Marimed Inc. (US OTCQX: MRMD: $0.76): Undervalued MSO Despite Leading Profitability and Chance for Transformative Growth

December 16, 2021

We initiate coverage of Marimed Inc. (US OTCQX: MRMD) with a Buy rating and $1.00 price target. Following a capital infusion earlier this year which allowed the company to pay down debt and refocus operations, Marimed has become an attractive and safe play for investment in the US cannabis market. Marimed is multi-state operator (MSO) with favorable states exposures and a business that today is highly profitable (both on EBITDA and Net Income) and cash generative. Execution with and the expansion of owned assets in Illinois and Massachusetts will drive top and bottom line growth in the coming years and permit share gains in these states while the opportunity to convert managed businesses in Delaware, Maryland or Nevada into owned operations meaningfully expands the addressable market and the growth opportunity without the company having to execute on third party M&A and the integration of unknown assets as others in the space are doing.

Despite outperforming stock returns YTD, Marimed remains an undervalued operator with an EV/EBITDA multiple >30% below that of the broader peer group. We believe Marimed's discounted valuation stems from a lack of awareness amongst investors for the company and for the stocks of second and third tier sized US companies in general. We expect continued execution will lead to greater awareness for both Marimed and the category and translate to further outperformance in the stock over time. Our $1.00 price target reflects meaningful upside from current levels on a valuation in line with that of the peer group.

Favorable states exposure: Marimed is vertically integrated in Massachusetts and is a retailer in Illinois with plans to acquire or build cultivation and production assets in the near term. In Delaware, Maryland and Nevada, Marimed owns facilities but operates on behalf of license holders through managed services agreements. Revenues come through royalties, management fees and rent payments. The five states offer a large and growing TAM as IL, MA and NV are three large and growing recreational markets while DE and MD are likely to go rec through legislation in '22 and offer meaningful growth opportunities.

Opportunity for transformative growth: Marimed plans to scale results by bringing on cultivation in Illinois and opening two additional dispensaries and expanding the cultivation footprint in Massachusetts. We expect these initiatives to be completed in 2023. Meanwhile, the company maintains the right to convert operations in its three managed states into owned assets. The conversion of these assets can provide transformative growth for both the top and bottom line.

Industry leading adjusted EBITDA margins: 2021 guidance calls for a 36% adjusted EBITDA margin making Marimed the 2nd most profitable operator in US cannabis per consensus estimates despite not being vertically integrated in Illinois its top growth market for '21. While projecting margins to remain flat in '22, we expect leverage to come through vertical integration in Illinois and by expanding cultivation capacity in Massachusetts and Maryland in the coming years.

Capitalized to fund growth initiatives: With ~$26M in cash and another $23M available through an existing revolver, Marimed is sufficiently capitalized to fund planned expansion initiatives and to enter new markets. We believe the most likely states for expansion are Connecticut, New Jersey, New York, Ohio and Rhode Island. If additional capital is required or a non-dilutive option is preferred Marimed could use debt at likely favorable terms given proven cash generation capabilities, the portfolio of owned real estate and the limited leverage to date.

Discounted valuation: On EV/EBITDA, Marimed is trading at 5.8x 2022E. This compares with the broader peer group at 8.0x. Our price target reflects 30% upside from current levels and a valuation in line with the broader peer group.

Viridian Capital Advisors
www.viridianca.com

Jonathan DeCourcey
Director Equity Research
jdecourcey@viridianca.com
(781) 724.6869

Marimed Inc.
Rating: Buy
Price Target: $1.00
Investment Thesis

- Highly profitable with proven cash generation capabilities.
- Positioned in IL and MA with Owned Assets. Managed Services Provider in DE, MD & NV.
- Growth in Illinois and Massachusetts to come from the buildout of assets. Transformative Growth Opportunity exists on the conversion of Managed Service Contracts.
- Capitalized to fund growth initiatives and additional state expansion.
- Undervalued Relative to Peer Group Despite Stock Outperformance this year.
- Safer play on US cannabis given execution and lack of M&A integration risk in growth outlook.
- Meaningful upside potential beyond our price target longer term.

Table of Contents

Company Overview

Marimed is an US cannabis MSO with operations in five states, Delaware, Illinois, Maryland, Massachusetts and Nevada. The company owns operations in Illinois (four dispensaries) and Massachusetts (one dispensary and a cultivation and production facility) while in Delaware, Maryland and Nevada Marimed operates assets on behalf of license holders through managed services agreements. In these states Marimed generates revenues through management fees, collected rent on owned real estate and licensing proceeds and royalties on branded products sold.

