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 May 2022

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 May 16, 2022
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the three-month period ended March 31, 2022 and 2021
99.3	Interim Condensed Consolidated Financial Statements for the period ended March 31, 2022 (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: May 24, 2022

By: */s/ Amos Cohen*

Amos Cohen

Chief Finance Officer

Exhibit 99.1

InterCure Begins 2022 with Record Breaking First Quarter Financial Results

Record revenue of $34[1] million in the first quarter of 2022

Adjusted EBITDA[2] increased almost 110% year-over-year to $8 million

Net income of $6 million for the Q1 of 2022 compared to $2 million in Q1 of 2021

Seventh consecutive quarter of positive cash flow from operations

$91 million cash on March 31, 2022

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

NEW YORK, TORONTO, and HERZLIYA, Israel – May 16, 2022 – InterCure Ltd. (NASDAQ: INCR) (TSX: INCR.U) (TASE: INCR) (dba Canndoc) (“InterCure” or the “Company”) is pleased to announced its financial results for the first quarter of 2022 and is pleased to provide shareholders with a business update. All amounts are expressed in Canadian dollars ($)3 or New Israeli Shekels (NIS), unless otherwise noted.

First Quarter 2022 and Recent Financial & Operating Highlights

- All-time record quarterly revenue of $34 million (NIS 87 million), almost three times greater than Q1 2021 ($13 million or NIS 33 million) and up 9% sequentially compared to the prior quarter.
- Representing a run rate of $138 million (NIS 350 million).
- Adjusted EBITDA[2] for the first quarter of the Company’s cannabis sector was $8 million (NIS 21 million). This represents an annual run rate of $32 million (NIS 85 million), 112% year-over-year increase, driven by solid demand for Canndoc’s high quality branded products and expansion of the medical cannabis dispensing operation.
- Net income of $6 million (NIS 15 million) for the Q1 of 2022 compared to $2 million (NIS 4 million) in Q1 of 2021 Seventh consecutive quarter of positive cash flow from operations.
- Record profits before taxes for the first quarter of almost $8 million (over NIS 19 million) representing 245% growth year-over-year.
- $91 million in cash (more than NIS 231 million) as of March 31, 2021.
- Added three new pharmacies to the Company’s medical cannabis dedicated pharmacy chain, totaling 23 retail locations across Israel, in which 14 were actively dispensing medical cannabis during the quarter.
- Excluding the temporary negative impact of eight pharmacies (which are in the process of receiving medical cannabis dispensing licenses) and one pharmacy whose activity was temporarily halted, gross margin for the first quarter was higher than 43%.

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[1] *All amounts are expressed in Canadian dollars ($)*

[2] *Adjusted EBITDA is a non-IFRS financial measure and does not have a standardized meaning prescribed by IFRS, please see “Non-IFRS Measures” below.*

[3] *CAD conversation rate from NIS as of 03.31.2022*

- During the second quarter the pharmacy in question resumed to full cannabis dispensing activity and one of the eight pharmacies received its medical cannabis dispensing license. The Company expects that the remaining seven pharmacies will receive medical cannabis dispensing licenses during 2022.
- Global expansion plans are on track with first retail location launching in Europe in the second quarter and expected accretive impact in H2 2022.
- Revenue growth expected to continue in the second quarter and throughout 2022.
- Announced the signing of a definitive agreement to acquire Better. The transaction is expected to close in Q3 2022, subject to customary closing conditions as well as specific approvals of the IMCA and other regulatory bodies.
- Announced exclusive international strategic partnership with Clever Leaves.
- Signed definitive agreement with Altman Health, the leading Israeli wellness brand with distribution into 1,700 points of sale, focusing on the new Israeli CBD product market, following the Israeli Minister of Health's announcement that CBD will be removed from the Dangerous Drugs Act.

InterCure's Chief Executive Officer, **Alexander Rabinovitch**, commented, "During the first quarter we continued to execute our strategy and delivered the 9th consecutive quarter of high profitable growth. Our strong balance sheet and our leadership position sets us up to capitalize on strategic opportunities arising in the global cannabis market." He added "Evolving regulations in our key markets, continued consolidation process and duplicating our unique seed-to-sale operation to more territories sets 2022 to be another milestone year for InterCure."

InterCure's Chief Financial Officer, **Amos Cohen**, commented, ""Across our organization, we will continue focusing on execution while maintaining our strict fiscal discipline and identifying additional strategic opportunities within our key markets." He added, "As we continue to focus on executing our profitable growth strategy, we are well-positioned to continue building on our solid foundation as the leading cannabis company outside North America."

Key Q1 2022 Financial Highlights – Cannabis Sector

(In thousands CAD)

First Quarter	**Q1-21**	**Q1-22**
Revenues	13,038	34,410
Gross Profit (1)	6,086	14,145
Adjusted EBITDA (2)	3,970	8,401

	Q2-20	**Q3-20**	**Q4-20**	**Q1-21**	**Q2-21**	**Q3-21**	**Q4-21**	**Q1-22**
Revenues	4,412	8,875	10,688	13,038	17,842	24,337	31,440	34,410
Gross Profit (1)	1,899	4,243	5,247	6,086	7,601	9,737	14,443	14,145
GP Margin	43%	48%	49%	47%	43%	40%	46%	41%[3]
Adjusted EBITDA(2)	621	2,748	3,420	3,970	4,616	5,539	8,320	8,401
Adjusted EBITDA(2) Margin	14%	31%	32%	30%	26%	23%	26%	24%

(1) Gross profit before effect of fair value.
(2) EBITDA adjusted for changes in the fair value of inventory, share-based payment expense, impairment losses (and gains) on financial assets, non-controlling interest and other expenses (or income). This is a non-IFRS financial measure and does not have a standardized meaning prescribed by IFRS, please see "Non-IFRS Measures" below.
(3) Excluding the temporary negative impact of eight pharmacies which are in the process of receiving medical cannabis dispensing licenses and one pharmacy whose activity was temporarily halted.

INTERCURE

Conference Call

Management will conduct a conference on Tuesday, May 17, 2022 at 8:00 a.m. (Eastern Time) to review the results as well as provide an overview of the Company's recent milestones and growth strategy.

