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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the fiscal year ended December 31, 2024**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission File number 0-54433*

**MARIMED INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

27-4672745  
(I.R.S. Employer  
Identification No.)

10 Oceana Way  
Norwood, MA 02062  
(Address of Principal Executive Offices)

781-277-0007  
(Registrant's Telephone Number, Including Area Code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of Each Class	Trading Symbol(s)	Name Of Each Exchange On Which Registered
None	Not Applicable	Not Applicable

**Securities registered pursuant to Section 12(g) of the Act:**

**Common Stock, \$0.001 par value**  
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.  
Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act:

- |                                                           |                                                               |
|-----------------------------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> Large Accelerated Filer          | <input type="checkbox"/> Accelerated Filer                    |
| <input checked="" type="checkbox"/> Non-Accelerated Filer | <input checked="" type="checkbox"/> Smaller Reporting Company |
|                                                           | <input checked="" type="checkbox"/> Emerging Growth Company   |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.): Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the closing price as of June 28, 2024, the last business day of the registrant’s most recently completed second fiscal quarter, was \$51.7 million.

At March 3, 2025, the issuer had outstanding 382,173,979 shares of Common Stock, par value \$0.001 per share.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive Proxy Statement for the 2025 Annual Meeting of Stockholders are incorporated herein by reference into Part III of this Annual Report on Form 10-K. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2024.

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### CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This Annual Report on Form 10-K includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 as amended. These statements involve risks and uncertainties, and our actual results could differ significantly from those discussed herein. These include statements about our expectations, beliefs, intentions or strategies for the future, which the Company indicates by words or phrases such as “anticipate,” “expect,” “estimate,” “could,” “should,” “would,” “project,” “predict,” “intend,” “plan,” “will,” “believe,” and similar language, including those set forth in the discussion under “Description of Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as those discussed elsewhere in this Annual Report on Form 10-K. The Company bases its forward-looking statements on information currently available to it, and the Company believes that the assumption and expectations reflected in such forward-looking statements are reasonable. The Company assumes no obligation to revise or update any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Statements contained in this Form 10-K that are not historical facts are forward-looking statements that are subject to the “safe harbor” created by the Private Securities Litigation Reform Act of 1995.

Unless expressly indicated or the context requires otherwise, the terms "MariMed", "company", "we", "us", "our", and "Company" in this document refer to MariMed Inc., a Delaware corporation, and, where appropriate, its subsidiaries.

## PART I

### Item 1. Business

#### Company Overview

We are a multi-state cannabis operator in the United States, headquartered in Norwood, Massachusetts, dedicated to improving lives every day through our high-quality products, our actions, and our values. We develop, own, and manage seed to sale state-licensed, state-of-the-art, regulatory-compliant facilities for the cultivation, production, and dispensing of medicinal and adult-use cannabis. We have created and continue to develop our own brands of premium cannabis flower, concentrates, edibles, and other precision-dosed products utilizing our proprietary strains and formulations. We also license our proprietary brands, along with other top cannabis products, in domestic markets.

Our common stock trades on both the OTCQX and the Canadian Securities Exchange under the ticker symbol MRMD.

#### Company History

In 2014, we entered the cannabis industry as an advisory and real estate management firm that procured state-issued cannabis licenses on behalf of our clients, developed cannabis facilities that we leased to these newly licensed companies, and provided industry-leading expertise and oversight in all aspects of their cannabis operations.

In 2018, we made the strategic decision to transition from an advisory business to a direct owner and operator of cannabis licenses in high-growth states. Key to this transition was the acquisition and consolidation of our clients for whom we had played a key role in their success, including securing their cannabis licenses, developing facilities that are models of excellence, funding their operations, and providing operational and corporate guidance. We have successfully acquired and integrated certain client businesses in several states, and believe that our prior experience in managing these businesses has provided us with the skills and expertise required to manage the continuing growth of these operations.

Throughout our history, we have created our own brands of craft-quality cannabis flower, concentrates, edibles, and other precision-dosed products, which have been award winners and top sellers in multiple states. Applying proprietary cultivation and processing procedures and following the strictest quality standards, our portfolio of brands was developed to fill gaps in the marketplace and meet specific effects desired by today's cannabis consumer. We invest in ongoing research and development and intend to continue to introduce new and innovative products in the future.

Today, we operate state-of-the-art, regulatory compliant cannabis cultivation and processing facilities that grow and manufacture our proprietary, high quality, branded cannabis consumer products. We distribute our products via the wholesale market to hundreds of dispensaries operated by other cannabis license holders. We also operate our own dispensaries, which are recognized for their excellent customer service and product selection. Revenue is generated at these dispensaries through the sales of our own products and those marketed by other cannabis license holders.

We utilize dedicated sales teams to sell our products to wholesale buyers representing the dispensaries operated by other cannabis license holders. Customers at our own dispensaries purchase cannabis for, among other reasons, the relief of pain and stress, to promote better sleep, and to address other health and wellness needs. We deploy a variety of marketing strategies to drive the sales of our products, including customer loyalty programs, digital advertising, in-store displays and public relations.

We also generate nominal revenue from licensing, management fees, and real estate income.

#### Our Strategic Growth Plan

We continue to focus on executing our strategic growth plan, with priority on activities that include the following:

- Completing the acquisition and consolidation of our original advisory clients:
  - First State Compassion Center ("FSCC") in Delaware is the last of these businesses, which acquisition we completed on February 28, 2025 in accordance with the Omnibus Agreement between MariMed and FSCC, dated July 1, 2023, that defined the terms under which FSCC's cultivation and processing facilities and two dispensaries would be acquired by MariMed (the "Omnibus Agreement").

- Increasing our product brand revenue by:
  - strengthening our cultivation and processing capabilities to ensure a reliable, high-quality supply of raw materials that will enhance product consistency, quality, and innovation;
  - developing and launching innovative new products that align with consumer preferences and demand;
  - offering new effects and formulations that differentiate our existing brands;
  - broadening our distribution network in existing markets to maximize our reach and brand visibility; and
  - expanding our distribution into new markets through new license applications, acquisitions of existing cannabis businesses, and/or identification of qualified licensing partners.
- Increasing retail store revenue by:
  - driving additional and higher average transactions in our existing stores through an outstanding customer experience that prioritizes our product selection and the ease of the shopping experience; and
  - expanding our dispensary footprint in current markets where regulations allow and into new markets through new license applications and/or acquisitions of existing cannabis businesses.

