will provide us with logistics, storage, collection and distribution services for our medical cannabis products throughout Israel for a term of three years, with two optional extensions of two years each. Novolog holds an IMC-GDP distribution license and possesses an advanced logistics facility.

Super-Pharm

In March 2020, we entered into a binding preliminary distribution agreement with Super-Pharm Ltd. ("**Super Pharm**"), the largest chain of pharmacies in Israel (which operates approximately 260 pharmacies) (the "**Super Pharm Agreement**"). Super Pharm currently operates 60 pharmacies that sell cannabis for medical purposes (the "**Super Pharm Pharmacies**"). Pursuant to the Super Pharm Agreement, Super Pharm agreed to purchase from us, and we agreed to sell to Super Pharm, 10,000 kilograms of our medical cannabis products for a period of 3 years. The Super Pharm Agreement requires our products to be in compliance with the Israel Medical Cannabis-Good Manufacturing Practice standards.

The parties to the Super Pharm Agreement have covenanted to negotiate in good faith and enter into a detailed agreement within 90 days from the date of the Super Pharm Agreement. The parties, by mutual agreement have agreed to extend the said period to September 30, 2021 and negotiations of the detailed agreement remain ongoing. As of today Canndoc continue the ongoing supply to Super-Pharm pharmacies under agreed supply terms.

Pursuant to the Super Pharm Agreement, Super Pharm will be responsible for distributing the final products to each individual Super Pharm pharmacy, while we will provide professional training and clinical knowledge about our products to Super Pharm and Super Pharm Pharmacies over the term of the agreement.

International

Germany

In June 2019, we entered into a non-exclusive distribution agreement with a licensed distributor in Germany, for the purpose of distributing our pharmaceutical-grade products within Germany (the "**German Distribution Agreement**"). The German Distribution Agreement contains customary obligations, intellectual property, confidentiality and indemnification provisions. Each party to the German Distribution Agreement is entitled to terminate the German Distribution Agreement in the event of an uncured material breach of the agreement, the insolvency of the other party or a change of control event.

Austria

On April 4, 2021, we entered into a partnership with an Austrian entity to operate together in the developing cannabis markets in Austria and Luxembourg. Pursuant to the agreement, the partnership will replicate the successful model of our subsidiary Canndoc in Israel to establish and manage the distribution, marketing, and sales of the company's products in selected countries in Europe. The partnership's planned operations will be vertically integrated and will include both online and retail distribution for our branded products. The Austrian entity has committed to invest €10 million in an Austrian joint venture, which will be equally owned by the parties, with an option for the Austrian entity to increase its shares to 51% of all outstanding shares of the joint venture at any time.

e. Research and Development

We believe that innovation is a key component of our competitiveness and growth in the medium and long-term and is driven by market research and analysis of potential new products and the development of new technologies. We engage in the research of agricultural techniques that utilize climatic advantages and our agrotech capabilities to improve the yield of cannabis plants in their production of various cannabinoids. Our research and development programs have also involved the development of high-quality protocols, elite genetics with improved disease and stress resistance, compound fractional distillation and separation and advanced formulation methods.

Since 2014, we have collaborated with various world-renowned research institutions, such as Technion – Israel Institute of Technology, Volcani Center (the research arm of the Israeli Ministry of Agriculture) and other universities and institutions accredited by the Israeli Council for Higher Education. As a result of these collaborations, we have enhanced our production capabilities, improved and optimized our genetics, and developed additional cannabinoid profiles. Our research and development operations also include collaborations with a renowned governmental institute as well as various research entities, researchers, start-up companies, mature companies and commercial entities holding licenses from the IMCA.

Clinical Trials

Based on our information and experience in providing medical cannabis to patients, we developed a broad and advanced clinical research program based on GMP - quality products approved by the IMCA.

During November 2019, we began clinical research with the Research and Development Foundation of the Shamir Medical Center (Assaf Harofeh) and with a principal investigator on his behalf to examine the effect of medical cannabis products on autism spectrum disorder in children. The study will be conducted at Assaf Harofeh Hospital, is expected to include about 100 participants and will last a period of 24 months.

We received the approval of the IMCA to conduct nine advanced clinical trials based on additional medical cannabis products in the IMC-GMP standard in strategic collaboration with leading medical centers in Israel. As part of the clinical trials, we will serve as the initiator of the clinical trials conducted by the research partners. The program includes clinical trials of the company's products on a variety of medical indications (epilepsy, fibromyalgia, neuropathic pain, side effects of chemotherapy in cancer patients, Parkinson's, rheumatoid arthritis, radicular pain, post-trauma) and radiculopathy (PTSD).

In addition, we submitted an application for approval of a clinical study to examine the effect of cannabis use on the dose and / or frequency of opioid use in collaboration with Sheba Hospital.

The studies are phase 2 studies and are performed randomly, double-blind and placebo-controlled (randomized, placebo-controlled, double-blind) as is customary in pharma studies according to FDA requirements, with dozens of subjects participating in each clinical study. It should be noted that due to the coronavirus Covid 19), a delay in studies is expected.