To access the conference call, United States participants please dial **(844) 310-5056**, or for international callers, **1-706-679-4749**. Conference ID: **6439945**.

Participants can access the live webcast through the following link:
https://bit.ly/37MXcmN

Consolidated Financial Statements and Management's Discussion and Analysis

The publication of InterCure's financial statements and accompanying notes for the quarter ended March 31, 2022 and related management's discussion and analysis of financial condition and results of operations ("MD&A") and analysis of financial condition and results of operations ("MD&A") are available under the Company's profile on SEDAR.

About InterCure (dba Canndoc)

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

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

Non-IFRS Measures

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

INTERCURE

Adjusted EBITDA Reconciliation (consolidated base)	PERIOD	
	Q1-21	Q1-22
Comprehensive income (loss)	1,521	5,799
Interest / Financing cost	35	229
Tax expenses (income)	699	1,857
Depreciation and amortization	492	929
EBITDA	2,747	8,814
Share-based payment expenses	790	336
Other expenses (income), net	-	77
Impairment losses and (gains) on financial assets through profit and loss	(64)	20
Decrease (increase) Fair value adjustment to inventory	262	(1,391)
Adjusted EBITDA	3,735	7,854

*All amounts shown in CAD

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 future revenue growth and profitability, the expected operations, financial results business strategy, competitive strengths, expansion strategy to major markets worldwide, the legalization of CBD in Israel and its impacts on the Company, the impact of the COVID-19 pandemic and the war in Ukraine. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond InterCure's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: changes in general economic, business and political conditions, changes in applicable laws, the Israeli, 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 the Company Annual Information Form dated April 5, 2022 which is available on SEDAR at www.sedar.com, and under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the registration statement on Form 20-F, filed with the Securities Exchange Commission on April 28, 2022. InterCure undertakes no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Contact:

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

Exhibit 99.2

Company Overview

This Management's Discussion and Analysis ("MD&A") is dated May, 2022 and provides an analysis of the financial operating results for the year quarter ended March 31, 2022. In this MD&A, references to the "Company", "Intercure", and "we", "us", and "our" are intended to refer to the business and operations of Intercure Ltd. and its subsidiaries, unless the context clearly indicates otherwise.

This MD&A should be read in conjunction with the Company's quarterly consolidated financial statements and the accompanying notes for the quarter ended March 31, 2022 (the "**Quarter Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**")

Amounts are presented in thousands of NIS, except for data otherwise noted that may be presented in CAD. The CAD/NIS exchange rate used, unless noted otherwise, was *2.535* NIS for 1 CAD as of March 31, 2022.

Forward Looking Statements

This MD&A may contain forward-looking information within the meaning of applicable securities legislation, which reflects Intercure's current expectations regarding future events, including statements regarding developments in the Company's operations in future periods, adequacy of financial resources, and future plans and objectives of the Company. The words "anticipate", "expect", "believe", "could", "estimate", "intend", "may", "plan", "potential", "should", "will", "would", and similar words, phrases or expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

Forward-looking information in this MD&A is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions include: our ability to build our market share and enter new markets and industry verticals; our ability to attract and retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our expansion plans; our ability to continue investing in infrastructure to support our growth; our ability to obtain and maintain existing financing on acceptable terms; our ability to execute on profitability initiatives; currency exchange and interest rates; our ability to respond to the changes and trends in our industry or the global economy; our ability to maintain sufficient and effective production and R&D capabilities; the impact of competition; future production and supply levels, and future consumer demand levels; the price of cannabis and cannabis related products; the demand for our products will grow for the foreseeable future; the effectiveness of mitigation strategies undertaken with respect to COVID-19, and the severity, duration and impacts of COVID-19 on the economy and our business, which is highly uncertain and cannot reasonably be predicted and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management's expectations.

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 Israeli 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 the Company's most recent Annual Information Form (the "**AIF**"), which section is hereby incorporated herein by reference. Intercure undertakes no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

All the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.

Non-IFRS Measures

In this MD&A, we use certain non-IFRS financial measures to measure, compare and explain the operating results and financial performance of Intercure. These measures are commonly used by companies operating in the cannabis industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. Intercure defines such financial measures as follows:

"**Adjusted EBITDA**" means 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); and

"**EBITDA**" means net income (loss) before interest, taxes, depreciation and amortization.

Overview

We are an Israeli public corporation with shares listed for trading on the Tel Aviv Stock Exchange under the symbol "INCR", on the Toronto Stock Exchange under the symbol "INCR:U" and on the Nasdaq under the symbol "INCR".

Intercure has 13 direct main subsidiaries:

- Canndoc's operations are focused on the production (including the breeding, cultivating, importing and processing), manufacturing, exporting and distribution of pharmaceutical-grade cannabis and cannabis-based products for medical use.

- Cannolam's operations are focused on the establishing and operating of dedicated pharmacies for the distribution of pharmaceutical-grade cannabis under the brand name "Givol", including "Cookies"-branded location. In addition, Cannolam is looking to establish a distribution network for recreational cannabis and cannabis products throughout Israel, primarily through licensing and distribution agreements, to become effective once the recreational use of cannabis for adults over the age of 21 is legalized in Israel.

- PharmaZone's operations are focused on the management and operation of the Pharma Zone trade house which operates as a distributor of medical cannabis products to pharmacies across Israel.

- Bio Max Pharm partnership's operations are focused on managing and operating two pharmacies in Holon and Rishon Lezion.

- Club Pharm Ltd.'s operations are focused on managing and operating a medical cannabis pharmacy in the commercial center (M-Haderh) in the Emek Hefer district.

- My Binyamina Club Pharm 2022 Ltd.'s operations are focused on managing and operating a medical cannabis pharmacy in the Binyamina municipality.

- Hello Medical partnership's operations are focused on managing and operating a medical cannabis treatment consulting center.

- GreenLog Global Ltd.'s operations are focused on managing and operating the Greenlog trade house which operates as a distributor of medical cannabis products to pharmacies across Israel.

- Doron Pharmacy Ltd.'s operations are focused on managing and operating a medical cannabis pharmacy in the city of Ra'anana.

- Maayan Haim Pharmacy 2015 Ltd.'s operations are focused on managing and operating a medical cannabis pharmacy in the Bait Dagan municipality.