In November 2023 we announced the closing of a \$58.7 million secured credit facility with Needham Bank, a Massachusetts co-operative bank (“Needham Bank”), at a lower rate compared to both our previous debt facility with Chicago Atlantic Admin, LLC (“Chicago Atlantic”) and rates achieved in debt transactions by other cannabis companies. This debt refinancing enabled us to repay our term loan with Chicago Atlantic, satisfy the mortgage on our New Bedford and Middleborough, Massachusetts facilities with Bank of New England, and reduce the principal outstanding on the note we issued to the sellers in connection with our acquisition of the operating assets of Ermont, Inc. The credit facility has allowed us to unencumber our operating assets in Illinois, Ohio and Delaware, as well as our branded products, providing more options for future financing at attractive rates should we choose to increase our borrowings.

## **Our Competitive Strengths**

We believe that our strengths in the following areas provide us with certain competitive advantages and the tools necessary to successfully implement our strategic plans:

### ***Portfolio of Proprietary and Innovative Brands***

We have developed a portfolio of unique and cannabis market leading brands which are currently distributed in cannabis-legal states. Our brands and products are developed with a consumer first approach and are available in the most popular consumption formats, including whole flower, pre-rolled flower, vape cartridges, concentrates, and edibles. We intend to continue expanding our brand portfolio to meet the effects that today’s cannabis consumers seek.

Our portfolio includes several award-winning brands that are among the top sellers in markets where they are available. They include:

- *Nature’s Heritage*<sup>™</sup>, a premium brand of cannabis flower, vapes, and concentrates;
- *Betty’s Eddies*<sup>™</sup>, cannabis fruit chews that deliver better sleep, pain relief, stress relief, and more. The Betty's Eddies line also includes a limited collection of cannabis-infused ice creams created in partnership with ice cream brand Emack & Bolio's<sup>®</sup>;
- *Bubby’s Baked*<sup>™</sup>, soft and chewy baked goods and a hot chocolate mix;
- *Vibrations*<sup>™</sup>, a cannabis-infused hydrating drink mix for discrete, on-the-go consumption; and
- *InHouse*<sup>™</sup>, a value-priced brand of flower, vapes, and edibles.

## ***Retail Footprint and Operations***

Our expanding retail footprint and operations drive a significant portion of our revenue and align strategically with our drive to grow a portfolio of proprietary and innovative brands. All retail stores are positioned in states that offer a strong consumer base and favorable regulatory environments that promote market stability. We believe today's cannabis consumer seeks a shopping experience that is comfortable, educational, and easy. Our dispensaries are models of excellence in this regard. We carefully curate a menu of the highest quality brands and products, and merchandise them in beautifully designed, upscale environments. We invest in budtender and retail personnel training, as well as product programming displayed on in-store monitors to help deliver exceptional customer service throughout the shopping experience. In Massachusetts and Delaware, we complement our in-store operations with a home delivery option. We intend to do the same in other markets once permitted by state regulations.

Finally, our retail footprint and operations enable our ability to drive wholesale distribution through reciprocal relationships (balance of trade relationships) that are common in the cannabis industry. This relationship has accelerated MariMed brands, such as Betty's Eddies, to market leadership positions in most states in which we operate. Additionally, we gain significant customer insights from our retail operations which allow us to rapidly innovate to meet emerging consumer trends. Combined, our retail footprint and our robust wholesale brand portfolio work together to promote overall growth in revenue, gross profit and market share.

## ***Experienced Management***

Our management team is one of the most experienced and longest tenured in the cannabis industry. Several of our executive team members, including our President and Chief Executive Officer, our Chief Operating Officer, and our Chief Revenue Officer, have each worked in the industry for a decade or more. Our leadership team has achieved considerable success creating and growing businesses in the industry by successfully applying for cannabis licenses, overseeing the development of cannabis operations and facilities, raising capital to purchase and develop facilities, and conducting operations in adherence with regulations established by individual state governments, including all environmental and social governance requirements. The strength of our executive team is further enhanced by other members who have significant senior management experience and expertise working in beer and alcohol, retail, consumer products, and marketing industries.

## ***Current and Pending Operations***

Over the past several years, we have invested in our own operating facilities, applied for and secured new licenses, and acquired new assets to strengthen and expand our brand portfolio and our retail and wholesale networks. We currently hold a total of 33 cannabis licenses in six states. We believe our investment and expansion initiatives will enable us to capture additional market share and provide us with a stronger presence in the states where we conduct business.

We believe that operating as a fully vertical, seed to sale cannabis company provides us the greatest opportunity to maximize revenue and profits in each state where we operate. To date, we are fully vertical through businesses we either own or manage in Illinois, Maryland, Massachusetts, and Delaware.

Our current and pending operations are as follows:

### ***Massachusetts***

Massachusetts operates both adult-use and medical cannabis programs. According to the Massachusetts Cannabis Control Commission (the "CCC"), the state's cannabis market generated \$1.6 billion in sales in 2024 (source: Massachusetts Cannabis Control Commission).

We operate three *Panacea Wellness*-branded dispensaries in the Boston area:

- a dispensary in Middleborough that is licensed for both medical and adult-use cannabis sales;
- an adult-use dispensary in Beverly; and
- a dispensary in Quincy that had initially been licensed for medical sales and which commenced adult-use cannabis sales in 2024.

Our three retail stores are easily accessible to all cannabis consumers in eastern Massachusetts. Access is further enhanced through home delivery as the result of our April 2023 investment in Artis LLC (d/b/a Little Dog Delivery).

We also operate a cultivation and production facility in New Bedford, as well as a cultivation facility in Quincy.

### ***Delaware***

Delaware's medical cannabis program has approximately 17,000 registered patients, according to the Delaware Department of Health and Social Services 2023 annual report. It legalized adult-use cannabis sales in 2023, with such sales expected to commence in 2025.

We provide comprehensive management and real estate services to FSCC, our longstanding client in Delaware. We were instrumental in helping FSCC obtain Delaware's first-ever seed to sale medical cannabis license in 2014. Today, FSCC operates under two of only eleven cannabis licenses in the state.

We developed and currently lease to FSCC a number of facilities, including:

- a cultivation facility, production kitchen, and dispensary in Wilmington;
- a cultivation facility in Milford; and
- a dispensary in Lewes.

FSCC licenses and distributes all of our top selling edibles brands in the state. We anticipate that we will acquire the assets of FSCC when adult-use sales commence in 2025. State law, which had prevented such a transaction, has been amended as part of the expansion of Delaware's legal cannabis program.