For sale in both its owned and managed markets, Marimed produces and sells a full line of branded cannabis and hemp derived CBD products. Owned recognizable brands include Betty's Eddie's, Florance, Kalm Fusion and Nature's Heritage.

For 2021, we expect Marimed will generate roughly 83% of revenues from owned operations in Illinois and Massachusetts with the remainder from managed services agreements. For our forecasts, we expect the percentage will stay consistent in 2022 however we note that the company has the ability to convert managed service agreements into owned operations in each state pending regulatory approval and the resolution of an outstanding litigation in Maryland. The percentage of revenues from owned operations could increase significantly with even the conversion of one managed service agreement.

For owned operations we expect roughly 80% of revenues come from retail operations in Illinois and Massachusetts with approximately 20% from wholesale sales in Massachusetts.

Marimed is headquartered in Norwood, MA and trades on the US OTC under the ticker MRMD.

Marimed Inc.

Source: Company Reports

Marimed (US OTCQX: MRMD; Buy Rating: $1.00 Price Target)

We initiate coverage of Marimed with a Buy rating and $1.00 price target.

Viridian Capital Fiscal Estimates

- Revenues: Q4/21E at $28M; 2021E at $118M; 2022E at $145.1M.
- Adjusted EBITDA: Q4/21E at $7.2M; 2021E at $42.1M; 2022E at $51.6M.

Valuation:

Considering a fully diluted share count of 424M shares inclusive of 332M common shares, 36M preferred shares and 56.4M shares from other dilutive securities (convertible notes, warrants and options), Marimed has a $326M market cap.

Relative to our forecasts, Marimed is valued at an EV/Sales multiple of 2.8x 2021 estimates and 2.2x 2022. On EV/EBITDA, Marimed trades at 7.7x our 2021 estimate and 6.3x 2022. Marimed's 2022 multiples compare to those of the broader peer group at 2.3x (EV/Sales) and 8.0x (EV/EBITDA).

Disconnected valuations by market cap presents opportunities for investors in smaller companies:

Given the company's highly profitable operations, cash generating capabilities and opportunity to grow in the near term through the buildout of owned assets and conversion of managed service operations, we believe Marimed's discounted valuation is unwarranted and stems simply from a persistent bias against smaller market cap companies in US cannabis. Size should not matter but it does in cannabis valuations today.

We expect greater awareness for Marimed and other similarly sized operators to come with execution of on-going initiatives and enhanced sell-side coverage for US cannabis companies in the near term.

Regarding the discrepancy in valuation between large and smaller players, we remain confident that the persistent bias against smaller cannabis companies is not only unwarranted but presents meaningful opportunities for investors to generate outperforming returns as market conditions for US cannabis investing improve more broadly with an opening of the space for greater institutional investment in the coming years. We believe that included in any grouping of eventual "winners" in US cannabis will be smaller operators, including Marimed, and over time we expect the relative discount in valuation will be eroded with the elimination of the correlation between market cap and valuation.

As we have previously noted, the largest companies in US cannabis trade at a meaningful premium to the broader peer group (8.7x EV/EBITDA for the ten largest companies by market cap vs. 7.2x for all other followed companies).

The premium valuation for larger companies comes despite several key factors including: the fact that smaller companies in most cases are estimated to have significantly higher revenue growth and margin expansion in the coming years, that enhanced access to capital has come across US cannabis so unlike prior years all companies are now able to obtain financing for expansion initiatives (including in many cases non-dilutive financing with non-onerous terms) and that within specific state markets smaller companies are in fact more competitive than their larger peers. Finally, the premium valuation for the largest companies completely overlooks the concept of consolidation in the near term a factor that is likely to be significant in determining returns for 2022. As we have previously stated, in our view all but the largest players in the space are ripe for takeout and takeout at premium valuations.

Price Target Leaves Room for Meaningful Upside:

Our $1.00 price target offers 30% upside to current levels and values Marimed at a 2022 EV/Sales multiple of 2.9x and EV/EBITDA at 8.2x. Our price target values Marimed mostly in line with the broader peer group on EV/EBITDA.