- Ahuza Pharmacy D.Y.'s operations are focused on managing and operating a pharmacy in the city of Ra'anana. The Ahuza pharmacy is yet to be approved for selling medical cannabis.

- B.M Arichat Yamim Ltd.'s operations are focused on managing and operating a medical cannabis pharmacy in the city of Ashdod.

- Orni pharmacy Ltd.'s operations are focused on managing and operating a medical cannabis pharmacy in the city of Tel-Aviv.

We currently own all of the issued and outstanding shares of Canndoc and Pharma-zone, and a majority interest of the issued and outstanding shares of Cannolam and other holdings in additional pharmacies and trade houses. 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 our global vertically integrated "seed-to-sell" model, we have entered into exclusive collaborations with some of the largest international cannabis companies in the world including Tilray, Organigram, Aphria, Charlotte's Web, and Cookies. 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.

Through our subsidiaries, we operate the first and leading chain of private pharmacies focused on medical cannabis in Israel, which includes 23 pharmacies across Israel under different brands including Givol™, Max Pharm and Cookies. Fifteen of the pharmacies hold permits and licenses for the distribution of medical cannabis and we are in the process of obtaining those licenses for the additional eight.

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 current production operations include 355,000 square feet of growing and production area which together can produce up to 10 tons per year. Assuming our facilities are fully developed and operate at their maximum capacity, and all regulatory approvals are received, our operations allow 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 December 2020, the Company was granted a permit by the Israeli Ministry of Health, as part of a cannabis-export pilot program, for the commercial export of its products. 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. In December 2020, we completed the first commercial export of our products to the European Union.

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 phase 3 clinical trial. We have acquired a unique knowledge throughout our 14 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.

We, mainly through our wholly owned subsidiaries, Canndoc and Pharmazone, and through Cannolam and other holdings in additional pharmacies and trade houses, 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”).

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.

Key Q1 2022 Financial and operational Highlights – Cannabis Sector

	Q1-22	Q1-21	Change (%)
Revenues	87,229	33,051	164%
Gross Profit (1)	35,857	15,427	132%
% Gross Profit	41%	47%	—
Operating Profit	22,471	8,152	176%
Adjusted EBITDA (2)	21,298	10,065	112%
Net Cash from Operating Activities (consolidated)	2,105	7,705	-73%

(1) Gross profit before effect of fair value.

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

- Achieved record revenue of NIS 87 million (CAD 34 million), approximately 2.6 times greater than the first quarter of 2021 and up over 9% compared to the fourth quarter of 2021.

- EBITDA for the first quarter of the Company’s cannabis business was NIS 21 million (CAD$ $8 million), and NIS 20 million (CAD$ 8 million) on a consolidated basis. This represents an annual run rate of NIS 84 million (CAD$ 33 million).

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

- Strong balance sheet with NIS 231 million (CAD$ 91 million) cash on March 31, 2022.

On February 16, 2022, we announced a definitive agreement with Cann Pharmaceutical Ltd., an Israeli medical cannabis operator known as "Better", to acquire 100% of Better's shares for a purchase price of US$35 million. The purchase price will be paid with ordinary shares of Intercure at the valuation of US$10 per share. The ordinary shares issued will be subject to a three-year lock-up plan. The acquisition is expected to close in the beginning of Q3 2022, subject to customary closing conditions as well as specific approvals of the IMCA, the TSX, We expect that the acquisition will close by the beginning of the third quarter of 2022, following the satisfaction of standard closing conditions as well as the approvals of the IMCA, TSX, and Tel Aviv's district court, which has to approve certain arrangements between the company's shareholders and creditors before the final closing.

On March 1, 2022, we announced a strategic partnership with Altman Health ("Altman"), a market leader with an unmatched shelf space of OTC and nutritional supplements in over 1,700 points of sale, including all major pharmacies across Israel. The newly formed company, which will be held jointly by the Company and by Altman, will focus on the new Israeli CBD product market, following the Israeli Minister of Health's announcement on February 28, 2022 that CBD will be removed from the Israeli DDO.

On March 22, 2022 we announced the execution of an exclusive multi-year cultivation, marketing and distribution agreement (the "Clever Leaves Agreement") with Clever Leaves, a leading multinational operator and licensed producer of pharmaceutical-grade cannabinoids. Over the term of the Clever Leaves Agreement, Intercure will have access to Clever Leaves' high-THC medical cannabis flower to serve several medical cannabis markets, including the Israeli market. As part of the partnership, Clever Leaves will cultivate Intercure's high quality strains to launch Intercure's EU-GMP compliant branded products within the EU, UK and South American markets.

Review of the Company's Operations

a. Expansion of the Medical Cannabis Dispensing Operation

Through our subsidiaries, we operate the first and leading chain of private pharmacies focused on medical cannabis in Israel, which includes 23 pharmacies across Israel under different brands including Givol™, Max Pharm and Cookies. Fifteen of the pharmacies hold permits and licenses for the distribution of medical cannabis and we are in the process of obtaining those licenses for the additional eight.

During the reported quarter, we purchased 3 additional pharmacies (part of the 23 mentioned above) located in major cities across Israel. Operations were consolidated in our Q1 financials (based on the date of the purchase). After the date of the balance sheet, 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.

During the reported period we have accelerated our distribution operations through 2 of our tradehouse (Pharmzone and Grinloog) which were acquired during Q3 of 2021

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 products 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 receive final approval to sell medical cannabis in an additional branded pharmacy in Be'er Sheva during the second quarter of 2022.

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. Sales of Cookies branded products are subject to obtaining all regulatory approvals in Europe, including export permits and product registration in certain territories.

On December 2, 2021 we entered into a multi-year agreement with Cookies under which we expect to establish Cookies stores and medical cannabis pharmacies in Austria and the United Kingdom in 2022, subject to local regulations. The first shop in Austria is expected to open its doors during Q2 2022 and the first shop in the UK is expected to open its doors in Q4 2022.

TILRAY

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 and its wholly-owned subsidiary, Tilray Portugal Unipessoal LDA ("**Tilray Portugal**") for the purpose of providing us with access to existing and potential markets in Tilray's operating territories. The collaboration between Tilray and us 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. 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.