### ***Illinois***

Illinois permits both adult-use and medical cannabis programs. According to the Illinois Department of Financial and Professional Regulation, the state reported over \$2 billion in total legal cannabis sales in the rolling twelve months ended June 30, 2024. With a population of nearly 13 million, Illinois is one of the largest and fastest-growing cannabis markets in the United States.

We operate five *Thrive*-branded dispensaries in the state, including an adult-use dispensary in Metropolis, near the Kentucky border, an adult-use dispensary in Casey, near the Indiana border, and an adult-use dispensary in Mt. Vernon. We also operate dispensaries in Anna and Harrisburg that each serve both medical and adult-use customers. These five locations provide easy access for most residents in southern Illinois and several states that don't have legal cannabis programs, including Kentucky, Indiana, and Tennessee.

In December 2023, we completed construction of and commenced operations of our processing facility in Mt. Vernon. We began selling certain of our award-winning branded edibles products and *InHouse* vape products in our own dispensaries and in certain other dispensaries in the state during the final weeks of 2023. We significantly increased distribution of our core products throughout the state in 2024.

On September 12, 2024, we received final regulatory approval for cultivation in the Mt. Vernon facility, establishing our Illinois operations as fully vertical. We immediately began our cultivation activities in the facility and expect to distribute *Nature's Heritage* flower and vapes throughout the state in the second quarter of 2025.

### ***Maryland***

Maryland operates both adult-use and medical cannabis programs. The state's adult-use program began on July 1, 2023, making 2024 the first full year of the program. According to the Maryland Cannabis Administration, the state reported \$1.1 billion in medical and adult-use cannabis sales during the first 12 months of the adult-use program, positioning it among the top legal cannabis markets in the United States.

Our operations are fully vertical in Maryland, including a cultivation and processing facility in Hagerstown which produces and distributes all of our premium branded cannabis flower, concentrates, vapes and edibles. In 2024 we completed the expansion of the facility to increase our cultivation capacity to meet the increased demand for our products.

We also operate two *Thrive*-branded medical and adult-use dispensaries in Maryland. One is located in Annapolis and the other is located in the Upper Marlboro part of Prince George's County.

The Upper Marlboro dispensary became part of our network as the result of the April 9, 2024 acquisition of the medical cannabis retail license and certain assets of Our Community Wellness & Compassionate Care Center, Inc. ("MedLeaf") in exchange for \$5.25 million, adjusted for certain items. The purchase consideration was comprised of \$2.0 million of cash, a \$2.0 million note issued to the sellers of MedLeaf (the "MedLeaf Sellers") at the closing, and shares of our common stock with a fair value of \$1.25 million, based on a formulaic calculation, that were issued at the closing.

### ***Missouri***

Missouri permits both successful medical and adult-use cannabis programs. According to the Missouri Division of Cannabis Regulation, over \$1.4 billion worth of legal cannabis was sold in Missouri in 2024.

We announced a management contract in September 2022 that would enable us to sell certain of our award-winning branded edibles products in the state. We experienced significant regulatory delays before receiving approval to begin sales, which commenced in the final weeks of the 2024 calendar year.

### ***Ohio***

Ohio's successful medical cannabis program expanded to include adult-use sales in June 2024. BDSA, a leading provider of market intelligence for the cannabis industry, estimates that total cannabis sales in Ohio will reach \$802 million in 2025.

Our *Thrive*-branded medical cannabis dispensary in Tiffin, which we opened in 2023, received regulatory approval to commence adult-use sales in September 2024.

### **Recent Development**

On February 28, 2025, we completed the acquisition of FSCC in accordance with the terms of the Omnibus Agreement. We believe this recent development is critical to the implementation of our strategic growth plan.

### **Competition**

In the markets where we currently operate, we face competition from licensed cannabis companies of varying sizes and geographic reach. These include other Multi-State Operators (MSOs) who, like our company, maintain vertical operations in at least two states. Others, called Single State Operators, are either fully vertical in just one state focused solely on producing and selling cannabis products, or operate solely as dispensaries and sell the goods of other businesses. Some of our competitors that create and sell their own products have offerings that are on par with those we offer. We believe that by utilizing our own best practices and operational expertise, we are able to produce premium cannabis products at one of the lowest cost structures in the industry, which enables us to remain competitive in our markets. However, our sales could decline significantly if our competitors develop and market products that are more effective, more convenient, or less expensive than our products.

As cannabis products become more mainstream and gain greater acceptance, it is likely that larger and more established companies with greater available resources, including name recognition and national distribution networks, will enter the market. However, we believe that there are many barriers to entry, and to duplicate our licenses, knowledge, and facilities would be costly and time-consuming. We have upgraded our marketing efforts to expand branding and distribution, as well as implemented home delivery, where permissible, and other business strategies developed by more conventional industries. As a result, we have successfully increased the number of retail transactions at our stores and increased market share of our core products sold through wholesale. We have also developed a loyal customer base at our retail locations through the launch and continued refinement of customer loyalty programs.



## Intellectual Property

We own registered trademarks for *Betty's Eddies*, *Nature's Heritage*, and *Thrive*, and are pursuing registration of the *Bobby's Baked*, *InHouse*, and *Vibations* trademarks with the United States Patent and Trademark Office.

Our proprietary processing and manufacturing techniques and technologies, while not patented, are kept strictly confidential. We enter into and enforce confidentiality agreements with key employees and consultants to protect our intellectual property, trade secrets, and general know-how.

## Our Employees

At December 31, 2024, we had a total of 832 employees, of which 715 were full-time, plus an additional 117 employees in the aggregate, primarily full-time, who are employed by our managed cannabis-licensed client and the delivery company in which we hold a minority interest.

## Website Access to Company Reports

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Definitive Proxy Statements, Current Reports on Form 8-K and all amendments to those reports are available free of charge on the Company's website at [www.marimedinc.com](http://www.marimedinc.com) as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC, or as filed with the Canadian securities regulatory authorities on the SEDAR website. In addition, copies of our annual report will be made available, free of charge, upon written request.

Our common stock trades on both the OTCQX and the Canadian Securities Exchange under the ticker symbol MRMD.