We believe that the potential for meaningful further upside to our forecasts exists on broader market valuation gains in general, the conversion of any of the company's managed operations in the near term and/or the perception of meaningful looming M&A. While we do not view Marimed to be as likely of a takeout candidate as others are in the space, given consolidation trends and the modest size of the company we do not take a potential takeout off the table. For the right partner, Marimed would provide operational expertise and the access to licensing in favorable states. We believe any takeout would likely come at a premium valuation and offer investors meaningful upside from current levels.

Marimed Valuation

Price (US OTC)	0.77	
Common Stock	331.5	
Preferred Stock	36.0	
Convertible Notes	2.5	
Options	26.1	
Warrants	27.8	
Fully Diluted	423.9	
Cash ($M)	25.6	
Cash ($M)	**25.6**	
Mortgages Payable	18.4	
Operating Lease Payable	5.8	
Current Portion Notes Payable	0.0	
LT Notes Payable	0.9	
Debt ($M)	**25.1**	
Market Cap ($M)	**326.4**	
Enterprise Value ($M)	**326.0**	
	21E	**22E**
EV/Sales	**2.8**	**2.2**
EV/EBITDA	**7.7**	**6.3**

Source: Viridian Capital Estimates, Priced Intraday 12/13/2021

US Cannabis Valuations

	Market Cap ($M)	EV/Sales 2021E	EV/Sales 2022E	EV/EBITDA 2021E	EV/EBITDA 2022E
Curaleaf	6,475	5.7	4.1	23.2	13.7
Green Thumb	4,884	5.6	4.3	15.8	12.0
Trulieve	4,496	4.7	2.9	11.2	7.3
Verano Holdings	3,582	4.6	3.0	9.5	6.7
Cresco Labs	2,683	3.3	2.4	13.4	7.6
Ascend Wellness	1,901	5.8	3.4	23.8	11.3
Terrascend	1,349	6.1	3.0	17.7	8.9
Columbia Care	1,156	2.6	1.7	13.5	6.2
AYR Wellness	1,134	3.4	1.6	12.3	4.5
Jushi Holdings	1,077	4.7	2.6	37.2	9.1
Planet 13	838	5.7	4.4	29.9	16.7
4Front Ventures	785	5.2	3.7	18.9	11.5
Marimed	**326**	2.8	2.2	7.7	6.3
Schwazze	277	2.7	1.4	9.5	4.2
Cansortium	247	2.9	1.9	9.3	4.6
Goodness Growth Holdings	241	4.1	2.1		11.5
Lowell Farms	224	4.0	2.8		19.1
TILT Holdings	165	1.1	0.8	9.5	5.1
Vext	109	2.3	1.7	6.3	4.5
Harborside Health	73	13.3	1.0	13.9	4.6
Slang Worldwide	45	1.3	1.0	6.3	5.1
STEM Holdings	43	1.2	0.6		3.0
VIBE Growth	38	0.7	0.5	4.4	1.6
Flower One	25	0.9	0.6	5.2	2.4
Mean		3.7	2.3	14.8	8.0
Median		3.3	2.2	13.4	6.5

Source: Viridian Capital Estimates, Priced 12/13/2021

Risks

Risks to our investment thesis and outlook on Marimed include:

- Inability to expand operations: Marimed management plans to expand operations significantly in the near term both through scaling production capacity and opening new retail dispensaries. Any unanticipated challenges that could impact expansion initiatives even those beyond management's control could impact results or result in the need for the company to raise capital.
- Challenges in converting managed operations: Marimed maintains the right to convert all managed operations into owned assets in the coming years. The conversion of these assets could be challenged through litigation or a change in regulation. While not yet factored into our forecasts as contributions, the inability to convert managed operations could negatively impact the view of Marimed and its stock amongst investors and impact near term returns.
- Pricing challenges: Unanticipated changes to cannabis pricing in markets in which it operates could negatively impact Marimed's operations with price declines leading to reduced wholesale revenues and margins and price increases impacting the company's ability to procure supply with its retail stores from third party cultivators and producers. We note that vertical integration reduces these risks but unexpected meaningful prices changes could impact our forecasts.
- Increasingly competitive M&A environment: We expect Marimed to make additional acquisitions to drive expansion in the coming years beyond the conversion of managed assets. Increased competition for M&A could result in challenges in finding deals and/or premium prices being required.
- Changes in regulatory outlook: Regulations continue to evolve both at the state and local level. The introduction of onerous new laws could present challenges for operators like Marimed and meaningfully impact results.
- Changes to consumer demand: Changes to consumer demand for cannabis more broadly or within specific product types could impact results. Marimed offers a diversified offering of branded products to both the retail and wholesale channels. Any unexpected shift in consumer demand could result in a near term underperformance relative to expectations and a long-term shift in operations.
- Inability to raise capital: We are confident that Marimed is sufficiently capitalized to fund on-going initiatives and planned expansion instantiates however, the inability to raise capital required to complete additional expansion initiatives beyond our financial forecasts could negatively impact the investor sentiment for Marimed.
- Negative investor sentiment: A change in investor attitudes toward cannabis companies or a lack of new investor interest in the market could impact stock performance of related companies and investor returns.
- Federal prohibition: While we find this unlikely particularly considering on-going trends with the federal government, a change in sentiment at the federal level could prompt a reversal of sentiment toward state cannabis markets and lead to a shutdown of operations.