Pursuant to the Tilray Agreements, during a 12-month period that ended on December 31, 2020, we had an option to purchase from Tilray Portugal's production facility in Portugal, and import into Israel, up to 2,500 kilograms of packed dried inflorescence (GMP-quality medical cannabis) based upon agreed prices and quality standards. We manufactured and transformed these imported materials to Canndoc's GMP-branded products. Final products were distributed by Canndoc's distribution channels to all pharmacies in Israel. In January 2020, we successfully completed the first ever commercial import of medical cannabis into Israel and have subsequently successfully completed several commercial shipments into Israel while launching the "CanndocDiamonds" family of products.

In December 2021, we learned that Tilray Portugal had sold 500 kilograms of products to another Israeli company, which we believed violated the exclusivity provision in the agreement between us and Tilray Portgual. We exchanged correspondence with Tilray and Tilray Portugal in which we asserted that Tilray Portugal had violated the exclusivity provision and further asserted that our exclusivity rights remain in full force and effect. As we are in dispute with Tilray and Tilray Portugal on this matter, we are continuing to assess our rights and remedies including legal action against the Israeli company.

Tilray's Cantanhede site in Portugal

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.

In May 2021 Tilray and Aphria announced the closing of a merger between the two companies.

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.

In December 2021, the Minister of Health announced that he had formed a specialists committee to review the effect of removing CBD from the Dangerous Drugs Ordinance. The committee, headed by Prof. Joshua Shemer, began its work on December 21, 2021. It concluded its research in February 2021 and presented the findings to the Health Ministry for publication. The committee was established with the goal of mapping existing legislation and policies around the world regarding the use and regulation of CBD and applying the information in examining how to implement similar policies within Israel.

The committee also reviewed the quality and quantity of the raw materials used and the concentration levels within the products. The committee examined existing information regarding the safety of such products for general public use, a move that allowed it to determine the risk-management steps that would be needed in legalizing CBD production and use within Israel. The committee recommended to the Health Ministry that CBD be removed from the list of dangerous drugs, provided the maximum concentration of THC in the finished product does not exceed 0.2%. On February 28, 2022, the Minister of Health, Nitzan Horowitz, adopted the recommendation but adjusted the maximum THC concentration level to 0.3% (same as the US standard).

The minister will sign an executive order which will need to be affirmed by the Knesset’s Health Committee to complete the process of de-listing.

Afterwards, InterCure will begin the process of registering Charlotte’s Web’s products with the Minister of Health.

In March 2022, we announced a strategic partnership with Altman Health, the market leader with an unmatched shelf space of OTC and nutritional supplements at over 1,700 points of sale, including all major pharmacies. Intercure and Altman Health plan to register market and distribute Charlotte’s Web branded products in Israel following the registration process of Charlotte’s Web’s products with the Israeli Ministry of Health.

FOTMER LIFE SCIENCES

Fotmer Corporation S.A. (“**Fotmer**”) is a corporation established in Uruguay that cultivates and produces medical cannabis at a high quality. 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**”).

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.

b. Global Production System

Our current production operations include 355,000 square feet of growing and production area which together can produce up to 10 tons per year. Assuming our facilities are fully developed and operate at their maximum capacity, and all regulatory approvals are received, our operations allow 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.

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 report, no sale of products has commenced and this partnership does not impact our financial statements in any way.

c. Sales and Distribution

<u>Israel</u>

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.

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 tons of our medical cannabis products for a period of three 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 and the parties continue to carry out the agreement while negotiations of the detailed agreement remain ongoing.

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 and 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. Since the end of the reported period, there has been no distribution of medical marijuana products under the German Distribution Agreement. The parties are still exploring the best route to enter the German medical cannabis market.

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. As a result of the current regulations regarding medical cannabis, both the Austrian and Luxembourgian markets are considered small markets in size.

Operation under the joint venture agreement has not yet begun, and it is subject to the regulatory landscape development, which will allow Canndoc products to be sold in the selected markets.

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 months ended March 31, 2022 and 2021:

	For the 3-month period ended on March 31	
	2022	**2021**
Revenues	87,229	33,051
Gross profit before effect of fair value	35,857	15,427
Gross profit after effect of fair value	39,384	14,762
Research and development expenses	162	361
General and administrative expenses	9,159	5,280
Marketing and selling expenses	9,830	3,569
Impairment losses and on financial assets through profit or loss	50	(164)
Other expenses, net	195	-
Consolidated operating profit	**19,988**	**5,716**
Comprehensive income	**14,699**	**3,855**
Interest / Financing cost	581	90
Tax expenses	4,708	1,771
Depreciation and amortization	2,354	1,248
EBITDA	**22,343**	**6,963**
Share-based payment expenses	851	2,004
Other expenses, net	195	-
Impairment losses and (gains) on financial assets through profit and loss	50	(164)
Fair value adjustment to inventory	(3,527)	665
Adjusted EBITDA	**19,911**	**9,468**
Basic earnings (loss) per share	0.38	0.03
Diluted earnings per share	0.36	0.02

Revenues – Revenue for the first quarter of 2022 was increased by 164% compared to the first quarter of 2021. The growth was primarily derived from high demand for the company's quality product lines, market growth, increase in the company's market share, implementation of commercial agreements with pharmacies, and the consolidation and continues grow of our pharmacy chain and the purchase and consolidation of the trading houses.

During the reported quarter, Canndoc continue its successful launching of premium products under the brand CANNDOC Cali™ and Cookies branded products. The series of GMP products were cultivated and manufactured in Canndoc's advanced southern facility

Gross profit before effect of fair value – Gross profit for the first quarter of 2022 increased by 132% to NIS 36 million compared to NIS 15 million in the corresponding quarter, mainly in light of the accelerated growth in revenue.

Adjusted EBITDA – Significant 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 (as a result of an increase in market share) while keeping stable correlated increase in operational expenses.

Total Assets and Liabilities

	As of March 31th	
	2022	**2021**
Total current assets	**374,171**	**82,907**
Total non-current assets	**369,565**	**260,570**
Current Liabilities	**223,529**	**39,936**
Non-current Liabilities	**35,694**	**4,018**

Total Current Assets - The increase in 2022 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 in 2022 was primarily due to the consolidation of our subsidiaries, the expansion of our chain of medical cannabis pharmacy's and the purchase and consolidation of the trading houses operation. The consolidation of those subsidiaries' operations led to an increase in the non-current assets and goodwill.