Results of Operations

Financial data is expressed in thousands of NIS. The following table summarizes our historical consolidated statements of comprehensive income for the three and nine months ended September 30, 2021 and 2020:

	For the 3-month period ended on september 30		**For the 9-month period ended on september 30**	
	2021	**2020[(1)]**	**2021**	**2020[(1)]**
Revenues	61,695	22,497	139,976	37,941
Gross profit before effect of fair value	24,682	10,755	59,376	17,085
Gross profit after effect of fair value	22,056	11,255	56,765	18,359
Research and development expenses	(298)	(448)	(1,015)	(1,234)
General and administrative expenses	(9,288)	(4,892)	(20,879)	(14,126)
Marketing and selling expenses	(6,245)	(2,492)	(14,668)	(5,376)
Impairment losses and (gains) on financial assets through profit or loss	8	(541)	333	(39,845)
Other expenses (income), net	(1,692)	(505)	(1,401)	(3,632)
Consolidated operating profit (loss)	4,541	2,377	19,135	(45,854)
Comprehensive income (loss)	**540**	**1,919**	**10,333**	**(46,268)**

Interest / Financing cost	2,464	181	2,956	137
Tax expenses (income)	1,537	277	5,846	277
Depreciation and amortization	1,684	1,379	4,185	2,182
EBITDA	**6,225**	**3,756**	**23,320**	**(43,672)**
Share-based payment expenses	1,464	2,324	5,281	8,333
Other expenses (income), net	1,692	505	1,401	3,632
Impairment losses and (gains) on financial assets through profit and loss	(8)	541	(333)	39,845
Fair value adjustment to inventory	2,626	(500)	2,611	(1,274)
Adjusted EBITDA	**11,999**	**6,626**	**32,280**	**6,864**
Basic earnings (loss) per share	(0.04)	0.04	0.18	(1.11)
Diluted earnings per share	(0.03)	0.04	0.16	(0.97)

Revenues – Revenue for the third quarter of 2021 was approximately three times greater compared to the corresponding period last year and increased by 36% compared to the previous quarter. The growth was primarily derived from high demand for the company's quality product lines, market growth, increase in the company's market share, international collaborations, continues growth of Cannolam's pharmacy chain and the purchase and consolidation of the trading house.

Gross profit before effect of fair value – Gross profit for the third quarter of 2021 increased of 127% to NIS 25 million compared to NIS 11 million in the corresponding quarter, mainly in light of the accelerated growth in revenue.

Adjusted EBITDA – Continued improvement in comparison to the Adjusted EBITDA in the corresponding period and in comparison to the previous quarter. The improvement is mainly due to revenue growth and increase in gross profit, while keeping operating expenses relatively stable**.**

Total Assets and Liabilities

	As of September 30th		As of June 30st	
	2021	**2020**	**2021**	**2020**
Total current assets	311,873	80,305	286,664	45,967
Total non-current assets	343,730	240,547	301,822	211,889
Current Liabilities	164,387	35,167	90,665	39,894
Non-current Liabilities	41,098	4,183	53,302	2,578

Total Current Assets

The increase was primarily due to capital raising of the SPAC Transaction and continuous increase in Intercure's activity (trade receivables, inventories, and biologic assets).

Total Non-Current assets

The increase was primarily due to the consolidation of our subsidiaries -CannOlam's pharmacy expansion and the purchase and first time consolidation of the trading house operation. The consolidation of those subsidiaries operations led to increase in the non-current assets and goodwill.

Current Liabilities

The change in compare to Q3 2020 was mainly due to: (a) the consolidation of the activities purchased during the period (additional pharmacies and trading house activities); (b) increase in the Company activity which led to increase in the trade payable, and other payables.

Non-Current Liabilities

The increase was primarily due to bank loans taken by the Company and its subsidiaries during the period in order to fund its capital investment to expend its operations.

Cash Flow

Intercure's approach to liquidity is to always have sufficient liquidity to meet its liabilities as they come due. This is achieved by continuously monitoring cash flows and reviewing actual operating expenditures and revenue against budget.

Cash Flow	For nine months ended on September 30, 2021	For nine months ended on September 30, 2020	For three months ended on September 30, 2021	For three months ended on september 30, 2020
Net cash provided by (used in) operating activities	19,306	(1,579)	9,597	6,325
Net cash provided by financing activities	192,601	38,272	21,410	27,282
Net cash provided by (used in) investing activities	(40,096)	(16,397)	(21,184)	5,608
Change in cash during the period	171,811	20,296	9,823	39,215
Exchange differences in respect of cash and cash equivalent balances	(720)	166	(1,113)	(18)
Cash and cash equivalents, beginning of year	37,888	27,338	200,269	8,603
Cash and cash equivalents, end of year	**208,979**	**47,800**	**208,979**	**47,800**

Net cash flow used in operating activities – The increase was primarily due high demand to our quality products lines and shows a continuous improvement in all profitability indices which is reflected both in the improvement of operating profitability and in continuous improvement and positive cash flow from operating activities.

Net cash provided by financing activities – the significant increase during the period was mainly due to the SPAC Transaction.

Net cash used in investing activities - The main investment for nine months ended on September 30, 2021 were mainly continues investment in the Southern Kibbutz and the additional purchases of pharmacies and trading house.

