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MariMed Announces Close on Acquisition of Ermont, Inc. Operating Assets

NORWOOD, Mass., March 13, 2023 (GLOBE NEWSWIRE) -- [MariMed, Inc.](#) (“MariMed” or the “Company”) (CSE: MRMD) (OTCQX: MRMD), a leading multi-state cannabis operator, and [Ermont Inc.](#) (“Ermont”) a vertically integrated medical cannabis operator located in Quincy, MA, today announced the close of MariMed’s transaction to acquire the operating assets of Ermont. The deal was previously announced on [February 21, 2023](#).

The acquisition marks the second medical dispensary for MariMed in Massachusetts, substantially completing the Company’s buildout to the maximum allowable by state regulations. The transaction closed on March 9, 2023, and the dispensary began operations under the *Panacea Wellness* brand name the following day. The dispensary now features an expanded selection of the best cannabis products produced in the state, including those in MariMed’s award-winning brand portfolio: *Nature’s Heritage* flower and concentrates; *Betty’s Eddies* fruit chews; *Bobby’s Baked* soft-baked goods; *Vibrations: High + Energy* drink mixes; and the full suite of its *InHouse* branded products. MariMed’s branded cannabis products are distributed to virtually all the dispensaries in the Massachusetts cannabis market, which generated \$1.8 billion in total cannabis sales during 2022, according to the Massachusetts Cannabis Control Commission (“[CCC](#)”).

MariMed’s acquisition includes two Host Community Agreements with the city of Quincy, one of which is to conduct adult-use cannabis sales. The Company is applying with the CCC for approval of adult sales and plans to expand the existing medical dispensary to accommodate the increased demand. Plans also include repurposing the cultivation facility and moving its pheno-hunting activities from their New Bedford cultivation and processing facility to free up space for much needed additional capacity of their award-winning *Nature’s Heritage* flower. MariMed is partnering with *Little Dog* for the delivery of medical and adult-use cannabis where permitted.

The closing of this transaction is the result of a successful restructuring conducted by court-appointed receiver [Opus Consulting Partners LLC](#). Opus Consulting and MariMed negotiated the transaction with court approval, and the acquisition was approved by the CCC on March 9, 2023. This is the first cannabis receivership in New England and a first-of-its-kind transaction.

Receivership is a court-appointed pathway used by struggling businesses and creditors as an alternative to bankruptcy. Because cannabis remains a Schedule I substance under the US Controlled Substances Act of 1970 (CSA), most businesses engaged in its cultivation, manufacturing, sale, and distribution do not have access to federal bankruptcy protection.

MariMed CEO Jon Levine commented, “We are thrilled to open our second medical dispensary in Massachusetts and continue expanding our footprint in our home state. Maximizing our presence in Massachusetts has been a longtime goal of MariMed, and with a third dispensary to open soon in Beverly we are nearly there. We look forward to delivering to Quincy cannabis patients the outstanding customer service and a wider variety of products that *Panacea Wellness* is known for. And we are happy to welcome all the Ermont employees to the MariMed family.”

Opus Consulting Partner Jacques Santucci commented, “Competition is increasing, wholesale prices are falling, and more and more cannabis licensees are falling into a state of distress that cannot be helped by the bankruptcy courts. While this is the first cannabis receivership to be approved by the Massachusetts CCC, others are already underway across the U.S., and we can anticipate that more operators will need assistance from experienced turnaround professionals that know the intricacy of the cannabis industry to find a path out of insolvency as the industry is starting to mature. Our team has been involved in this industry as operators and consultants for over 10 years and have been involved in the turnaround field for even longer.”

MariMed was represented by Erica Rice and Kevin Conroy of Foley Hoag LLP. Opus Consulting was represented by John Morrier and Michael Fencer of [Casner & Edwards, LLP](#). Ermont’s senior secured creditor, Teneo Funds SPVi, LLC was represented by Burns & Levinson LLP partners Frank Segall and Scott Moskol.

About MariMed

MariMed Inc., a multi-state cannabis operator, is dedicated to improving lives every day through its high-quality products, its actions, and its values. 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. Proprietary formulations created by the Company’s technicians are embedded in its top-selling and award-winning products and brands, including *Betty’s Eddies*, *Nature’s Heritage*, *InHouse*, *Bobby’s Baked*, *K Fusion*, *Kalm Fusion*, and *Vibations: High + Energy*. For additional information, visit www.marimedinc.com.

Important Information Regarding Forward-Looking Statements

The information in this release contains “forward-looking” statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, which are subject to several risks and uncertainties. All statements other than statements of historical facts contained in this release, including without limitation statements regarding projected financial results for 2023, anticipated openings of dispensaries and facilities, timing of regulatory approvals, plans and objectives of management for future operations, are forward-looking statements. Without limiting the foregoing, the words “anticipates”, “believes”, “estimates”, “expects”, “expectations”, “intends”, “may”, “plans”, and other similar language, whether in the negative or affirmative, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Forward-looking statements are based on our current beliefs and assumptions regarding our business, timing of regulatory approvals, the ability to obtain new licenses, business prospects and strategic growth plan, and other future conditions. Because forward-looking

statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated in these forward-looking statements due to various risks, uncertainties, and other important factors, including, among others, reductions in customer spending, our ability to recruit and retain key personnel, and disruptions from the integration efforts of acquired companies.

These factors are not intended to be an all-encompassing list of risks and uncertainties that may affect our business and results of operations. These statements are not a guarantee 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 information regarding these and other factors can be found in our reports filed with the U.S. Securities and Exchange Commission. In providing these forward-looking statements, the Company expressly disclaims any obligation to update these statements publicly or otherwise, whether as a result of new information, future events or otherwise, except as required by law.

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