Investment Highlights

Outperforming Profitability

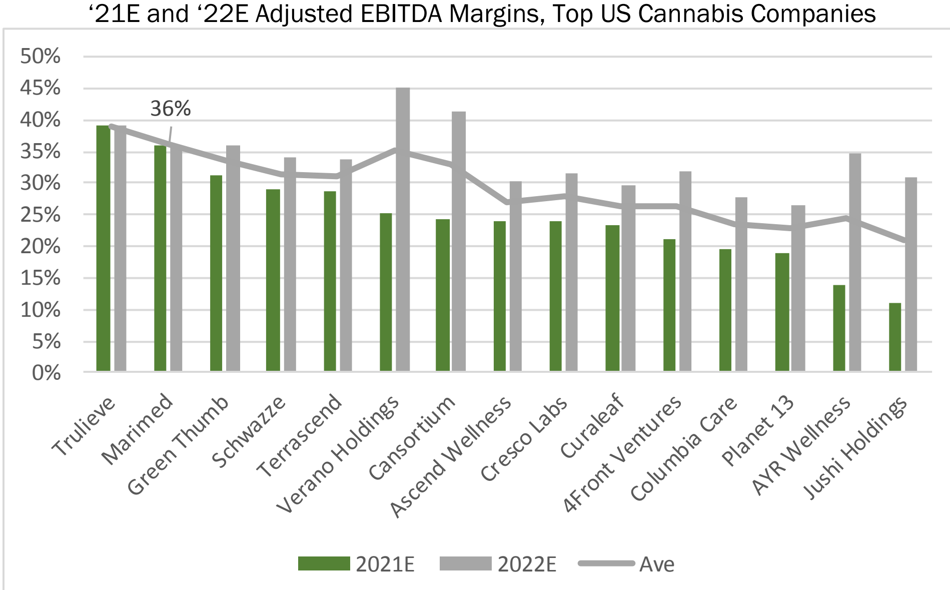
Marimed is the rare cannabis company that is actually earning money from a net income perspective while from an adjusted EBITDA standpoint the company is one of the most profitable in the industry despite its modest topline scale. Management guided to 2021 revenues of $118M, EBITDA to be $32M and adjusted EBITDA at $42.

The implied 36% adjusted EBITDA margin makes Marimed the second most profitable operator in US cannabis for this year based on consensus estimates trailing only Trulieve at 39%. We note that Trulieve's anticipated adjusted EBITDA margin includes only one quarter's worth of contributions from Harvest so even that forecasted margin is likely to be much lower.

For 2022, we expect margins to remain mostly flat at 36% as the company continues to operate without the benefit of cultivation assets in Illinois and expanded production capabilities and retail operations in Massachusetts. Execution on these initiatives coupled with management's proven track record of financial discipline and operational performance should translate to further margin expansion in the years beyond our forecast period even as flower pricing in Illinois and Massachusetts moderates from the current inflated levels.

For 2022, our projected adjusted EBITDA margins for Marimed trail only street estimates for Verano (45%), Cansortium (41%) and Trulieve (39%).

'21E and '22E Adjusted EBITDA Margins, Top US Cannabis Companies



Source: Factset, 12/13/2021

Growth Initiatives for both Managed and Owned Businesses

Marimed management maintains a strategic growth plan through which the company aims to scale the business with the consolidation of managed operations in Delaware, Maryland and Nevada and the build out of owned assets in Illinois and Massachusetts.