Current Liabilities – The total number of current liabilities was increased in the first quarter of 2022 primarily due to (a) the consolidation of the pharmacies and trading houses purchased during 2021 and Q1 2022; (b) an increase in the Company's activity which led to increase in trade payables, and other payables;

Non-Current Liabilities – The total amount of non-current liabilities was increased in the first quarter of 2022 primarily due to (a) bank loans taken by the Company and its subsidiaries during the period in order to fund its capital investment to expend its operations; (b) acquisitions made by the company during the year which caused an increased in lease obligations;

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 three months ended on March 31, 2022**	**For three months ended on March 31, 2021**
Net cash provided by (used in) operating activities	2,105	7,705
Net cash provided by financing activities	18,729	901
Net cash provided by (used in) investing activities	(9,735)	(5,818)
Change in cash during the period	11,099	2,788
Exchange differences in respect of cash and cash equivalent balances	1,657	37
Cash and cash equivalents, beginning of year	196,217	37,888
Cash and cash equivalents, end of period	**208,973**	**40,715**

Net cash flow provided by operating activities – We have provided positive cash flow from operations for the seventh consecutive quarter. The decrease in chase flow from operations activities was mainly due to a significant increase in our inventory.

Net cash provided by financing activities – The significant increase during the quarter ended March, 2022 compared to the quarter ended March 2021 was mainly due to financing activities related to our factoring agreements we have signed with different financial institutions in order to fund our subsiders ongoing operations.

Net cash used in investing activities – The main investment for the quarter ended on March, 2022 were mainly continued investment in the Southern Kibbutz and the additional purchases of pharmacies and trading houses.

Summary of Quarterly Results

The following table sets forth selected unaudited quarterly statements of operations data of the last eight quarters. The information for each of these quarters has been prepared on the same basis as the audited annual financial statements. This data should be read in conjunction with our audited annual consolidated financial statements as for the years ended December 31, 2021, 2020 and the related notes. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

Summary of Quarterly Results

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

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Revenue	87,229	79,701	61,695	45,230	33,051	27,094	22,497	11,185
Gross Profit (Loss)	35,857	36,613	24,682	19,267	15,427	13,301	10,755	4,814
Adjusted EBITDA	19,911	19,446	11,999	10,814	9,468	8,165	6,627	1,582
Basic earnings (loss) per share	0.38	(0.07)	(0.04)	0.14	0.12	0.24	0.04	(0.02)
Diluted earnings per share	0.36	(0.07)	(0.04)	0.12	0.11	0.21	0.04	(0.02)

Liquidity and Capital Resources

Intercure has been generating profits and has experienced positive cash flows, which are the 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 SPAC Transaction. 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.

The Company has factoring agreements in respect of customer debt with financial institutions in Israel. The Company uses these agreements from time to time, as necessary.

Intercure does not expect to require any additional funding in the future as it projects a positive cash flow from operations. Future capital commitments for 2022 are NIS 17 million.

Summary of Contractual Obligations

SUMMARY OF CONTRACTUAL OBLIGATIONS

NIS in thousands	Up to one year	1-3 years	4-5 years	5 years or more	Total
Credit from banking corporations	89,674	14,212	264	-	89,674
Trade payables and other payables	116,359	-	-	-	116,361
Lease liability	-	-	3,608	17,103	20,711
Short term loan from related party	171	76	-	1,561	1,808
TOTAL	**206,204**	**14,288**	**3,872**	**18,664**	**243,028**

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

Intercure's current outstanding shares capital can be summarized as follows:

Type	Shares	Options / Warrants
Ordinary Shares	45,133,945	
Options (B)		1,631,708
ESOP (A)		1,199,791
Total	45,133,945	**2,831,499**
ESOP (B)		717.790
ESOP (C)		340,170
	45,133,945	**3,889,459**

Notes:

(1) Options (B) were issued to certain investors in July 2020 and expire in August 2023 with an exercise price of NIS 19.58* per ordinary share.

(2) 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 ordinary share.

(3) ESOP (B) were issued to certain employees in January 2021 and expire in five years from the date of issuance with an exercise price of NIS 18.38* per ordinary share.

(4) ESOP (C) were issued to certain employees in August 2021 and expire four years from the date of issuance with an exercise price of 20.16 per ordinary share.

* On April 8, 2021 the Company effectuated a capital consolidation.

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 April 6, 2022, the Company met the conditional terms to closing the agreement to purchase 100% of "Neve Ofer" pharmacy located in Tel Aviv.

On May 15, 2021, the board of directors approved to issue 1,096,937 unlisted options for company employees and officers, exercisable into up to 1,096,937 ordinary Company shares with no par value (hereinafter: the "Options"), the options will be vested in 4 years. The options shall not be exercisable until the share option plan compliant with the TSX guidelines is approved by the shareholders.

Additional Information

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

Exhibit 99.3

Intercure Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As Of March 31, 2022
(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.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As Of March 31, 2022

(Unaudited)

INDEX

Condensed Consolidated Interim Statements of Financial Position

	Note	March 31 2022 (Unaudited)	December 31 2021 (Audited)
		NIS in thousands	
Current assets			
Cash and cash equivalents		209,851	196,217
Restricted cash		21,209	21,083
Trade receivables		20,158	17,407
Other receivables		29,325	33,244
Inventory	5	84,419	62,313
Biological assets	6	8,929	5,566
Financial assets measured at fair value through profit or loss	7	280	330
		374,171	**336,160**
Non-current assets			
Property, plant and equipment and right-of-use asset		88,978	86,509
Goodwill		274,288	*268,291
Deferred tax assets		3,734	3,020
Financial assets measured at fair value through profit or loss	7	2,565	2,565
		369,565	**360,385**
Total assets		**743,736**	**696,545**

* Immaterial adjustment of comparative data, see Note 2 (2)