Use of Proceeds

The Company's intended use of proceeds from the SPAC Transaction has not changed from the disclosure set forth in the "Capitalization and Use of Proceeds" section of the Prospectus to the date of this MD&A.

Summary of Quarterly Results

The following table below sets out certain fully consolidated financial data for the Company:

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Revenue	61,695	45,230	33,051	27,094	22,497	11,185	4,259	1,828	2,598
Gross Profit (Loss)	24,682	19,267	15,427	13,302	10,755	4,814	1,516	442	(1,063)
Adjusted EBITDA	11,998	10,815	9,468	8,165	6,627	1,582	(1,344)	(3,914)	(6,083)

Liquidity and Capital Resources

Intercure has been generating profits and has experienced positive cash flows, which are expected to be the primary sources to fund its future operations. In addition, Intercure has cash reserves as a result of the completion of the noted private placements. Lastly, as a public company, Intercure may access the public and/or private markets to finance any additional needs it may have, including through the issuance of debt or equity securities.

Intercure does not expect to require any additional funding in the future as it projects a positive cash flow from operations.

Summary of Contractual Obligations

As of the date of this report, the company don’t have any material contractual obligations.

Critical Accounting Estimates

The Company’s critical accounting estimates are summarized in note 3 of the Annual Financial Statements and have not changed during the following interim period.

Outstanding Share Data

As of the date of this report (November 15, 2021) Intercure’s current outstanding shares capital can be summarized as follows:

Type	Shares	Options / Warrants
Intercure Shares	44,885,971*	
Options (A)		-
Options (B)		1,729,612
ESOP (A)		1,199,791
ESOP (B)		967,208
ESOP (C)		340,170
Total	**44,885,971**	**4,236,781**

(*) includes 5,243,616 shares allocated as part of the SPAC Transaction which are subject to (a) the Company shares listed on NASDAQ and (b) the Company’s shares listed on NASDAQ reaching the Target Price; and are subject to forfeiture as defined and described in the Prospectus which was not met.

(1) Options (A) with an expiration period of three year for the date of issuance (September 2018) with an exercise price of NIS 1.69 per Intercure Share and was exercised during September 2021.

(2) Options (B) were issued to certain investors in July, 2020 and expire in August 2023 with an exercise price of NIS 19.57 per Intercure Share.

(3) ESOP (A) were issued to our directors between September 2018 to January 2020 and expire in ten years from the date of issuance with an exercise price of NIS 15.57 per Intercure Share.

(5) ESOP (B) were issued to certain employees in February 2021 and expire in four years from the date of issuance with an exercise price of NIS 18.37 per Intercure Share.

(6) ESOP © were issued to certain employees and advisors in August 2021 and expire in four years from the date of issuance with an exercise price of NIS 20.16 per Intercure Share.

Off-Balance Sheet Transactions

The Company has no off-balance sheet arrangements.

Financial Instruments and Other Instruments

We do not have any financial instruments other than normal course accounts receivable and payables associated with our business activities.

Risk and Uncertainties

We are subject to foreign exchange and liquidity risks.

Foreign Exchange Risk. Our reporting and functional currency is the NIS, but some portion of our operational expenses are in U.S. dollars, Canadian dollars and Euros. As a result, we are exposed to some currency fluctuation risks. We may, in the future, decide to enter into currency hedging transactions to decrease the risk of financial exposure from fluctuations in the exchange rate of the currencies mentioned above in relation to the NIS. These measures, however, may not adequately protect us and our operations could be adversely affected if we are unable to effectively hedge against currency fluctuations in the future.

Liquidity risk. We monitor forecasts of our liquidity reserve (comprising cash and cash equivalents available-for-sale financial assets and short-term deposits). We generally carry this out based on our expected cash flows in accordance with practice and limits set by our management. We are in the process of expanding our operations and the expenses associated therewith and we are therefore exposed to liquidity risk.

Subsequent Events

On October 20, 2021, the Company engaged, in an Agreement to purchase 51% of “Maayan Haim” pharmacy located in Bet Dagan which have a licensed to sell medical cannabis.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Exhibit 99.4

Intercure Ltd.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As Of September 30, 2021
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Section 4.3(3)(a) of National Instrument 51-102, Continuous Disclosure Obligations, provides that if an auditor has not performed a review of the consolidated interim financial statements, the interim consolidated financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's external auditors, KPMG Somekh Chaikin, have not performed a review of these consolidated interim financial statements of Intercure Ltd. (the Company).