Maryland is the most likely managed business to convert in the near term, however the company's agreement is currently in dispute and could require litigation to be resolved so timing remains uncertain. Ultimately, we expect any issues to be resolved with management having to pay a premium on what was agreed upon but we believe any reasonable additional cost is worthwhile as contributions from a conversion would be meaningful for both Marimed's top and bottom lines given the company's established position in the state as one of the top wholesale suppliers and the likely rec legislation to come in 2022. We expect Maryland to pass legislation next year and have initial recreational sales during 2023. As with other new rec states, demand and pricing will be beneficial for established existing operators like Marimed and lead to sustainable competitive advantages to be achieved.

In Maryland, Marimed owns a 180K cultivation and production facility which it leases to its managed services partner while the companies are in the process of opening a dispensary on site. If/when the managed services contract is converted, we expect Marimed could quickly become a meaningful player in Maryland's wholesale cannabis market while increasing retail exposure longer term.

Beyond Maryland, the conversion of managed service operations in Delaware will require the state to change to a for profit model. We believe this change could come in 2022 particularly with rec likely to be on the November ballot. Once the law is changed we do not expect significant issues for Marimed in converting that business. Meanwhile in Nevada Marimed awaits regulatory approval before conversion can occur however we believe there is a meaningful backlog at this time to all license applications in the state.

Regarding owned operations, the focus for Marimed in Illinois is on the opening of additional dispensaries in the state and to build out or acquire cultivation and production assets so as to be no longer reliant on third party suppliers. Management has previously stated plans to add up to six more dispensaries once a cultivation and production operation is established.

As previously mentioned, the lack of vertical integration for Marimed in Illinois has been a drag on margins as growth for the company in the state has outpaced that achieved in Massachusetts. In addition to supporting retail operations in Illinois, we believe any addition of cultivation and production assets will permit Marimed to become a wholesaler in the state. Despite a likely pricing reduction in Illinois from current levels, we are positive on wholesale opportunities in Illinois particularly as the state brings in new operators following the latest round of licensing. We expect a disproportionate number of new entrants to Illinois will require third party flower suppliers.

In Massachusetts, Marimed aims to open or acquire two dispensaries to get to a permitted three store footprint. The hindrance to opening new stores at this time is finding local communities to sign off on the addition of new dispensaries. If the challenge to find new locations persists, Marimed will likely look to acquire an existing retail operator (or two) in the state that has yet to scale because of a lack of vertical integration.

Marimed is also expanding the cultivation and production capabilities in Massachusetts. Marimed currently has a cultivation footprint of roughly 30K feet of canopy but is permitted to expand that to 100K sq. feet. At its current facility, Marimed has the capacity to expand the footprint at least 2x and we expect this project to occur in 2022 with contributions from the expansion either coming late in the year or early 2023. An expanded cultivation capacity will support enhanced vertical integration in Massachusetts as well as greater wholesale opportunities in the state.

Funded for growth inclusive of acquisitions

Marimed had roughly $26M in cash on the balance sheet at Q3/21 and the company is positioned to generate significant cash in the coming quarters. Beyond existing operations, we expect Marimed will need between $40M and $50M in capital to complete the buildout of existing operations and convert managed operations. Within this, while management has never disclosed a conversion cost, we expect the conversion of Maryland operations to cost between $10M and $12M and expect the company's largest near-term expense will be the Massachusetts cultivation buildout at ~$15M. We believe much of Marimed's CAPEX needs can be funded with cash on the balance sheet and that generated in the coming quarters however we note that the company has access to an additional $23M from its $46M total financing from Hadron Capital (announced in March '21).

As previously mentioned, given the company's fairly clean balance sheet, profitable operations and cash generation capabilities to date, we believe Marimed is capable of raising additional capital in the near term including through a non-dilutive financing. Additional funds could be used to make acquisitions and enter into additional states beyond the company's current footprint. As previously mentioned, we believe any additional states expansion will likely focus on Connecticut, New Jersey, New York, Ohio or Rhode Island.

Projected Cash Flows

	Q4 '21E	Q1 '22E	Q2 '22E	Q3 '22E	Q4 '22E	2022
EBITDA	6	9	11	14	17	52
Working Capital	1	0	0	0	0	1
Capex	2	4	5	5	5	19
FCFF	4	5	6	9	11	31
Beginning Cash	26	29	34	40	49	29
Ending Cash	29	34	40	49	61	61

Source: Viridian Estimates

Consolidation could benefit Marimed and shareholders

As reflected in the *Viridian Capital Cannabis Deal Tracker*, there has been a meaningful uptick in M&A activity this year and particularly with larger transactions. Acquisition targets increasingly are becoming either established public operators or leading private companies with scaled operations. This is a change from prior year acquisitions as historically cannabis M&A has predominantly focused on licenses and under-developed assets.