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

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

	March 31	December 31
	2022	2021
	(Unaudited)	(Audited)
	NIS in thousands	
Current liabilities		
Short term loan and current maturities	89,674	70,559
Trade payables	83,338	64,474
Other payables	33,021	41,050
Contingent consideration	15,720	15,780
Short term loan from non- controlling interest	1,776	1,722
	223,529	**193,585**
Non-current liabilities		
Long term loan	14,476	11,877
Liabilities in respect of employee benefits	475	224
Loan from related party	32	76
Lease liability	20,711	21,371
	35,694	**33,548**
Total liabilities	**259,223**	**227,133**
Equity		
Share capital, premium and other reserves	623,969	623,567
Capital reserve for transactions with controlling shareholder	2,388	2,388
Receipts on account of shares	8,541	8,541
Accumulated losses	(173,094)	(186,468)
Equity attributable to owners of the Company	**461,804**	**448,028**
Non-controlling interests	22,709	*21,384
Total equity	**484,513**	**469,412**
Total equity and liabilities	**743,736**	**696,545**

* Immaterial adjustment of comparative data, see Note 2 (2)

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

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

	Three months ended March 31,	
	2022	2021
	NIS in thousands (excluding data regarding loss per share)	
Revenue	87,229	33,051
Cost of revenue before fair value adjustments	51,372	17,624
Gross income before impact of changes in fair value	35,857	15,427
Unrealized changes to fair value adjustments of biological assets	4,855	693
Profit from fair value changes realized in the current year	(1,328)	(1,358)
Gross Profit	39,384	14,762
Research and development expenses	162	361
General and administrative expenses	9,159	5,280
Selling and marketing expenses	9,830	3,569
Other expenses, net	195	-
Changes in the fair value of financial assets through profit or loss, net	50	(164)
Operating Profit	**19,988**	**5,716**
Financing expenses, net	581	90
Profit before taxes on income	**19,407**	**5,626**
Taxes	4,708	1,771
Total comprehensive Profit	**14,699**	**3,855**
Profit attributable to:		
Owners of the Company	13,374	3,213
Non-controlling interests	1,325	642
Total	**14,699**	**3,855**
Profit per share		
Basic Profit **	0.38	0.03
Diluted Profit **	0.36	0.02

* Immaterial adjustment of comparative data, see Note 2 (2)
** On April 8, 2021, the Company effectuated a capital consolidation.

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

Condensed Consolidated Interim Statements of Changes in Equity

	Share capital, premium and other reserves	Capital reserve for transactions with controlling shareholder	Receipts on account of shares	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	NIS in thousands						
As of January 1, 2022	623,567	2,388	8,541	(186,468)	448,028	21,384	469,412
Profit for the period	-	-	-	13,374	13,374	1,325	14,699
Issuance of shares, net	(449)	-	-	-	(449)	-	(449)
Share-based payment	851	-	-	-	851	-	851
As of March 31, 2022	**623,969**	**2,388**	**8,541**	**(173,094)**	**461,804**	**22,709**	**484,513**
As of January 1, 2021	452,259	2,388	11,017	(191,158)	274,506	17,602	292,109
Profit for the period	-	-	-	3,213	3,213	642	3,855
Exercise of share options	1,556	-	-	-	1,556	-	1,556
Share-based payment	2,004	-	-	-	2,004	-	2,004
As of March 31, 2021	**455,819**	**2,388**	**11,017**	**(188,545)**	**281,279**	**18,244**	**299,524**

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

Condensed Consolidated Interim Statements of Changes in Equity

	Share capital, premium and other reserves	Capital reserve for transactions with controlling shareholder	Receipts on account of shares	Accumelated 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 year	-	-	-	4,690	4,690	2,603	7,293
Exercise of share options	10,974	-	(2,476)	-	8,498	-	8,498
Issuance of shares for the acquisitions	136,506	-	-	-	136,506	-	136,506
Issuance of shares, net	17,376	-	-	-	17,376	1,178	18,554
Share-based payment	6,452	-	-	-	6,452		6,452
As of December 31, 2021	**623,567**	**2,388**	**8,541**	**(186,468)**	**448,028**	**21,384**	**469,412**

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

Condensed Consolidated Interim Statements of Cash Flows

	Three months ended March 31	
	2022	2021
	NIS in thousands	
Cash flows from operating activities		
Profit for the period	14,699	3,855
Interest paid	(963)	142
Tax paid	(849)	-
Adjustments required to present cash flows from operating activities (A)	(10,782)	3,708
Net cash provided by operating activities	2,105	7,705
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,891)	(2,747)
Acquisition of subsidiary, net of cash	1,311	(2,580)
Grant of loan	-	(491)
Payments of contingent consideration	(4,155)	
Net cash used in investing activities	(9,735)	(5,818)
Cash flows from financing activities		
Proceeds from exercise of options	-	1,556
Lease payments	(619)	(170)
Receipt of loans from banks	22,022	(8)
Repayment of loans from banks	(2,633)	-
Grant of loan to related party and controlling shareholder	-	(434)
(Repayment) of loan from related party and controlling shareholder	(41)	(41)
Net cash provided by financing activities	18,729	901
Increase (Decrease) in cash and cash equivalents	11,099	2,788
Exchange differences in respect of balances of cash and cash equivalents	1,657	37
Balance of cash and cash equivalents at beginning of period	196,217	37,888
Balance of cash and cash equivalents at end of period	208,973	40,715

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

Condensed Consolidated Interim Statements of Cash Flows

	Three months ended March 31	
	2022	**2021**
	NIS in thousands	
A) Adjustments required to present cash flows from operating activities		
Adjustments to items in the consolidated statement of comprehensive income:		
Depreciation	2,354	1,248
Share -based payment	851	2,004
Changes in the fair value of financial assets through profit or loss, net	50	(164)
Finance expenses, net	581	90
Change in liabilities in respect of employee benefits, net	251	-
Income tax	4,708	1,771
	8,795	4,951
Changes in assets and liabilities items:		
Increase in trade receivables	(2,160)	(3,418)
Decrease (increase) in other receivables	4,513	(1,493)
Decrease (increase) in inventory	(20,795)	2,632
Increase in biological assets	(3,363)	(1,015)
Increase (decrease) in trade payables	18,672	1,363
Increase (decrease) in other payables	(16,444)	688
	(19,577)	(1,243)
	(10,782)	,4708

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

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 mainly through its holdings of the entire issued and paid-up capital of Canndoc Ltd. (hereinafter: "Canndoc"), the entire issued and paid-up capital of Pharmazone Ltd. (hereinafter: "Pharmazone") 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.