Intercure Ltd.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As Of September 30, 2021
(Unaudited)

INDEX

Interim Condensed Consolidated Statements of Financial Position

	Note	September 30 2021	September 30 2020	December 31 2020
		NIS in thousands		
Current assets				
Cash and cash equivalents		208,979	47,800	37,888
Restricted cash		150	40	40
Trade receivables		25,310	13,164	12,466
Other receivables		25,208	3,124	3,680
Inventory	6	47,653	10,938	19,049
Biological assets	7	4,058	4,997	3,153
Financial assets measured at fair value through profit or loss	8	515	242	376
		311,873	80,305	76,652
Non-current assets				
Property, plant and equipment and right-of-use asset		82,497	49,818	53,470
Goodwill		254,728	190,103	190,103
Deferred tax assets		2,888	-	2,904
Financial assets measured at fair value through profit or loss	8	3,617	626	3,141
		343,730	240,547	249,618
Total assets		**655,603**	**320,852**	**326,270**

Interim Condensed Consolidated Statements of Financial Position

	September 30 2021	September 30 2020	December 31 2020
	NIS in thousands		
Current liabilities			
Loans and borrowings	53,777	878	1,254
Trade payables	53,201	15,322	18,622
Other payables	56,189	5,229	8,705
Short term loan from non-controlling interest	1,220	13,738	1,296
	164,387	35,167	29,877
Non-current liabilities			
Liabilities to banks and other long-term liabilities	12,376	18	388
Liabilities in respect of employee benefits	156	154	155
Loan from related party	123	290	241
Financial liability measured at fair value through profit or loss	16,467	-	-
Lease liability	11,976	3,721	3,500
	41,098	4,183	4,284
Equity			
Share capital, premium and other reserves	601,897	450,584	452,259
Capital reserve for transactions with controlling shareholder	2,388	2,388	2,388
Receipts on account of options	9,054	11,017	11,017
Accumulatedlosses	(183,397)	(200,380)	(191,158)
Equity attributable to owners of the Company	429,942	263,609	274,506
Non-controlling interests	20,175	17,893	17,603
Total equity	450,117	281,502	292,109
Total equity and liabilities	**655,603**	**320,852**	**326,270**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020	Year ended December 31 2020
		NIS in thousands				
Revenue		139,976	37,941	61,695	22,497	65,035
Cost of revenue before fair value adjustments		(80,600)	(20,856)	(37,013)	(11,742)	(34,649)
Gross income before impact of changes in fair value		59,376	17,085	24,682	10,755	30,386
Unrealized changes to fair value adjustments of biological assets		3,761	2,417	1,316	723	3,202
Profit from fair value changes realized in the current year		(6,372)	(1,143)	(3,942)	(223)	(1,613)
Gross Profit		56,765	18,359	22,056	11,255	31,975
Research and development expenses		(1,015)	(1,234)	(298)	(448)	(1,576)
General and administrative expenses		(20,879)	(14,126)	(9,288)	(4,892)	(18,601)
Selling and marketing expenses		(14,668)	(5,376)	(6,245)	(2,492)	(8,440)
Other income (expenses), net		(1,401)	(3,632)	(1,692)	(505)	(4,563)
Changes in the fair value of financial assets through profit or loss, net,		333	(39,845)	8	(541)	(37,195)
Operating Profit (loss)		19,135	(45,854)	4,541	2,377	(38,400)
Financing income (expenses), net		(2,956)	(137)	(2,464)	(181)	92
Profit (Loss) before taxes on income		16,179	(45,991)	2,077	2,196	(38,308)
Taxes		(5,846)	(277)	(1,537)	(277)	2,268
Total comprehensive Profit (loss)		**10,333**	**(46,268)**	**540**	**1,919**	**(36,040)**
Attribution of net loss for the quarterly:						
To the Company's shareholders		7,761	(46,453)	(1,644)	1,734	(37,231)
To non-controlling interests		2,572	185	2,184	185	1,191
Total		**10,333**	**(46,268)**	**540**	**1,919**	**(36,040)**
Loss per share						
Basic Profit (loss)*		0.18	(0.42)	(0.04)	0.02	(0.32)
Diluted Profit (loss)*		0.16	(0.42)	(0.03)	0.01	(0.32)

* On April 8, 2021, the Company effectuated a capital consolidation. See note 3D.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Equity

	Share capital, premium and other reserves	Capital reserve for transactions with controlling shareholder	Receipts on account of options	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	NIS in thousands						
As of January 1, 2021	452,259	2,388	11,017	(191,158)	274,506	17,603	292,109
Profit for the period		-		7,761	7,761	2,572	10,333
Exercise of share options	8,359		(1,963)	-	6,396	-	6,396
Share-based payment	5,282	-	-	-	5,282	-	5,282
Issuance of shares, net	135,997	-	-	-	135,997	-	135,997
As of September 30, 2021	**601,897**	**2,388**	**9,054**	**(183,397)**	**429,942**	**20,175**	**450,117**
As of January 1, 2020	406,297	2,388	1,214	(153,927)	255,972	229	256,201
Allocation of shares for the acquisition of Cannolam	6,904				6,904	16,951	23,855
Profit (loss) for the period	-	-	-	(46,453)	(46,453)	185	(46,268)
Exercise of share options	833	-	-	-	833	-	833
Issuance of shares, net	28,217		9,803		38,020		38,020
Share-based payment	8,333	-	-	-	8,333	528	8,861
As of September 30, 2020	**450,584**	**2,388**	**11,017**	**(200,380)**	**263,609**	**17,893**	**281,502**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Equity