## Item 1A. Risk Factors

*Our business faces significant risks and uncertainties. Certain important factors may have a material adverse effect on our business prospects, financial condition and results of operations, and they should be carefully considered. Accordingly, in evaluating our business, and a potential investment in our shares, we encourage you to consider the following discussion of risk factors in its entirety in addition to other information contained in or incorporated by reference into this Annual Report on Form 10-K and our other public filings with the United States Securities and Exchange Commission ("SEC"). Other events that we do not currently anticipate or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations.*

### Risks Related to the Industry in Which We Operate

#### ***Cannabis remains illegal under United States federal law.***

In the United States, cannabis is largely regulated at the state level. Each state in which we operate or that we are currently proposing to operate authorizes, as applicable, medical and/or adult use cannabis production and distribution by licensed or registered entities. More than 40 states have legalized cannabis in some form. However, under United States federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia are illegal, and any such acts are criminalized under the Controlled Substances Act, as amended, which we refer to as the "CSA." Cannabis remains illegal under United States federal law and is considered a Schedule I controlled substance under the CSA. In 2022, former President Biden directed the Drug Enforcement Administration (DEA) and the Department of Health and Human Services ("HHS") to initiate an administrative process to review how cannabis is scheduled under federal law. HHS later recommended that cannabis be recategorized to Schedule III, and as of February 2025 the DEA was still reviewing the HHS recommendation, with preliminary hearings anticipated to commence this spring. Should cannabis be rescheduled, it would mean cannabis would be defined as having accepted medical use within federal law. There are several other important implications of rescheduling. It would increase consumer trust in cannabis, likely resulting in an increase in our sales. Absent rescheduling, cannabis is still perceived by many to have a high potential for abuse and it is not generally approved or accepted for medical use.

The concepts of "medical cannabis," "retail cannabis" and "adult-use cannabis" do not exist under United States federal law. While we believe that our business activities are compliant with applicable state and local laws, strict compliance

with state and local cannabis laws would not provide a defense to any federal proceeding that may be brought against us. The enforcement of applicable United States federal laws poses a significant risk to us.

Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, or settlements arising from civil proceedings conducted either by the United States federal government or private citizens. We may also be subject to criminal charges under the CSA and, if convicted, could face a variety of penalties including, but not limited to, disgorgement of profits, cessation of business activities, or divestiture. Any of these penalties could have a material adverse effect on our reputation and ability to conduct our business, our holding (directly or indirectly) of medical and adult-use cannabis licenses in the United States; our financial position; operating results; profitability; liquidity; or the market price of our publicly traded shares. In addition, it is difficult for us to estimate the time or resources that would be needed for the investigation, settlement, or trial of any such proceedings or charges, and such time or resources could be substantial.

Additionally, its rescheduling would eliminate IRS Tax Code 280E, a punitive tax stipulation imposed on businesses like ours that sells products categorized as Schedule I or II. Specifically, the code stipulates that “no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities that comprise such trade or business) consists of trafficking in controlled substances within the meaning of Schedule I and II of the Controlled Substances Act, which is prohibited by federal law or the law of any state in which such trade or business is conducted.” This provision has been applied by the United States Internal Revenue Service, or the “IRS,” to cannabis operations, prohibiting them from deducting expenses directly associated with cannabis businesses. The elimination of 280E is anticipated to save the company several million dollars paid annually in federal taxes.

It has not yet been determined if and how federal agencies such as the U.S. Food and Drug Administration (“FDA”) would be involved in the regulation of our industry should cannabis be rescheduled. Should the FDA be involved in the regulation of our industry, it is likely the agency would impose rules associated with good manufacturing practices related to the growth, cultivation, harvesting, and processing of cannabis. Clinical trials may be needed to verify efficacy and safety of our medical cannabis products. In the event that some or all of these regulations are imposed, the impact on the cannabis industry is uncertain and could include the imposition of new costs, requirements, and prohibitions. If we are unable to comply with the regulations and/or registration as required by the FDA, it may have an adverse effect on our business, operating results, and financial condition.

***The cannabis industry is relatively new.***

We are operating in a relatively new industry and in a new market. We not only are subject to general business risks, but we must also build brand awareness in this industry and market share through significant investments in our strategy, production capacity, quality assurance, and compliance with regulations. Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy, and dosing of cannabis or isolated cannabinoids (such as cannabidiol, or “CBD,” and tetrahydrocannabinol, or “THC”) remains in its early stages. Few clinical trials on the benefits of cannabis or isolated cannabinoids have been conducted. Although we believe that the articles, reports and studies support our beliefs regarding the medical benefits, viability, safety, efficacy, and dosing of cannabis, future research and clinical trials may result in opposing conclusions to statements contained in articles, reports, and studies currently favored or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, or other facts and perceptions related medical cannabis, which could adversely affect social acceptance of cannabis and/or the demand for our products and dispensary services.

Accordingly, there is no assurance that the cannabis industry and the market for medicinal and/or adult-use cannabis will continue to exist and grow as currently anticipated or function and evolve in a manner consistent with our expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry, such as the imposition of further restrictions on sales and marketing or further restrictions on sales in certain areas and markets, could have a material adverse effect on our business, financial condition, and results of operations.

Finally, the emergence of adjacent adult-use segments remains an unknown with respect the legislation & regulations. These adjacent segments include, but are not limited to, hemp-derived Delta 9 cannabinoids and psilocybin mushrooms. The 2018 Farm Bill opened an unintended loophole for “legal” THC via an arbitrary measurement of THC by percentage not exceeding 0.3%. The result is an adjacent segment to state-regulated cannabis that is not legally compelled to the same arduous regulations such as no interstate commerce, strict testing, banking access and advertising & marketing restrictions. This emerging hemp-based segment is competing with similar products that, in many cases, are indistinguishable from state

regulated legal cannabis and have greater access to a larger consumer base at lower costs. To a lesser extent, as psilocybin mushrooms continue to be studied at the federal and state levels it remains possible that they could be legalized in more states. This would create another “substitute” for state regulated legal cannabis.

***We operate in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where we carry on business.***

Our business and activities are heavily regulated in all jurisdictions where we conduct business. Our operations are subject to various laws, regulations and guidelines by state and local governmental authorities relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of cannabis and cannabis oil, and also including laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over our activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on our products and services. Achievement of our business objectives is contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all necessary regulatory approvals for the manufacture, production, storage, transportation, sale, import and export, as applicable, of our products. The commercial cannabis industry is still a new industry at the state and local level. The effect of relevant governmental authorities’ administration, application and enforcement of their respective regulatory regimes and delays in obtaining, or failure to obtain, applicable regulatory approvals which may be required may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on our business, prospects, revenue, results of operation and financial condition. Any failure to comply with the regulatory requirements applicable to our operations may lead to possible sanctions including the revocation or imposition of additional conditions on licenses to operate our business; the suspension or expulsion from a particular market or jurisdiction or of our key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase compliance costs or give rise to material liabilities and/or revocation of our licenses and other permits, which could have a material adverse effect on our business, results of operations and financial condition. Furthermore, governmental authorities may change their administration, application or enforcement procedures at any time, which may adversely impact our ongoing costs relating to regulatory compliance. Maintaining compliance with complex and ever-changing regulations, including sometimes unclear regulations and laws, can be a difficult task, and a materially compliant business can be found in violation of one or more laws, rules or regulations while remaining materially or substantially compliant with applicable state cannabis laws.

