

January 19, 2021



# **MariMed Issues 2020 Year End Shareholders Update Letter**

## **Includes Outlook for 2021**

NORWOOD, Mass., Jan. 19, 2021 (GLOBE NEWSWIRE) -- MariMed, Inc. (MRMD: OTCQX) (the "Company" or "MariMed"), a leading multi-state cannabis operator focused on health and wellness, today released a letter commenting on the Company's 2020 accomplishments, 2021 outlook, and other key product and facility updates to shareholders from CEO Robert Fireman. The letter follows.

### **Dear Friends and Shareholders:**

Although 2020 was a challenging year in many respects, it was a transformative year for MariMed. The execution of the Company's strategy was evident with record revenue and earnings. This letter will provide some of those details and explain how our cannabis platform is well positioned for continued corporate growth and success in 2021 and beyond.

It was also a good year for the cannabis industry in general. Notwithstanding the backdrop of the COVID-19 pandemic, where millions of people and small businesses faced many challenges, the cannabis industry thrived in 2020. The industry was deemed essential during this difficult time and flourished in an environment where many people were forced to remain at home and have limited social interaction.

To help meet the challenges of this pandemic, our Company took actions to enhance the efficiencies and workflow of our operating business units. With limited staff and cautious customers, we implemented curbside and home delivery services. It has been remarkable to see the team develop and execute protocols to protect the safety of our employees and customers while expanding operations and increasing sales. I am incredibly proud of these teams and thank them all for their dedication and commitment to the success of our Company.

During 2020, MariMed worked diligently to focus on its core cannabis business and the valuable licenses we developed in multiple states. With our foray into the hemp industry behind us, it was our goal to implement our consolidation strategy and re-establish the Company's image as a vertically integrated seed-to-sale profitable MSO (Multi-State Operator). I am pleased to report that we are well on our way to achieving those goals.

The consolidation of the Massachusetts and Illinois businesses were important first steps in the execution of our strategy. The revenue and earnings from these top industry states, with both adult-use and medical cannabis programs, is now reflected in our 2020 public financial reporting. We continue to work to consolidate our managed clients and their businesses we

organically developed in other states. In the interim, under our management, these businesses continue to have sustained revenue growth which in turn increases MariMed's revenue from management fees, percentage rents, supplies, and brand license fees.

For the nine months ended September 30, 2020, we reported cannabis revenues of \$30.5 million, which is nearly double the \$16.6 million we reported for all of calendar year 2019. EBITDA totaled \$8.6 million during the same period, compared to an EBITDA loss of \$1.3 million for the first nine months of 2019. We carried this momentum of increasing revenue and earnings quarter by quarter into Q4 and will be reporting the full year 2020 results in our 10-K filing this March.

On the strength of our increasing revenues and earnings, we successfully restructured and retired some of our short-term debt, and renegotiated short-term debt to long term. These actions significantly strengthened our liquidity and balance sheet. This is truly exceptional performance, accomplished during very challenging times.

During the year, MariMed opened three new adult-use cannabis dispensaries in Illinois with a fourth under development. In Massachusetts, our Middleborough Panacea Wellness dispensary opened under the medical cannabis program and added adult-use in September, with two additional licensed dispensaries under development. These stores are generating significant revenue that will continue to increase into 2021.

In addition, we commenced the expansion of capacity across our cannabis facilities in Massachusetts, Maryland, Illinois, and Delaware. We have plans to add more canopy, new GMP compliant kitchens, additional testing equipment, and new automated machines to increase volume and quality while lowering costs.

MariMed proprietary brands of cannabis products continued to be leaders in their respective markets during 2020. Betty's Eddies™ fruit chews continue to win awards as one of the most popular and top-selling products in the country. Our Nature's Heritage™ branded flower and concentrates are selling off the shelves in Massachusetts and Maryland. In the Massachusetts wholesale marketplace this year we launched our own Kalm Fusion™ and Bourne Baked Goods brands along with our partner brands, Tropizen Pique, a popular Caribbean infused hot sauce, and Tikun Olam™, the world-renowned cannabis genetics from Israel. We are poised to license our brands in other states to qualified companies that share our values on best practices and consistent quality.