We are confident that the trend of larger scale M&A will continue and even accelerate in the near term with the motivation for acquirers being a need to make acquisitions that can immediately contribute to reported results in-order to differentiate from peers and excite investors at a time when valuations are very much deflated and likely to remain so for most of 2022.

While we believe Marimed is less likely to be acquired than some other operators particularly given the company's Massachusetts exposure and the fact that most large MSOs are already at full capacity in the state, we do believe a takeout is possible with the likely motivation being the company's Illinois assets and the ability to convert managed operations particularly in Maryland. We believe an acquisition price would likely offer significant upside for the stock from current levels.

In terms of meaningful M&A between larger players, we believe a more likely scenario for Marimed than takeout would be a partnering with another medium sized operator in US cannabis with the motivation for the partnership being the scaled size of a combined entity, a reduction of corporate overhead expenses and particularly those related to being a public company and a leveraging of combined expertise (in Marimed's case profitable operations).

Companies that could be favorable partners for Marimed would be other single or limited state operators which have exposures beyond Massachusetts and Illinois.

Forecast moderating Y/Y growth but maintained margins

Our 2021 forecasts are in line with management's guidance of $118M in revenues, EBITDA at $32M and adjusted EBITDA at $42M. For 2021 we estimate net income to be $16.4M. Our forecasts call for a sequential decline in results in Q4 from prior levels with revenues at $28M and adjusted EBITDA estimated to be $7.2M. This compares with $33.2M/$12.9M for Q3/21. We expect the Q/Q decline to stem from traditional seasonality along with some slowdown in demand in both Illinois and Massachusetts. We anticipate a return to sequential growth in Q1/22 and forecast revenues and adjusted EBITDA for that period to be $32M and $9.4M respectively.

For 2022, we forecast $145M in revenues and for adjusted EBITDA to be $51.6M. While our forecasts call for Y/Y revenue growth to slow we expect growth rates to pick back up in 2023 on enhanced cultivation and production in Massachusetts and the addition of new dispensaries in both Massachusetts and Illinois at that time. We note that our forecasts do not include contributions from any conversion of managed operations at this time.

In terms of profitability for 2022, as previously mentioned we forecasts adjusted margins to stay flat Y/Y at 36% as leverage on Opex from greater scale of results is offset by an inability to scale gross margins meaningfully due to a lack of vertical integration in Illinois and the continued steady nature of managed services contributions. Importantly, unlike most other US cannabis companies and particularly smaller operators, we expect Marimed to remain Net Income positive for our entire forecast period including the current quarter.

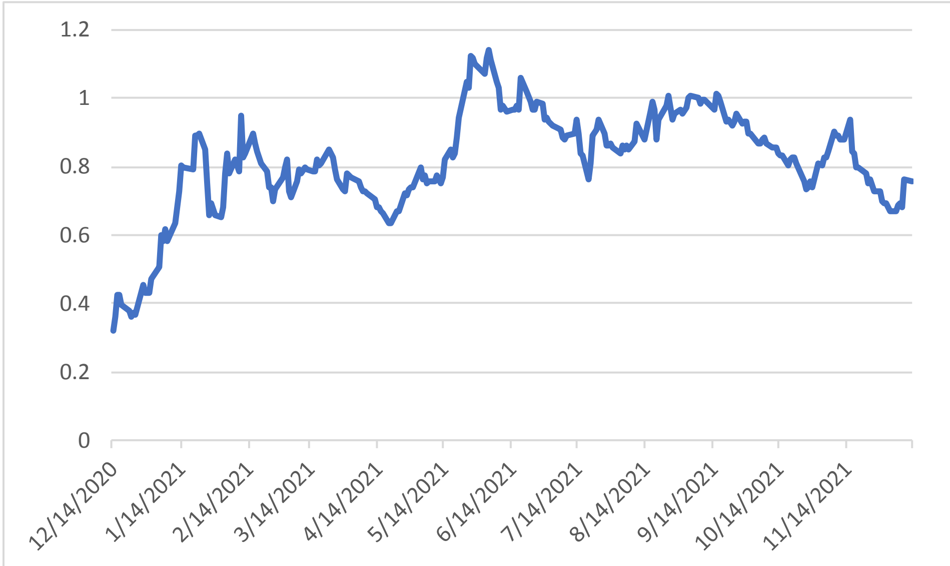
Income Statement ($M)