	Share capital, premium and other reserves	Capital reserve for transactions with controlling shareholder	Receipts on account of options	Accumelated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	NIS in thousands						
As of July 1, 2021	595,625	2,388	10,268	(181,753)	426,528	17,991	444,519
Profit (loss) for the period				(1,644)	(1,644)	2,184	540
Exercise of share options	4,808		(1,214)		3,594		3,594
Share-based payment	1,464				1,464		1,464
Issuance of shares, net							
As of September 30, 2021	**601,897**	**2,388**	**9,054**	**(183,397)**	**429,942**	**20,175**	**450,117**
As of July 1, 2020	413,139	2,388	1,214	(202,114)	214,627	757	215,384
Allocation of shares for the acquisition of Cannolam	6,904				6,904	16,951	23,855
Profit for the period				1,734	1,734	185	1,919
Issuance of shares, net	28,217		9,803		38,020		38,020
Share-based payment	2,324				2,324		2,324
As of September 30, 2020	**450,584**	**2,388**	**11,017**	**(200,380)**	**263,609**	**17,893**	**281,502**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Equity

	Share capital, premium and other reserves	Capital reserve for transactions with controlling shareholder	Receipts on account of options	Accumelated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
				NIS in thousands			
As of January 1, 2020	406,297	2,388	1,214	(153,927)	255,972	229	256,201
Profit (loss) for the year	-	-	-	(37,231)	(37,231)	1,191	(36,040)
Exercise of share options	833	-	-	-	833		833
Allocation of shares for the acquisition of Cannolam	6,904	-	-	-	6,904	15,655	22,559
Issuance of shares, net	28,217	-	9,803	-	38,020		38,020
Share-based payment	10,008	-	-	-	10,008	528	10,536
As of December 31, 2020	**452,259**	**2,388**	**11,017**	**(191,158)**	**274,506**	**17,603**	**292,109**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31
	2021	2020	2021	2020	2020
	NIS in thousands				
Cash flows from operating activities					
Profit (Loss) for the period	10,333	(46,268)	540	1,919	(36,040)
Interest paid	(2,894)	(24)	(2,199)	(16)	(93)
Taxes on income paid	(1,853)	-	(815)		-
Adjustments required to present cash flows from operating activities (A)	13,720	44,713	12,071	4,422	43,936
Net cash provided by (used in) operating activities	**19,306**	**(1,579)**	**9,597**	**6,325**	**7,803**
Cash flows from investing activities					
Purchase of property, plant and equipment	(6,555)	(16,118)	(2,056)	(4,653)	(20,841)
Issuance of loan	(4,972)		(2,842)		(1,643)
Acquisition of Activity	(6,292)		(1,326)		
Acquisition of Subsidiary	(21,996)	387	(14,690)	387	387
Investment in assets measured at fair value through profit or loss	(281)	(626)	(281)	(626)	(626)
Restricted cash due to share issuance		(10,500)			
Release Restricted cash due to share issuance		10,500		10,500	
Decrease in deposit	11		11		
Increase in deposit	(11)	(40)			(40)
Net cash used in investing activities	**(40,096)**	**(16,397)**	**(21,184)**	**5,608**	**(22,763)**
Cash flows from financing activities					
Proceeds from issuance of shares as part of private issuance, net	-	38,020	-	27,520	38,020
Exercise of share options	6,396	833	3,594		833
Lease payments	(582)	(407)	(242)	(168)	(576)
Receipt (repayment) of loans from banks	(100)	(54)	(19)	(18)	665
Repayment of loan to controlling shareholder	(4,534)	(120)	(3,923)	(52)	-
Repayment of loan to related party		-		-	(13,653)
Issuance loans from banks	63,200		22,000		-
Issuance of shares, net	128,221				-
Net cash provided by financing activities	**192,601**	**38,272**	**21,410**	**27,282**	**25,289**
Increase in cash and cash equivalents	171,811	20,296	9,823	39,215	10,329
Exchange differences in respect of balances of cash and cash equivalents	(720)	166	(1,113)	(18)	221
Balance of cash and cash equivalents at beginning of year	37,888	27,338	200,269	8,603	27,338
Balance of cash and cash equivalents at end of year	**208,979**	**47,800**	**208,979**	**47,800**	**37,888**

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31
	2021	2020	2021	2020	2020
	NIS in thousands				
A) Adjustments required to present cash flows from operating activities					
Adjustments to items in the consolidated statement of comprehensive income:					
Depreciation	4,185	2,182	1,684	1,379	3,253
share-based payment	5,282	8,333	1,464	2,324	10,008
Changes in the fair value of financial assets through profit or loss, net	(333)	39,845	(8)	541	37,195
Finance expenses (income), net	2,956	137	2,464	181	(92)
Change in liabilities in respect of employee benefits, net		(40)		(28)	(39)
Expenses (Income) tax	5,846	277	1,537	277	(2,268)
	17,936	50,734	7,141	4,674	48,057
Changes in assets and liabilities items:					
Decrease (increase) in trade receivables	459	(10,303)	(2,614)	(257)	(9,608)
Decrease (increase) in other receivables	(6,606)	4,351	(5,155)	597	5,139
Decrease (increase) in inventory	(6,620)	(6,056)	(1,277)	393	(14,167)
Increase in biological assets	(904)	(3,852)	(824)	(4,662)	(2,008)
Increase (decrease) in trade payables	(7,730)	8,966	3,762	3,354	12,269
Increase (decrease) in other payables	17,185	873	11,038	323	4,254
	(4,216)	(6,021)	4,930	(252)	(4,121)
	13,720	44,713	12,071	4,422	43,936