As good as 2020 was in terms of increased revenue and earnings, in our opinion it only set the table for 2021 and beyond. It took most of 2020 to ramp up our facilities to full capacity. In 2021, we will have a full year of operations and revenue that will continue to grow. We will add products and increase production for our wholesale business, licensing business, and additional dispensaries in multiple states. It is MariMed management's intention to provide revenue and earnings guidance for the first time with our year-end disclosures in March 2021.

With a new political environment in Washington, we expect the cannabis industry to continue to thrive in 2021. The Safe Banking Act will allow more conventional banking, including credit and financing, which will help cannabis companies in so many ways. These positives have created a huge amount of interest in the cannabis industry from new investors. New capital is now coming into the cannabis industry at more reasonable rates. Investors we talk to recognize the experienced management team we have assembled, and the industry best practices we build into all our operations. We continue to improve our messaging to the

marketplace reinforcing that MariMed is a fully integrated profitable MSO that owns or has a pathway to own valuable licenses in some of the best cannabis markets in the country.

We are at an exciting inflection point in our Company's history with a strong platform of assets. Most of our industry MSO peers' public stock trades at a much higher multiple of earnings compared to MariMed. We are confident that, as we continue to execute our strategy and expand our revenues and earnings base, the capital markets will reward our shareholders for the true value of our business when it is reflected in our share price.

As we head into this new year, with so much possibility and hope ahead, on behalf of the entire MariMed leadership team I wish everyone good health and wellness. I look forward to sharing more exciting news in 2021.

Sincerely,

Robert Fireman, CEO

### **About MariMed**

MariMed Inc., a multi-state cannabis operator, is dedicated to improving the health and wellness of people through the use of cannabinoids and cannabis products. The Company develops, owns, and manages seed to sale state-licensed cannabis facilities, which are models of excellence in horticultural principles, cannabis cultivation, cannabis-infused products, and dispensary operations. MariMed has an experienced management team that has produced consistent growth and success for the Company and its managed business units, keeping it at the forefront of cannabis science and innovation. Proprietary formulations created by the Company's technicians are embedded in its industry-leading products and brands, including Betty's Eddies™, Nature's Heritage™, Bourne Baking Co., and Kalm Fusion™. For additional information, visit [marimedinc.com](http://marimedinc.com).

### **Important Caution Regarding Forward-Looking Statements:**

This release contains certain forward-looking statements and information relating to MariMed Inc. that is based on the beliefs of MariMed Inc.'s management, as well as assumptions made by and information currently available to the Company. Such statements reflect the current views of the Company with respect to future events, including estimates and projections about its business based on certain assumptions of its management, including those described in this release. These statements are not guaranteeing of future performance and involve risk and uncertainties that are difficult to predict, including, among other factors, changes in demand for the Company's services and products, changes in the law and its enforcement, and changes in the economic environment. Additional risk factors are included in the Company's public filings with the SEC. Should one or more of these underlying assumptions prove incorrect, actual results may vary materially from those described herein as "hoped," "anticipated," "believed," "planned," "estimated," "preparing," "potential," "expected," "looks" or words of a similar nature. The Company does not intend to update these forward-looking statements. None of the content of any of the websites referred to herein (even if a link is provided for your convenience) is incorporated into this release and the Company assumes no responsibility for any of such content.

All trademarks and service marks are the property of their respective owners.

### **Company Contact - MRMD**

Jon Levine, CFO

MariMed Inc.  
[jlevine@marimedinc.com](mailto:jlevine@marimedinc.com)

**Media Contact**

Beth Waterfall  
MariMed Inc.  
781-619-8539  
[bwaterfall@marimedinc.com](mailto:bwaterfall@marimedinc.com)



Source: MariMed Inc.