Canndoc:

In 2018, the Company decided to expand its activity to the medical cannabis sector, and therefore engaged in an investment agreement with Canndoc Ltd. (hereinafter: "Canndoc"). In 2019, the Company completed the acquisition of the entire holding of Canndoc, such that, after the transaction was closed, the Company holds 100% of Canndoc's issued and paid-in capital.

Canndoc has partnered with Kibbutz Beit HaEmek and Kibbutz Nir-Oz (the "Kibbutzim") for the purpose of breeding, cultivating and harvesting of pharmaceutical-grade cannabis. The activities of these collaborative arrangements with the Kibbutzim are not conducted through separate legal entities and therefore the Company recognizes its share in the assets, liabilities and results of operations of each activity according to the Company's rights and obligations according to the contractual agreements with the Kibbutzim.

The Company, through Canndoc, is engaged in research, marketing, cultivation, production and distribution of medical cannabis products in Israel and around the world.

Cannolam:

On May 14, 2020, the Company's board of directors approved the engagement in a series of agreements for the acquisition of a 50.1% stake in the shares of Cannolam Ltd., an Israeli private company, which holds, independently and/or through its owned subsidiaries, the exclusive rights to the production, importing, distribution and use of leading international cannabis and lifestyle trademarks in the territory of the state of Israel. Inter alia, Cannolam Ltd. Has exclusive rights in respect of the brands Cookies, Mr. Nice and Oxon Pharma.

Pharmazone:

On May 18, 2021, the Company's board of directors approved the engagement in a series of agreements for the acquisition of a 100% stake in the shares of Pharmazone, a private Israeli company, which operates a pharmaceutical and medical cannabis trading house.

Note 1 - General (Cont.)

Other Holdings:

During 2021, the Company engaged in a series of agreements for the acquisition or opening of 19 pharmacies, two trading house and one cannabis patient counseling center.

During 2022, the Company engaged in 2 agreements for the acquisition of pharmacies.

Investments in the biomed sector:

The Company invested in three companies in the biomed sector: Regenera Pharma Ltd. (hereinafter: “Regenera”), NovellusDX Ltd. (hereinafter: “Novellus”) and Cavnox Ltd. (hereinafter: “Cavnox”). For additional details regarding investments in the biomed sector, see Note 7.

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.
Interested parties	-	Within their meaning in Paragraph (1) of the definition of an “interested party” in Section 1 of the Securities Law - 1968.

Note 2 - Significant Accounting Policies

1. 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 March 31, 2022, and for the three months then ended (“condensed consolidated interim financial statements”). These financial statements should be read in conjunction with the Company’s annual financial statements as of December 31, 2021, and for the year then ended and accompanying notes (“annual consolidated financial statements”).

Note 2 - Significant Accounting Policies (Cont.)

2. Immaterial adjustment of comparative data

Subsequent to release of the Company's annual consolidated financial statements and prior to the release date of these interim condensed consolidated financial , an error was discovered in the accounting treatment of Non-controlling interests.

The Company examined the materiality of the error that was discovered in its financial statements with respect to the relevant reporting periods, and after examining the quantitative and qualitative parameters it reached the conclusion that the aforesaid error has no effect on how the users of the consolidated financial statements make economic decisions and/or analyze the aforesaid financial statements. Therefore, the error is not a material error that requires issuing revised consolidated financial statements of the Group.

Presented hereunder are the effects of the correction, which was included in the comparative data in these interim financial statements by marking the corrected items with "immaterial adjustment".

(1) Effect of the correction on the statement of financial position

	December 31, 2021		
	As presented in the past	Effect of correction	As presented in these financial statements
	NIS thousands	NIS thousands	NIS thousands
Goodwill	258,070	10,221	268,291
Non-controlling interests	11,163	10,221	21,384

Note 3 - Transactions and Events During the Reporting Period

A. Acquisitions:

On January 19, 2022, the Company engaged in an agreement to purchase 51% of "Orni" pharmacy located in Tel Aviv.

On February 5, 2022, the Company engaged in an agreement to purchase 100% of "Maayan Haim" pharmacy located in Ashdod.

Both acquisitions were for immaterial consideration which was recorded as provisional.

B. On February 16, 2022, the Company engaged in an agreement with Cann Pharmaceutical Ltd. ("Better"), a Israeli medical cannabis multi-national operator known as "Better" to acquire 100% of Better's shares, which includes "Better's" unique strains, cultivation site, intellectual property, and commercial operations in Israel as well it's international activities. Purchase price of USD 35 million: paid with InterCure shares at the valuation of USD 10 per share. The acquisition closing is subject to customary closing conditions as well as specific approvals of the Israel

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

Medical Cannabis Agency (IMCA), the Toronto Stock Exchange (TSX), as well as the approval of the court in Israel.

C. On March 1, 2022, signed a definitive agreement (the "Agreement") with Altman Health LP ("Altman Health"), the market leader of OTC and nutritional supplements in over 1,700 points of sale, including all major pharmacies across Israel. The newly formed company will focus on the new Israeli CBD product market, following the Israeli Minister of Health's announcement On February 28, 2022, that CBD will be removed from the Dangerous Drugs Act.

Note 4 - Cultivating Facilities

1. Canndoc has an advanced propagation and growing facility which is located in Kibbutz Beit HaEmek, in which it develops and grows a wide variety of unique strains of medical cannabis (hereinafter: the "Northern Facility"). As of the reporting date, the northern facility is spread over an area of approximately 5 dunams, whereby Canndoc has the right of first refusal regarding an option to expand the area of the northern facility to a total area of approximately 16 dunams. The northern facility includes a greenhouse for propagating, growing and florescence, as well as a processing facility and operational areas. During the reporting period, Canndoc performed extension, upgrade and adjustment works on the northern facility, for the purpose of ensuring the northern facility's compliance with the high-quality standards required to export from Israel and adjusting the quality of the products to the level required in Israel and in the target countries. The performance of the upgrade works was concluded in the fourth quarter of 2019; On May 21, 2020, an addendum to the agreement was signed, which formalized, inter alia, the investment in the Company's facility in Beit HaEmek. As of the publication date of the report, the suspensory conditions for the fulfillment of the agreement have not yet been met.