***As a cannabis business, we may lack access to United States bankruptcy protections.***

Many courts have denied cannabis businesses bankruptcy protections because the use of cannabis is illegal under federal law. In the event of a bankruptcy, it would be very difficult for lenders to recoup their investments in the cannabis industry. If bankruptcy protection was pursued by the Company, there is no guarantee that United States federal bankruptcy protections would be available to us, which would have a material adverse effect on us.

***Cannabis businesses may be subject to civil asset forfeiture.***

Any property owned by participants in the cannabis industry used in the course of conducting such business, or that is the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture because of the illegality of the cannabis industry under federal law. Even if the owner of the property is never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

## **Risks Related to Our Current Operations and Our Expansion Plan**

***Our future growth is dependent on additional states legalizing cannabis.***

Continued development of the cannabis market and our opportunities to expand into new markets is dependent upon continued legislative authorization of cannabis at the state and local level for medical and adult recreational use of cannabis. Any number of factors could slow or halt the growth of the cannabis market. Additionally, progress, while encouraging, is not assured and the process to authorize the sale of cannabis at the state and local levels normally encounters setbacks before achieving success, if at all. While there may be ample public support for legislative proposals to legalize the sale of cannabis on a state level, key support must be created in the legislative process. Any one of these factors could slow or halt the progress of legalization of cannabis for medical and/or recreational purposes, which would

limit the market for our products and negatively impact our ability to expand into new markets. These unknowns create a management risk as we are continually compelled to plan for multiple contingencies.

***Our strategic growth plan is subject to regulatory hurdles.***

Our strategy to expand our footprint into additional legal cannabis states through new applications and acquisitions of existing cannabis businesses is subject, in each respective jurisdiction, to the approval of a new license application or license transfer application. Such approvals are subject to numerous delays and uncertainties based upon administrative and legislative changes in what are typically, in light of the recent cannabis legalization status in most jurisdictions, new and untested rules and regulations. There is little interpretative guidance on how states will apply their respective licensing regulations and limited control over when an application will be acted upon. As a result, there is no assurance that our expansion plan will not be frustrated by regulatory delays, and no assurance that any license application or transfer application will be approved.

***We face increasing competition that may materially and adversely affect our business, financial condition and results of operations.***

We face competition from companies that may have greater capitalization, access to public equity markets, more experienced management or more maturity as a business. The vast majority of both manufacturing and retail competitors in the cannabis market consists of localized businesses (those doing business in a single state) as well as multistate operators, with which we compete directly. Aside from this direct competition, out-of-state operators that are capitalized well enough to enter markets through acquisitions are also part of the competitive landscape. As we plan to grow our business, operators in future state markets will inevitably become direct competitors. We are likely to continue to face increasing and intense competition from these companies. Moreover, acquisitions and other consolidating transactions could harm us in a number of ways, including losing customers, revenue and market share, or forcing us to expend greater resources to meet new or additional competitive threats, all of which could harm our operating results. Increased competition by larger and better financed competitors could materially and adversely impact our business, financial condition and results of operations. Such competition could also intensify and place downward pressure on retail prices of our products and services, which could negatively impact our profitability.

If the number of users of adult-use and medical marijuana in the United States increases, the demand for products will increase. As a result, we believe that competition could become more intense as current and future competitors begin to offer an increasing number of diversified products to respond to such increased demand. To remain competitive, we will need to continue to invest in research and development, marketing, sales, and client support. We may not have sufficient resources to maintain sufficient levels of investment in these areas to remain competitive, which could materially and adversely affect our business, financial condition, and results of operations.

***We are subject to limits on our ability to own the licenses necessary to operate our business, which could adversely affect our ability to grow our business and market share in certain states.***

In certain states, the cannabis laws and regulations limit both the number of cannabis licenses issued as well as the number of cannabis licenses that one person or entity may own in that state. Such limitations on the acquisition of ownership of additional licenses within certain states may limit our ability to grow organically or to increase market share in such states.

***We may not be able to obtain or maintain necessary permits and authorizations.***

We may not be able to maintain the necessary licenses, permits, certificates, authorizations, or accreditations to operate our businesses, or may only be able to do so at great cost. Additionally, we may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, certificates, authorizations, or accreditations could result in restrictions on our ability to operate in the cannabis industry, which could have a material adverse effect on our business, financial condition or results of operations.

***We may have difficulty accessing the service of banks, which may make it difficult for us to operate in certain markets.***

As discussed above, the use of cannabis is illegal under United States federal law. Therefore, there are banks that will not accept for deposit funds from the sale of cannabis and may choose not to do business with the us. While there is pending legislation in the United States Senate that will allow banks to transact business with state-authorized medical cannabis businesses, there can be no assurance his legislation will be successful, that banks will decide to do business with medical cannabis retailers, or that in the absence of legislation state and federal banking regulators will not create issues on banks

handling funds generated from an activity that is illegal under federal law. Notwithstanding, we have been able to secure state-chartered banks that are in compliance with federal law and provide certain banking services to companies in the cannabis industry. Our inability to open accounts in our target market and otherwise use the service of banks may make it difficult for us to operate in those markets.

***We are subject to constraints on and differences in marketing our products under varying state laws.***

Certain of the states in which we operate have enacted strict regulations regarding marketing and sales activities on cannabis products. There may be restrictions on sales and marketing activities imposed by government regulatory bodies that could hinder the development of our business and operating results. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging, and labeling regulations also vary from state to state, potentially limiting the consistency and scale of consumer branding communication and product education efforts. The regulatory environment in the United States limits our ability to compete for market share in a manner similar to other industries. If we are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased pricing of our products, our sales and operating results could be adversely affected.

***We face risks relating to our products.***

We are committed and expect to continue to commit significant resources and capital to develop and market existing products and new products. These products are relatively untested in the marketplace, and we cannot assure stockholders and investors that we will achieve market acceptance for these products, or other new products that we may offer in the future will gain acceptance. These existing and new products may be subject to significant competition with offerings by new and existing competitors in the industry. The failure to successfully develop, manage, and new-to-market products could seriously harm our business, prospects, revenue, results of operation and financial condition.