	2021					2022				
	Q1 '21 Mar-21	Q2 '21 Jun-21	Q3 '21 Sep-21	Q4 '21E Dec-21	2021 Dec-21	Q1 '22E Mar-22	Q2 '22E Jun-22	Q3 '22E Sep-22	Q4 '22E Dec-22	2022 Dec-22
Revenues	**24.6**	**32.6**	**33.2**	**28.0**	**118.4**	**32.0**	**33.1**	**38.0**	**42.0**	**145.1**
COGS	11.5	13.2	15.0	11.2	50.8	13.4	13.1	14.8	16.8	58.2
Gross Profit	13.2	19.4	18.2	16.8	67.6	18.6	20.0	23.2	25.2	86.9
Personnel	1.7	2.1	1.5	1.5	6.8	1.5	1.5	1.5	1.5	6.0
Marketing and Promotion	0.2	0.3	0.6	0.6	1.7	0.5	0.5	0.5	0.5	2.0
G&A	3.2	4.3	9.5	9.2	26.1	9.0	8.5	8.5	8.5	34.5
Opex	6.1	7.4	11.6	11.3	36.4	11.0	10.5	10.5	10.5	42.5
Income from operations	7.0	12.0	6.6	5.5	31.2	7.6	9.5	12.7	14.7	44.4
Interest Expense	(1.5)	(0.3)	(0.3)	(0.3)	(2.4)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)
Total Other Expense	(1.5)	(0.6)	(0.5)	(0.3)	(2.9)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)
Pre-tax Income	5.5	11.4	6.1	5.2	28.2	7.3	9.2	12.4	14.4	43.2
Taxes	1.2	3.8	4.0	2.5	11.5	3.0	3.0	3.0	3.0	12.0
Net Income	4.22	7.5	2.0	2.7	16.4	4.3	6.2	9.4	11.4	31.2
Adjusted EBITDA	**8.0**	**14.0**	**12.9**	**7.2**	**42.1**	**9.4**	**11.3**	**14.5**	**16.5**	**51.6**
EBITDA	6.8	12.4	7.1	6.2	32.4	8.3	10.2	13.4	15.4	47.2
% Revenues										
Gross Margin	54%	60%	55%	60%	57%	58%	60%	61%	60%	60%
Opex	25%	23%	35%	40%	31%	34%	32%	28%	25%	29%
Operating Income	29%	37%	20%	20%	26%	24%	29%	33%	35%	31%
Net Income	17%	23%	6%	10%	14%	13%	19%	25%	27%	22%
Adjusted EBITDA	32%	43%	39%	26%	36%	29%	34%	38%	39%	36%
Growth Rates										
Revenues										
Y/Y	230%	239%	147%	38%	133%	30%	2%	14%	50%	23%
Q/Q	21%	32%	2%	-16%		14%	3%	15%	11%	

Source: Company Reports, Viridian Capital Estimates

Required Research Disclosures

Marimed Inc. (US OTCQX: MRMD)



*Priced USD

The box on the chart above displays the date, rating and price target after a rating or price target change.

Distribution of Ratings/IB Services				
			IB Services in Past 12 months	
Rating	Count	Percent	Count	Percent
Buy (Buy)	12	92%	0	0%
Hold (Hold)	1	8%	0	0%
Sell (Sell)	0	0%	0	0%
Not Rated (NR)	0	0%	0	0%

Analyst Certification

The research analyst responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner, including with respect to Bradley Woods & Co. Ltd.; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the research analyst in this report.

Meaning of Ratings

Bradley Woods & Co. Ltd.'s rating system of **Buy, Hold, Sell, Not Rated** reflects the analyst's best judgment of risk-adjusted assessment of a security's 24-month performance.

Buy: A Buy recommendation is assigned to stocks with low risk and approximately 10% expected return or stocks with high risk and approximately 25% expected return. The analyst recommends investors add to their position.

Hold: A Hold recommendation is assigned to stocks with low risk and less than 10% upside or less than 15% downside or to stock with high risk and less than 25% upside or less than 15% downside.

Sell: A Sell recommendation is assigned to stocks with an expected negative return of approximately 15%. The analyst recommends investors reduce their position.

Not Rated: A Not Rated recommendation makes no specific Buy, Hold or Sell recommendation.

