

MariMed Reports Third Quarter 2018 Financial Results

- Quarterly revenues expand 98% year-over-year
- Operating income surges 200% year-over-year
- Year-over-year quarterly revenue growth continues since 2016
- Assets of \$57 million more than double from a year ago
- Raises \$20 million through September; additional \$25 million after September
- Initiates strategic investments and acquisitions

NORWOOD, MA, Nov. 20, 2018 (GLOBE NEWSWIRE) -- [MariMed Inc.](#) (OTCQB: MRMD), a multi-state cannabis operator, reported third quarter 2018 financial results for the quarter and nine months ended September 30, 2018. For the quarter ended September 30, 2018, revenues nearly doubled from the same period a year ago, increasing 98% from approximately \$1.7 million to approximately \$3.4 million. The Company continued to grow quarterly year-over-year revenue since the second quarter of 2016. Also during this time period, operating income nearly tripled from the same period a year ago, increasing 200% from approximately \$287,000 to approximately \$861,000.



For the nine months ended September 30, 2018, revenues increased 88% to approximately \$8.4 million, compared with approximately \$4.5 million from the same period a year ago. Operating income increased 75% to approximately \$2.0 from approximately \$1.1 million during the nine months ended September 30, 2017.

“Our results this quarter reflect the execution of our original business strategy and success of our licensed cannabis clients under MariMed’s professional management in multiple states,” said Robert Fireman, CEO of MariMed Inc. “With consistent investment to expand our footprint, and our new Massachusetts and Maryland facilities generating leasing, management and product licensing revenue, plus strong execution on product sales, we achieved better than expected performance in each of these areas.”

“MariMed continues a solid trajectory of revenue growth that we have achieved each quarter since 2016,” Fireman noted. “We expect the trend to continue and revenue growth to accelerate, as we add new product and service licensing agreements, complete development of additional facilities in Massachusetts, and win or acquire more cannabis facility licenses.”

Quarterly Highlights

- Revenues of approximately \$3.4 million, up 98% year-over-year
- Operating income of approximately \$861,000, up 200% year-over-year
- Net loss of approximately \$10.1 million, primarily due to non-cash amortization
- Cash of approximately \$6.0 million, up from approximately \$1.3 million at 12/31/17
- Notes and mortgages payable of approximately \$12.2 million, down 25% from 12/31/17

Year-To-Date Highlights

- Revenues of approximately \$8.4 million, up 88% year-over-year
- Operating income of approximately \$2.0 million, up 75% year-over-year
- Net loss of approximately \$18.2 million, primarily due to non-cash amortization

The increase in revenue was primarily due to (i) the growth of rental income from MariMed's facilities in Maryland and Massachusetts, which were fully and partially developed respectively and leased to tenants, (ii) increased supply procurement services provided to cannabis-licensed clients and other cannabis entities, and (iii) management fees and additional rental revenue which MariMed earns based on a percentage of revenue generated by its cannabis-licensed clients.

Operating income increased as the result of the aforementioned increase in revenue, coupled with modest increases in selling, general and administrative expenses. Operating expenses decreased as a percentage of revenue, thanks to MariMed's leveraging of infrastructure to generate higher profitability.

The net loss for the period is due to two non-cash items—the amortization of stock option and warrant issuances, and the settlements of debt via the issuance of common stock—required by generally accepted accounting principles. These items had no effect on operating income or liquidity. Excluding these non-cash items, net income for the three and nine months ended September 30, 2018 was approximately \$406,000 and \$936,000, respectively.