***Our insurance coverage may be inadequate to cover all significant risk exposures.***

We are exposed to liabilities that are unique to the products and services we provide. While we intend to maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover all claims or liabilities, and we may be forced to bear substantial costs resulting from risks and uncertainties in our business. It is also not possible to obtain insurance to protect against all operational risks and liabilities. Due to the nature of our business, we may have difficulty obtaining insurance because, compared to non-cannabis industries, (i) there are only a limited number of insurers willing to insure companies involved in the cannabis industry, (ii) there are fewer insurance products available to companies involved in the cannabis industry, (iii) insurance coverage generally is more expensive for companies involved in the cannabis industry, and (iv) available insurers, insurance products, and cost of coverage fluctuates frequently. Failure to obtain adequate insurance coverage on terms favorable to us, or at all, could have a material adverse effect on our prospects, business, financial condition and results of operations. We do not maintain business interruption insurance for most of our properties and operations. Any business disruption or natural disaster could result in substantial costs and diversion of resources.

***It may be difficult to evaluate us based on our past performance because the cannabis industry is volatile and still evolving.***

The legal cannabis industry is still relatively new and continues to rapidly evolve. As a result, state regulations are subject to frequent change, which can impose unforeseen costs associated with compliance with new or revised rules. These rules are generally associated with our operations, marketing, packaging, and other aspects of our business. Additionally, the entrance of new cultivators into certain states in which we operate, such as Massachusetts, has resulted in significant price volatility that we cannot control. As a result of these factors, it is more difficult to accurately forecast anticipated future revenues and expenses than businesses in a more mature consumer products sector. It also makes it difficult to compare and analyze our current performance with past performance.

We are subject to, and must be successful in addressing, the risks typically encountered by companies operating in the rapidly evolving cannabis marketplace, including those risks relating to:

- the failure to develop brand name recognition and reputation;
- the failure to achieve market acceptance of our products;
- a slowdown in general consumer acceptance of legalized cannabis; and
- an inability to grow and adapt our business to evolving consumer demand.

***If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.***

As of December 31, 2024, we had \$15.8 million of goodwill and \$18.6 million of intangible assets. Goodwill is tested annually for impairment and, along with our intangible assets, is also reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Factors that may be considered a change in circumstances indicating that the carrying value of our goodwill or intangible assets may not be recoverable include significant underperformance relative to plan or long-term projections, strategic changes in business strategy, significant negative industry or economic trends, significant decline in our stock price for a sustained period and decline in our market capitalization to below net book value. Any material impairment of goodwill or intangible assets could adversely affect our results of operations.

***Our quarterly revenue and operating results are unpredictable and may fluctuate significantly from quarter to quarter, which could adversely affect our business, results of operations and the trading price of our common stock.***

Our revenue and operating results may vary significantly from quarter to quarter due to a number of factors, many of which are outside of our control and any of which may cause our stock price to fluctuate. Material factors that may affect our revenue and operating results include longer-than-anticipated time for approvals to operate in new facilities and/or states, ramp-up costs for new facilities with subsequent delays in state approvals, and other risks as discussed in this section. Consequently, our quarterly operating results may be difficult to predict, even in the short term, and a delay in an anticipated approval to commence operations at a location past the end of a particular quarter may negatively impact our results of operations for that quarter, or in some cases, that year. Therefore, we believe that quarter-to-quarter comparisons of our operating results are not a good indication of our future performance. If our revenue or operating results fall below the expectations of investors or securities analysts or below any guidance we may provide to the market, the price of our common stock could decline substantially. Such a stock price decline could also occur even if we meet our publicly stated revenue and/or earnings guidance.

***Our medical marijuana business may be impacted by consumer perception of the cannabis industry, which we cannot control or predict.***

We believe that the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy, and quality of medical marijuana distributed to those consumers. Consumer perception of our products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media, and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research or publicity will be favorable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that perceived as less favorable than, or that question, earlier research reports, findings, or publicity could have a material adverse effect on the demand for our products and our business, results of operations, financial condition and cash flows.

***We face inherent risks of product liability claims if anyone is harmed by the use of our products.***

Our products are designed to be ingested by humans and are produced for sale directly to end consumers. As a result, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if the products are alleged to cause or have caused any significant loss or injury. In addition, the production and sale of our products involve risk of injury to end users due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human or animal consumption of our products alone or in combination with other medications or substances could occur. We may be subject to various product liability claims, including, among others, that our products cause injury or illness, include inadequate instructions for use, or include inadequate warnings concerning possible side effects or interactions with other substances. While we have product liability insurance coverage and works with third party providers to ensure they do as well, a product liability claim or regulatory action against us, whether or not successful, could result in materially increases costs, adversely affect our reputation with our clients and consumers generally, and/or exceed our insurance coverage. Any of these scenarios could have a material adverse effect on our business and operational results.

***Product recalls could result in a material and adverse impact on our business, financial condition, and results of operations.***

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety, and inadequate or inaccurate labelling disclosure. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant number of sales and we may not be able to replace those sales at an acceptable margin or at all. Additionally, a product recall may require significant management attention. Although we comply with all state mandated requirements for the testing of our products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action, or lawsuits. Moreover, if one of our top brands was subject to a recall, the image of such brand and that of our company generally could be harmed. Any recall could lead to decreased demand for our products and could have a material adverse effect on our results of operations and financial condition. Product recalls may also lead to increased scrutiny of our operations by regulatory agencies, which would then require further management attention and potential legal fees and other expenses.

***We are subject to risks related to growing an agricultural product.***

Our business involves the growing of cannabis, an agricultural product. Such business is subject to the risks inherent in the agricultural business, such as loss due to infestation by insects, plant diseases, or similar agricultural risks. While all of our cannabis plants are grown indoors, there can be no assurance that natural elements will not have a material adverse effect on our future production.

***Our business is subject to compliance with environmental regulations, which can be onerous and costly.***

Our operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, and also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for affected companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

***In the event we require additional financing and access to capital, the covenants and restrictions in our existing debt agreement may limit our options.***

Our ability to raise additional capital and finance our expansion plan will be subject to contractual restrictions in instruments governing our indebtedness, including our Needham Bank credit facility. The contractual restrictions in the instrument governing such loan include restrictive covenants that limit our discretion with respect to certain business matters. These covenants place restrictions on, among other things, our ability to create liens or other encumbrances, to pay distributions, or to make certain other payments, and to sell or otherwise dispose of certain assets. A failure to comply with such obligations could result in a default, which, if not cured or waived, could permit acceleration of the relevant indebtedness. These restrictions could impair our ability to obtain additional financing for working capital, capital expenditures, or acquisitions; and all or part of our cash flow from operations may be dedicated to the payment of the principal of, and interest on, our indebtedness, thereby reducing funds available for operations. These factors may adversely affect our cash flow. If we are unable to satisfy our debt obligations due to insufficient cash flow or if we cannot refinance our indebtedness on commercially reasonable terms or at all, then our business, results of operations, and financial condition could be materially adversely affected.