   In Kibbutz Beit HaEmek, as of March 31, 2022 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 1 million and generated a net loss of approximately NIS 1 million (30% of these results is attributable to Kibbutz Beit HaEmek).

2. On April 23, 2019, Canndoc signed a binding agreement with an Israeli corporation which holds agricultural areas in Kibbutz Nir Oz, in the Western Negev, for the construction of a production complex with maximum production potential of up to 88 tons of medical cannabis per year, which will operate in addition to the northern facility (hereinafter: the "Southern Site"). During 2020, the Company completed the investment in the construction of facilities for the purpose of growing and production of inventory.

Note 4 - Cultivating Facilities (Cont.)

On May 26, 2020, Canndoc announced the receipt of a license from the medical cannabis unit at the ministry of health (the "medical cannabis unit"), for the engagement in and holding of a dangerous drug, in accordance with sections 6 and 7 of the dangerous drugs ordinance (new version), 5733-1973, for the propagation and growing of cannabis plants, and the processing of inflorescence and plants under imc-gap quality conditions, in Canndoc's growing facility in southern Israel (hereinafter: the "southern site"), in a commercial scope of approximately 24,500 plants in parallel, as set forth in the growing license (hereinafter: the "growing license"). In accordance with the standard practice, the license is conditional on completing the construction of a post-harvest processing facility, and receipt of full imc-gap certification.

On December 24, 2020, Canndoc announced that it had received a permanent license from the medical cannabis unit. During the reporting year of the financial statements, Canndoc has begun commercial growing in the southern facility.

In Kibbutz Nir-Oz, as of March 31, 2022 the Company had approximately NIS 50 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 23 million, with immaterial amount of liabilities that are directly attributed to the activity.

During the reporting period the activity generated revenue of approximately NIS 4 million and generated a net income of approximately NIS 1 million (26% of these results is attributable to Kibbutz Nir-Oz).

Note 5 - 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.

	March 31, 2022	December 31, 2021
	NIS in thousands	
Finished goods	49,138	39,256
Goods in process and dried inflorescence	35,281	23,057
Total inventory	84,419	62,313

Note 6 - Biological Assets:

The Company measured 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:

	March 31, 2022	December 31, 2021
	NIS in thousands	
Balance as of January 1	5,566	3,153
Costs of growing medical cannabis plants	7,559	24,556
Change in fair value less selling costs	4,855	6,574
Transfer to inventory	(9,050)	(28,717)
Balance as of December 31	8,929	5,566

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

A. below are the main assumptions used:

	March 31 2022	December 31 2021
Net growing area (in thousands of square meters)	10.5	10.5
Estimate net yield as of the reporting date (tons) (1)	2.1	1.6
Estimated net selling price (NIS per gram) (2)	17.4	17.4
Estimated growing cycle length (in weeks) (4)	13	13
Estimated growing cycle completion rate (in percent) (5)	36%	29%
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

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:

	March 31 2022	December 31 2021
	NIS in thousands	
Change of average selling price	1,080	673
Change of proportion of oil products	60	50
Change of proportion of plants which do not reach harvest	(71)	(445)

Note 7 - Investments in Financial Assets Measured at Fair Value Through Profit or Loss:

A. As of March 31, 2022 and as of December 31, 2021, the Company holds 3,840,617 shares of XTL Biopharmaceuticals Ltd. (hereinafter: “XTL”), which constitute 0.70% of XTL’s issued and paid-up capital.

The fair value of these shares as of the end of the reporting period was estimated based on the quoted share price (level 1) as XTL is a publicly traded company listed in the Tel-Aviv stock exchange.

The fair value and changes in securities which were classified “Financial assets measured at fair value through profit or loss” during the reporting periods was as follows:

	March 2022	December 2021
	NIS in thousands	
Balance for the beginning of the period	330	376
Changes in fair value carried to the statement of income	(50)	(46)
Balance for the end of the period	280	330

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.

	March 31 2022	December 2021
	NIS in thousands	
Fair value of the investment in Regenera	-	-
Fair value of the investment in Novellus	1,600	1,600
Fair value of the investment in Cavnox	965	965
	2,565	2,565

Note 8 - Operating segment data:

Reconciliation of operating segment data include cancellation of assets of the cannabis segment, addition of the investment in accordance with the equity method, and addition of assets and liabilities which were not attributed to segments.

	NIS in thousands			
	Cannabis segment	Biomed segment	Reconciliations	Total
Period ended March 31, 2022				
External revenue	87,229	-	-	87,229
Segment profit (loss)	22,471	(50)	-	22,421
General and administrative expenses not attributable to segments				(2,238)
Other expenses, net				(195)
Operating loss				19,988
Segment assets	604,180	2,845	136,711	743,736
Segment liabilities	173,225	-	85,998	259,223

	NIS in thousands			
	Cannabis segment	Biomed segment	Reconciliations	Total
Year ended December 31, 2021				
External revenue	219,677	-	-	219,677
Segment profit (loss)	44,646	(1,868)	-	42,778
General and administrative expenses not attributable to segments				(11,620)
Other expenses, net				(2,971)
Operating Profit				28,187
Segment assets (1)	551,435	2,895	131,994	686,324
Segment liabilities	132,562	-	94,571	227,133

	NIS in thousands*			
	Cannabis segment	Biomed segment	Reconciliations	Total
Period ended March 31, 2021				
External revenue	33,051	-	-	33,051
Segment profit (loss)	8,152	164	-	8,316
General and administrative expenses not attributable to segments				(2,600)
Other expenses, net				-
Operating loss				5,716
Segment assets	105,321	3,681	234,475	342,477
Segment liabilities	40,620	-	3,336	43,956

Note 9 - Subsequent events:

a. On April 6, 2022, the Company met the conditional terms to closing the agreement to purchase 100% of “Neve Ofer” pharmacy located in Tel Aviv.

b. On May 15, 2021, the board of directors approved to issue 1,096,937 unlisted options for company employees and officers, exercisable into up to 1,096,937 ordinary Company shares with no par value (hereinafter: the “Options”), the options will be vested in 4 years. The options shall not be exercisable until the share option plan compliant with the TSX guidelines is approved by the shareholders.

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