Note 1 - General

A. The Company's activity

Intercure Ltd. (hereinafter: the "Company") is a public company which is listed on the Tel Aviv Stock Exchange, Toronto Stock Exchange and Nasdaq, domiciled in Israel. Its offices are located in Herzliya. The Company is engaged in the medical cannabis sector through its holding of the entire issued and paid-up capital of Canndoc Ltd. (hereinafter: "Canndoc"), and through its 50.1% stake in the issued and paid-in capital of Cannolam Ltd, The Company also has additional holdings in the biomed sector.

Investments in the biomed sector:
The Company invested in two companies in the biomed sector: Regenera Pharma Ltd. (hereinafter: "Regenera") and NovellusDX Ltd. (hereinafter: "Novellus").

B. Definitions:

In these consolidated financial statements:

Company	-	Intercure Ltd.
Group	-	The Company and its subsidiaries.
Related Parties	-	As defined in IAS 24.
USD	-	U.S. dollars.
Subsidiaries	-	Companies which are controlled by the Company (as defined in IFRS 10), directly or indirectly, and whose financial statements are fully consolidated with the Company's reports.
Investee companies	-	Companies which are not under the Company's control, and which are presented according to the equity method.

Note 2 - Significant Accounting Policies

Preparation basis of the financial statements

The Group's condensed consolidated financial statements (hereinafter: the "Interim Financial Statements") were prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" (hereinafter: "IAS 34").

These financial statements have been prepared in a condensed format as of September 30, 2021, and for the nine months then ended ("interim condensed consolidated financial statements"). These financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2020, and for the year then ended and accompanying notes ("annual consolidated financial statements").

Note 3 - Significant Transactions and Events During the Reporting Period

A. On January 3, 2021, the Company engaged in a merger agreement (hereinafter: the "Prior Agreement") with Subversive Real Estate Acquisition REIT LP ("Subversive"), a third party unrelated to the Company and/or to its controlling shareholders, which is listed on the Canadian stock exchange NEO (NEO:SVX.U).

On February 9, 2021, the parties engaged in an amended and definitive agreement with Subversive Real Estate Acquisition REIT LP (formerly Subversive Real Estate Acquisition REIT LP) ("SVX") a special purpose acquisition company (SPAC), pursuant to which the Company, through a wholly-owned subsidiary, will acquire all of the outstanding limited partnership units of SVX in exchange for the issuance of the company ordinary shares by way of a plan of arrangement (the "SPAC Transaction").

Concurrently with the SPAC Transction, Subversive conducted a non-brokered private placement of 5.0 million Limited Partnership Units for an aggregate amount of $50 million (approximately NIS162 million) At the closing of the SPAC Transaction, which occurred on April 23, the Company issued 15,650,280 ordinary shares to Subversive unit holders, including those that participated in the concurrent private placement. Out of the total 15,650,280 ordinary shares issued, 5,243,616 of our ordinary shares were allocated as part of the SPAC Transaction to subversive's sponsors and are subject to forfeiture unless the Company's ordinary shares are listed on NASDAQ and obtain a target weighted average price per share of $13.00 (subject to appropriate adjustments) for any five (5) consecutive trading days during the thirty (30) trading days after the shares are traded on Nasdaq. By October 13, 2021 that condition was not met and 5,243,616 ordinary shares are up for forfeiture. Since the subversive's sponsors shares were an integral part of the transaction with the SPAC and constituted a conditional issue for the amount of funds raised in the transaction and its success, the shares issue is presented together with all of SPAC units holders and PIPE investors and not in fair value.

Total net funds raised from the SPAC Transaction, after redemptions, and the private placement equalled approximately NIS 182 million. (which 8 million NIS of those still needs to be received and currently presented in Other receivables).

Since Subversive was not be considered a business, as defined by IFRS 3, the SPAC transaction was accounted for as a share-based payment transaction within the scope of IFRS.

On April 23, 2021, the Company shares were listed on the TSX and the first trade of the common shares on the TSX occurred on April 26, 2021

B. In January 2021, the Company engaged, through Cannolam, in an Agreement to purchase pharmacies located in Ashdod and Herzliya.

Note 3 - Significant Transactions and Events During the Reporting Period (cont.)

C. On January 26, 2021, the Company published an outline of options for Company employees and officers, including an offer of up to 4,303,356 unlisted options, exercisable into up to 4,303,356 ordinary Company shares with no par value (hereinafter: the “Options”), which are offered in accordance with the 2015 options plan, to employees and officers of the Company and/or of the subsidiary Canndoc. The options in accordance with the outline were allocated on March 15, 2021. (grant date)

   The fair value of the option at the grant date was NIS 5.095 and the options will be vested at 16 equal quarters in 4 years, beginning on the day of the grant.