***Anti-Money Laundering Laws in the United States may limit access to funds from banks and other financial institutions.***

In February 2014, the Financial Crimes Enforcement Network, or “FinCEN,” bureau of the United States Treasury Department issued guidance, which is not law, with respect to financial institutions providing banking services to cannabis businesses, including burdensome due diligence expectations and reporting requirements. While the guidance advised prosecutors not to focus their enforcement efforts on banks or other financial institutions that serve marijuana-related businesses, so long as they meet certain conditions, this guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the United States Department of Justice, or the “DOJ,”

FinCEN, or other federal regulators. As a result of this guidance and the fact that such guidance may be amended or revoked at any time, most banks and other financial institutions have not been willing to provide banking services to cannabis-related businesses. Additionally, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. Accordingly, we may have only limited access to banking or other financial services in the United States and may have to rely solely upon state-chartered banks. If we are unable or limited in our ability to open or maintain bank accounts, obtain other banking services, or accept credit card and debit card payments, it may be difficult for us to operate and conduct our business as planned. While we are actively pursuing alternatives that ensure our operations will continue to be compliant with the FinCEN guidance, including requirements related to disclosures about cash management and United States federal tax reporting, we may not be able to meet all applicable requirements.

***Failure to hire and retain key personnel, or the loss of any of our executive officers, could negatively impact our ability to meet our business objectives and impair our future growth.***

The success of the Company's business is currently dependent, in large part, on key managerial personnel, including Messrs. Jon R. Levine and Timothy Shaw, the Company's Chief Executive Officer and Chief Operating Officer, respectively. Moreover, our anticipated growth may require additional expertise and the addition of new qualified personnel. Qualified individuals within the cannabis industry are in high demand and we may incur significant costs to attract and retain qualified managerial personnel, or be unable to attract or retain personnel necessary to operate or expand our business. The loss of the services of existing personnel or our failure to recruit additional key managerial personnel in a timely manner, or at all, could have a material adverse effect on our business and our ability to manage day-to-day operations, attract collaboration partners, attract and retain other employees, and generate revenue. Any inability to attract and retain qualified management and other key personnel could have a material adverse effect on the Company's ability to grow its business and operations.

***Failure to hire and retain key personnel, or the loss of any of our executive officers, could negatively impact our ability to meet our business objectives and impair our future growth.***

Our business depends upon highly skilled technical, managerial, sales and marketing and customer support personnel with industry expertise. Qualified individuals within the cannabis industry are in high demand and we may incur significant costs to attract and retain qualified managerial personnel, or be unable to attract or retain personnel necessary to operate or expand our business. The loss of the services of existing personnel or our failure to recruit additional key managerial personnel in a timely manner, or at all, could have a material adverse effect on our business and our ability to manage day-to-day operations, attract collaboration partners, attract and retain other employees, and generate revenue. Any inability to attract and retain qualified management and other key personnel could have a material adverse effect on the Company's ability to grow its business and operations.

Our future success also depends upon the continued services of our executive officers who have critical industry experience and relationships that we rely on to implement our business plan. None of our officers or key employees is bound by an employment agreement for any specific term. The loss of the services of any of our executive officers or key employees could delay the development and introduction of, and negatively impact our ability to sell, our products and achieve our business objectives.

***Our business is subject to potential risks related to, and arising from, acquiring or merging with companies or technologies.***

Our success will depend, in part, on our ability to grow our business in response to the demands of consumers and other constituents within the cannabis industry as well as competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. In addition, we may not realize the expected benefits from completed acquisitions.

The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of research and development and sales and marketing functions;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;



- integration of the acquired company’s accounting, management information, human resources, and other administrative systems;
- the need to implement or improve controls, procedures, and policies at a business that prior to the acquisition may have lacked effective controls, procedures, and policies;
- potential write-offs of intangible assets or other assets acquired in transactions that may have an adverse effect on our operating results in a given period;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, consumers, former stockholders, or other third parties.

Our failure to address these risks or other problems encountered in connection with any future acquisitions or investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally. Future acquisitions could also result in the incurrence of debt, contingent liabilities, amortization expenses, or the impairment of goodwill, any of which could harm our financial condition.

## Cybersecurity Risks

***We employ information including operational technology systems to support our business and to collect, store, and/or use proprietary and confidential information. Security and data breaches, cyberattacks, and other cybersecurity incidents involving our information technology systems, networks and infrastructure could disrupt or interfere with our operations; result in the compromise and misappropriation of proprietary and confidential information belonging to us, our customers, suppliers, or employees; and expose us to numerous expenses, liabilities, and other negative consequences, any or all of which could adversely impact our business, reputation, and results of operations.***

In the ordinary course of business, we rely on centralized and local information technology networks and systems, some of which are provided, hosted, or managed by vendors and other third parties, to process, transmit, and store electronic information, and to manage or support various aspects of our business. Additionally, we collect and store certain data, including proprietary business information, and has access to confidential or personal information in certain of our businesses that is subject to privacy and cybersecurity laws, regulations, and other controls. Third parties and threat actors, including organized criminals, nation-state entities, and/or nation-state supported actors, regularly attempt to gain unauthorized access to information and operational technology networks and infrastructure, data, and other information, and many such attempts are becoming increasingly sophisticated. Despite our cybersecurity counter measures (including employee and third-party training, monitoring of networks and systems, patching, maintenance, and backup of systems and data), our information and operational technology systems, networks and infrastructure are still potentially susceptible to cyber-attack, insider threat, compromise, damage, disruption, or shutdown, including as a result of the exploitation of known or unknown hardware or software vulnerabilities, or zero day attacks, in our systems or the systems of our vendors and third-party service providers, the introduction of computer viruses, malware or ransomware, service or cloud provider disruptions or security breaches, phishing attempts, employee error or malfeasance, power outages, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. Despite our cybersecurity counter measures, it is possible for security vulnerabilities or a cyberattack to remain undetected for an extended time period, up to and including several months, and the prioritization of decisions with respect to security measures and remediation of known vulnerabilities that we and the vendors and other third parties upon which we rely make may prove inadequate to protect against these attacks. Any cybersecurity incident or information or operational technology network disruption could result in numerous negative consequences, including the risk of legal claims or proceedings, investigations or enforcement actions by regulators; liabilities or penalties under applicable laws and regulations, including privacy laws and regulations in the United States interference with the our operations; the incurrence of remediation costs; loss of intellectual property protection; the loss of customer, supplier, or employee relationships; and damage to our reputation, any of which could adversely affect the our business.