Operating Highlights

MariMed has begun to consolidate ownership of the operations of MariMed's cannabis-licensed clients into MariMed, and acquire cannabis licensees and producers of cannabis-related products and services. Transactions to date include:

- MariMed has entered purchase agreements to acquire 100% ownership of AgriMed Industries, a licensed cannabis cultivation and production company in Pennsylvania, and KPG of Anna LLC and KPG of Harrisburg LLC, two cannabis-licensed MariMed clients that operate medical marijuana dispensaries in Illinois. These transactions are subject to approval by their respective states' regulatory bodies.
- MariMed's cannabis-licensed client in Massachusetts, ARL Healthcare Inc., filed a plan of entity conversion with the state to convert from a non-profit entity to a for-profit corporation. ARL holds three cannabis licenses from the state of Massachusetts for the cultivation, production and dispensing of cannabis. Upon approval of the conversion plan by the State, MariMed shall be the sole shareholder of ARL.
- MariMed has invested \$30 million in [GenCanna](#), a vertically-integrated agriculture-technology company specializing in the production of Hemp CBD. The companies have created a strategic partnership, including a long-term supply agreement, whereby, MariMed will work with GenCanna to develop Hemp-derived CBD products that the companies plan to distribute domestically and internationally into what is expected to be a \$22 billion hemp market by 2025 according to the [Brightfield Group](#). Separate from its cannabis business, MariMed intends to create a product and branding business unit focused on the development and distribution of Hemp CBD-derived products.
- MariMed entered into an exclusive global licensing agreement with Vitiprints for the production and distribution rights in all legal cannabis markets of a proprietary technology that prints precision-dosed dissolvable cannabis into a paper-thin, low-calorie, fast-absorbing product that is delivered sublingually, transdermally, or by drinking when dissolved in liquid. The process, which does not use any filler products, also allows for the printing of any graphic, such as a bar code or website address, on each product.
- MariMed made a strategic investment in an entity that markets [Sprout](#),” a software targeting, marketing, and CRM platform designed for the cannabis industry. MariMed shall assist in the ongoing development and design of Sprout, and in marketing Sprout to companies within the cannabis industry.
- Subsequent to the close of the third quarter 2018, MariMed acquired BSC Groups LLC, a multidisciplinary cannabis advisory firm that provides operational, marketing, and licensing management services to companies within the cannabis industry.

“As we transition to owning the cannabis facility and business licenses, pending regulatory approval of the purchase transactions initiated in the third quarter of 2018, we will be consolidating all aspects of these entities - revenue, expenses, assets, liabilities, etc. – into MariMed financial reporting after completion,” stated Jon Levine, MariMed

CFO. "Investors will see significant increases in each of these areas. Notably, we will be booking all revenue and expenses related to product sales from these facilities, versus solely booking consulting and management fees, rents and product licensing fees. We anticipate that this will more accurately reflect the true value that MariMed delivers to shareholders and the cannabis industry."

MariMed's full financial results are available on MariMed's website (r.marimedadvisors.com/quarterly-reports) and at www.sec.gov

Search MariMed and post on social media with the hash tag #MedicatedByMariMed:

Twitter: @MariMedInc

Facebook: @MariMedInc

Instagram: MariMedInc

YouTube: MariMedInc

###

About MariMed Inc.:

MariMed is a multi-state cannabis operator that develops, owns and manages cannabis facilities and branded products lines. MariMed's team has developed state-of-the-art regulatory-compliant facilities in DE, IL, NV, MD, MA, and RI which are models of excellence in horticultural principals, cannabis production, product development, and dispensary operations. In addition, MariMed is on the forefront of precision dosed branded products for the treatment of specific medical symptoms. MariMed currently distributes its branded products in select states and is expanding licensing and distribution to numerous additional markets encompassing thousands of dispensaries. MariMed Inc. is one of the 17 top-performing public cannabis companies in the U.S. tracked on the [U.S. Marijuana Index](http://www.marijuanaindex.com), (www.marijuanaindex.com). For additional information, visit www.MariMedAdvisors.com

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 guarantees 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" 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.

Media Contacts:

For MariMed

Business Development

Jon Levine, CFO, MariMed

info@MariMedAdvisors.com

781-559-8713

Investor Relations

Tyler Troup, Circadian Group

tyler@circadian-group.com

+1 (866) 950 8300

Media Relations

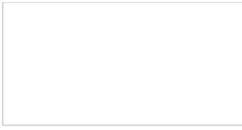
Julie Shepherd, Accentuate PR

Julie@accentuatepr.com

847-275-3643

Attachment

- [Quarterly Revenue Growth](#)



Source: MariMed Inc