Compensation or Securities Ownership

The analyst(s) responsible for covering the securities in this report receives compensation based upon, among other factors, the overall profitability of Bradley Woods & Co. Ltd. including profits derived from investment banking revenue and securities trading and market making revenue. Unless noted in the Company Specific Disclosures section above, the analyst(s) that prepared the research report did not receive any compensation from the Company or any other companies mentioned in this report in the previous 12 months, or in connection with the preparation of this report. Unless noted in the Company Specific Disclosures section above, neither the analyst(s) responsible for covering the securities in this report, nor members of the analyst(s') household, has a financial interest in the Company, but in the future may from time to time enGAGE in transactions with respect to the Company or other companies mentioned in the report.

For compendium reports (a research report covering six or more subject companies) please see the latest published research to view company specific disclosures.

Other Important Disclosures

This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell a solicitation of an offer to buy or sell any financial instruments or to particular trading strategy in any jurisdiction. The information and opinions in this report were prepared by registered employees of Bradley Woods & Co. Ltd. The information herein is believed by Bradley Woods & Co. Ltd. to be reliable and has been obtained from public sources believed to be reliable, but Bradley Woods & Co. Ltd. makes no representation as to the accuracy or completeness of such information.

Bradley Woods & Co. Ltd. is regulated by the United States Securities and Exchange Commission, FINRA, and various other self-regulatory organizations. This report has been prepared in accordance with the laws and regulations governing United States broker-dealers.

Opinions, estimates, and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinions of Bradley Woods & Co. Ltd. and are subject to change without notice. In addition, opinions, estimates and projections in this report may differ from or be contrary to those expressed by other business areas or group of Bradley Woods & Co. Ltd. and its affiliates. Bradley Woods & Co. Ltd. has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Bradley Woods & Co. Ltd. does not provide individually tailored investment advice in research reports. This report has been prepared without regard to the particular investments and circumstances of the recipient. The securities discussed in this report may not suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. Estimates of future performance are based on assumptions that may not be realized. Furthermore, past performance is not necessarily indicative of future performance. Investment involves risk. You are advised to exercise caution in relation to the research report. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Bradley Woods & Co. Ltd. salespeople, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed in this research. Bradley Woods & Co. Ltd. may seek to offer investment banking services to all companies under research coverage. Bradley Woods & Co. Ltd. and/or its affiliates expect to receive or intend to seek investment-banking related compensation from the company or companies mentioned in this report within the next three months.

This research report (the "Report") is investment research, which has been prepared on an independent basis by Bradley Woods & Co. Ltd., a member of FINRA and SIPC, with offices at 805 Third Avenue, 18th Floor, New York, NY USA, 10022. Electronic research is simultaneously available to all clients. This research report is provided to Bradley Woods & Co. Ltd. clients and may not be redistributed, retransmitted, disclosed, copied, photocopied, or duplicated, in whole or in part, or in any form or manner, without the express written consent of Bradley Woods & Co. Ltd. Receipt and review of this research report constituted your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion or information contained in this report (including any investment recommendations, estimates, or target prices) without first obtaining express permission from Bradley Woods & Co. Ltd. In the event that this research report is sent to you by a party other than Bradley Woods & Co. Ltd., please note that the contents may have been altered from the original, or comments may have been added, which may not be the opinions of Bradley Woods & Co. Ltd. In such case, neither Bradley Woods & Co. Ltd., nor its affiliates or associated persons, are responsible for the altered research report.

This report and any recommendation contained herein speak only as of the date of this report and are subject to change without notice. Bradley Woods & Co. Ltd. and its affiliated companies and employees shall have no obligation to update or amend any information or opinion contained in this report, and the frequency of subsequent reports, if any, remain in the discretion of the author and Bradley Woods & Co. Ltd.

Bradley Woods & Co. Ltd. may effect transactions in the securities of companies discussed in this research report on a riskless principal or agency basis. Bradley Woods & Co. Ltd.'s affiliated entities may, at any time, hold a trading position (long or short) in the securities of the companies discussed in this report. Bradley Woods & Co. Ltd. and its affiliates may enGAGE in such trading in a manner inconsistent with this research report. All intellectual property rights in the research report belong to Bradley Woods & Co. Ltd. Any and all matters related to this research report shall be governed by and construed in accordance with the laws of the State of New York.

This report is not directed at, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to law or regulation or which would subject Bradley Woods & Co. Ltd. and its affiliates to any registration or licensing requirements within such jurisdictions.

The Bradley Woods Form CRS, Client Relationship Summary, can be accessed here.