D. On April 1, 2021, the general assembly approved an increase of the Company’s registered capital and a reverse split of the issued capital of the Company at the ratio of 1:4.44926 so that the Company’s issued shares subsequent to the reverse split is 27,021,100.

   The capital consolidation was effectuated on April 8, 2021.

   In accordance with the requirements of IAS 33 – Earnings per share, the denominators for the nine- and three-month periods ended September 30, 2020, and the year ended December 31, 2020, were retrospectively adjusted to reflect the reverse split.

   The impact of the capital consolidation is also included in Note 21 of the 2020 financial statements

E. On April 27, 2021, the Company issued to Mr. Alexander Rabinovich, CEO, 224,756 options to purchase 224,756 ordinary shares of Intercure. The options were granted following the General Assembly from August 2019 as part of Canndoc acquisition transaction and as approved by the Company’s general assembly on April 1, 2021 as part of the Transaction. On September 2, 2021 Mr. Alexander Rabinovich exercised 2,150,919 options to ordinary shares of Intercure. In addition, during September 2021, Mr. Alexander Rabinovich purchased in the open market 423,501 ordinary shares of Intercure.

F. On August 31, 2021, the Company issued options for Company employees, officers and advisors 340,170 unlisted options, exercisable into up to 340,170 ordinary Company shares with no par value (hereinafter: the “Options”), The fair value of the option at the grant date was NIS 9.376 and the options will be vested at 16 equal quarters in 4 years, beginning on the day of the grant.

G. On September 1, 2021, the Company shares were listed and the first trade of the ordinary shares on the Nasdaq Global Market under the ticker symbol “INCR”.

Note 4 - Business combinations

During ther period, the Company completed 2 non-material acquisitions:

A. In May 18, 2021, the Company acquired "Pharma-Zone", business of 2 pharmacies and licensed trading house located in Raanana.

B. In June 3, 2021, the Company acquired, through Cannolam, 51% of "Kineret" pharmacy located in Kfar Saba.

C. On July 6, 2021, the Company engaged, in an Agreement to purchase, through Cannolam, "Green-Zone" pharmacy located in Yokneham.

D. On July 6, 2021, the Company engaged, in an Agreement to purchase "Green-Log" wholeseller located in Yokneham.

E. On August 5, 2021, the Company engaged, in an Agreement to purchase "My Club" pharmacy located in Em Haderech.

F. On August 8, 2021, the Company engaged, in an Agreement to purchase 51% of "Club Pharm Shely" pharmacy located in Binyamina.

G. On august 11, 2021, the company engaged, in an agreement to purchase all 3 pharmacies ("max pharm rishon", "max pharm holon" and another one in petach) and consulting center from cannomed. All of the pharmacies acquired are licenced to sell medical cannabis. petah tikva pharmacy is in the process of getting licensed.

The initial accounting for the business combinations is incomplete because the acquisitions occurred shortly before the end of the period and thus we are still obtaining the information necessary to identify and measure items such as intangible assets. Accordignly, the amounts recognized in our financial statements for these items are regarded provisional as at September 30, 2021.

Note 5 – Cultivating facilities

Canndoc has partnered with Kibbutz Beit HaEmek and Kibbuutz Nir-Oz (the "Kibbutzim") for the purpose of breeding, cultivating and harvesting of pharmaceutical-grade cannabis.

Canndoc has entered the 'Northern Kibbutz Partnership Agreement' with Kibbutz Beit HaEmek in May 2015 and since then, its activities are not conducted through a separate legal entity. Canndoc is responsible for establishing all the facilities of the activity in the premises of Kibbutz Beit HaEmek required for the manufacturing and for conducting all the operational activities. Canndoc is the owner of all the facilities and equipment required for the manufacturing and the operations of this agreement are carried out by Canndoc's employees.

Note 5 – Cultivating facilities (cont.)

In Kibbutz Beit HaEmek, as of September 30, 2021 the Company had approximately NIS 10 million in Property, plant and equipment, net, in respect of facilities that are used by the activity. Held inventory and biological assets of approximately NIS 2 million, with immaterial amount of liabilities that are directly attributed to the activity.

During the reporting period the activity generated revenue of approximately NIS 3 million and generated a net loss of approximately NIS 1 million (30% of these results is attributable to Kibbutz Beit HaEmek).

In Kibbuutz Nir-Oz, as of September 30, 2021 the Company had approximately NIS 45 million in Property, plant and equipment, net, in respect of facilities that are used by the activity. Held inventory and biological assets of approximately NIS 10 million, with immaterial amount of liabilities that are directly attributed to the activity.

During the reporting period the activity generated revenue of approximately NIS 10 million and generated a net loss of approximately NIS 2 million (26% of these results is attributable to Kibbutz Nir-Oz).

For additional details please see the company annual financial report note 1.

Note 6 - Inventory

Inventory is comprised of finished goods of dry packaged or rolled medical cannabis and cannabis oil, as well as the outputs of processing procedures, which include, inter alia, agricultural produce which has been transferred from biological assets, where the procedure of processing into finished goods has not yet been completed.

	September 30 2021	December 31 2020
	NIS in thousands	
Finished goods	31,210	7,640
Goods in process and dried inflorescence	16,443	11,409
Total inventory	47,653	19,049

Note 7 - Biological Assets

The Company measures biological assets (level 3), which are mostly comprised of medical cannabis plants and agricultural produce, at fair value less selling costs up to the point of harvest. This value serves as the cost basis of inventory after the harvest.

The Company's biological assets are primarily comprised of medical cannabis seedlings and medical cannabis. Presented below are the changes in biological assets during the reporting period:

	September 30 2021	December 31 2020
	NIS in thousands	
Balance as of January 1	3,153	1,145
Costs of growing medical cannabis plants	21,027	10,450
Change in fair value less selling costs	3,892	3,202
Transfer to inventory	(24,014)	(11,644)
Balance at end of the period	4,058	3,153

Disclosure regardingassumptions which were used to estimate the net fair value of biological assets

A. below are the main assumptionused:

	September 30 2021	December 31 2020
Net growing area (in thousands of square meters)	10.5	10.5
Estimate net yield as of the reporting date (tons) (1)	1.6	2.1
Estimated net selling price (NIS per gram) (2)	12-19	12-19
Estimated ratio of products which will be sold as inflorescence (in percent) (3)	85%	85%
Estimated ratio of products which will be sold as oil (in percent) (3)	15%	15%
Estimated growing cycle length (in weeks) (4)	13-15	13-15
Estimated growing cycle completion rate (in percent) (5)	15%	15%
Proportion of plants which do not reach the harvesting stage	8%	8%

(1) According to the number of seedlings as of the end of the reporting period
(2) According to the price range of the Company's existing products as of the end of the reporting period
(3) The Company's estimate regarding the future ratio of sales
(4) In accordance with the Company's experience, and according to the strains which exist as of the reporting date
(5) By planting date vs. growing cycle length

Note 7 - Biological Assets (cont.)

B. Below is a sensitivity analysis on the fair value of the biological assets (in NIS thousands) in respect of a 10% increase in each of the following variables:

	September 30 2021	December 31 2020
	NIS in thousands	
Change of average selling price	406	315
Change of proportion of oil products	21	27
Change of proportion of plants which do not reach harvest	(179)	(394)

Note 8 - Investments in Financial Assets Measuredat Fair Value Through Profit or Loss

A. As of September 30, 2021 and as of December 31, 2020, the company holds 3,840,617 shares of XTL biopharmaceuticals ltd. (hereinafter: "XTL").

	September 30 2021	December 31 2020
	NIS in thousands	
Balance as of January 1,	376	177
Changes in fair value carried to the statement of income	139	199
Balance as of September 30,	515	376

B. The Company's investments in biomed companies are revalued at fair value through profit and loss. The fair value is determined according to valuations, which are mostly performed using the OPM method.

	September 30 2021	December 31 2020
	NIS in thousands	
Fair value of the investment in Regenera	-	-
Fair value of the investment in Novellus	3,617	3,141
	3,617	3,141

Note 9 - Operating segment data

	NIS in thousands*			
	Cannabis segment	Biomed segment	Reconciliations and other	Total
Nine months ended September 30, 2021				
External revenue	139,976	-	-	139,976
Segment profit (loss)	29,010	333	-	29,343
General and administrative expenses not attributable to segments				(8,807)
Other expenses, net				(1,401)
Operating Profit				19,135

	NIS in thousands*			
	Cannabis segment	Biomed segment	Reconciliations and other	Total
Nine months ended September 30, 2020				
External revenue	37,941			37,941
Segment profit (loss)	6,331	(39,845)	450	(33,064)
General and administrative expenses not attributable to segments				(9,158)
Other expenses, net				(3,632)
Operating loss				(45,854)

	NIS in thousands*			
	Cannabis segment	Biomed segment	Reconciliations and other	Total
Three months ended September 30, 2021				
External revenue	61,695	-	-	61,695
Segment profit (loss)	9,731	8	-	9,739
General and administrative expenses not attributable to segments				(3,506)
Other expenses, net				(1,692)
Operating Profit				4,541

Note 9 - Operating segment data (cont.)

	NIS in thousands*			
	Cannabis segment	**Biomed segment**	**Reconciliations and other**	**Total**
Three months ended September 30, 2020				
External revenue	22,497			22,497
Segment profit (loss)	6,091	(541)	90	5,640
General and administrative expenses not attributable to segments				(2,758)
Other expenses, net				(505)
Operating Profit				2,377

	NIS in thousands*			
	Cannabis segment	**Biomed segment**	**Reconciliations and other**	**Total**
Year ended December 31, 2020				
External revenue	65,035	-	-	65,035
Segment profit (loss)	14,250	(37,195)	-	(22,945)
General and administrative expenses not attributable to segments				(10,892)
Other expenses, net				(4,563)
Operating loss				(38, 400)
Segment assets	124,759	3,517	197,994	326,270
Segment liabilities	23,935	-	10,227	34,162

Note 10 - Subsequent events:

A. On October 20, 2021, the Company engaged, in an Agreement to purchase 51% of “Maayan Haim” pharmacy located in Bet Dagan which have a licensed to sell medical cannabis.

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