***The occurrence of cybersecurity incidents, or a deficiency in our cybersecurity or in those of any of our third-party service providers, could negatively impact our business by causing a financial loss, significant disruption to our operations, a compromise or corruption of our confidential information or damage to our business relationships or reputation, all of which could negatively impact our business, financial condition and results of operations.***

In September 2023, we experienced a cybersecurity incident resulting from a fraudulent email sent to our finance department which resulted in our initiating a \$0.7 million electronic payment to a fraudulent bank account. As a result of

this incident, we immediately launched an internal investigation, and engaged a cybersecurity consultant to fully assess the incident and recommend remediation measures, which have been implemented.

As cybersecurity threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any security vulnerabilities. While we have implemented the remediation measures recommended by our cybersecurity consultant, such measures may not prevent all such events in the future. We will continually assess cybersecurity threats and make investments to increase internal protection, detection, and response capabilities to address this risk. To date, we have not experienced any material impact to the business or operations resulting from cybersecurity attacks, including the incident mentioned above. However, because of the frequently changing attack techniques, along with the increasing volume and sophistication of the attacks, there is the potential for us to be adversely impacted. This impact could result in reputational, competitive, operational or other business harm as well as financial losses and costs, all of which could negatively impact our business, financial condition and results of operations.

***Although we maintain insurance coverage for certain cybersecurity risks, there can be no guarantee that all costs, damages, expenses or losses incurred will be fully insured.***

While we maintain insurance policies that may cover certain liabilities in connection with a cybersecurity incident, we cannot be certain that our insurance coverage will be adequate for cyber security related liabilities actually incurred, that insurance will be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any present or future cyber claim. The incurrence of material damages as a result of a cyber incident or the successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, results of operations and reputation.

#### **Risks Related to Our Common Stock**

***The market for our common stock may be limited for holders of our securities who live in the United States.***

Given the heightened risk profile associated with cannabis in the United States, capital market participants may be unwilling to assist with the settlement of trades for United States resident securityholders of companies with operations in the United States cannabis industry, which may prohibit or significantly impair the ability of securityholders in the United States to trade our securities. In the event residents of the United States are unable to settle trades of our securities, this may affect the pricing of such securities in the market, the transparency and availability of trading prices and the liquidity of these securities.

***Possible issuances of our capital stock would cause dilution to our existing stockholders.***

At December 31, 2024 we had 381.5 million shares of common stock outstanding and are authorized to issue up to 700 million shares. Therefore, we are still authorized to issue a substantial number of additional shares of common stock without obtaining shareholder approval. In addition, we currently have outstanding 4,908,333 shares of Series B preferred stock (which convert on a one-for-one basis into shares of our common stock) and 1,155,274 shares of Series C preferred stock (which convert on a five-for-one basis into shares of our common stock). Our Board of Directors is authorized to issue up to a total of 50 million shares of preferred stock (including the previously issued shares) with terms it designates without any further shareholder approval. In the event we elect to issue additional shares of common stock in connection with any financing, acquisition or otherwise or issue additional shares of preferred stock, current stockholders could find their holdings substantially diluted, which means they would own a smaller percentage of our company.

***The exercise or conversion of outstanding warrants and options into common stock will dilute the percentage ownership of our other stockholders. Additionally, the sale of such common stock or other common stock in the open market could adversely affect the market price of our common stock.***

As of December 31, 2024, there were potentially dilutive securities convertible into shares of common stock comprised of stock options convertible into 34,271,921 shares of common stock; warrants convertible into 38,089,476 shares of common stock; shares of Series B preferred stock convertible into 4,908,333 shares of common stock; shares of Series C preferred stock convertible into 5,776,370 shares of common stock; and restricted stock units convertible into 7,706,125 shares of common stock. Additional convertible securities will likely be granted to our officers, directors, employees, or consultants as part of their compensation and such convertible securities will likely be issued in connection with financings. The exercise of outstanding stock options and warrants and the conversion of our notes and debentures will dilute the

percentage ownership of our other stockholders. Sales, or the expectation of sales, of a substantial number of shares of our common stock in the private or public markets could adversely affect the prevailing market price of our common stock.

***The market price of our common stock has been historically volatile and could continue to be volatile.***

The market price of our common stock could be subject to significant fluctuations. Some of the factors that may cause the market price of the common stock to fluctuate include:

- the public’s reaction to our press releases, announcements and filings with regulatory authorities and those of our competitors;
- fluctuations in broader stock market prices and volumes;
- changes in market valuations of similar companies;
- investor perception of us, our prospects or the cannabis industry in general;
- additions or departures of key personnel;
- commencement of, or involvement, in litigation;
- changes in the regulatory landscape applicable to us, any dietary supplements, and/or the cannabis and hemp industries;
- media reports, publications or public statements relating to, or public perceptions of, the regulatory landscape applicable to us, the cannabis and/or the hemp industries, whether accurate or not;
- announcements by us or our competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;
- variations in our quarterly results of operations or cash flows or those of other comparable companies;
- revenue and operating results failing to meet the expectations of securities analysts or investors in a particular period;
- changes in our pricing policies or the pricing policies of our competitors;
- future issuances and sales of our common stock;
- sales of our common stock by members of our Board of Directors or members of our management team;
- third party disclosure of significant short positions;
- demand for and trading volume of our common stock;
- changes in securities analysts’ recommendations and their estimates of our financial performance;
- short-term fluctuation in stock price caused by changes in general conditions in the domestic and worldwide economies or financial markets; and
- the other risks and risk factors described in this section or other sections of this Annual Report on Form 10-K.

The realization of any of these risks and other factors beyond our control could cause the market price of our common stock to decline significantly.

In addition, broad market and industry factors may harm the market price of our common stock. Accordingly, the price of the common stock could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our common stock, regardless of our operating performance. In the past, following a significant decline in the market price of a company’s securities, there have been instances of securities class action litigation having been instituted against that company. If we were involved in any similar litigation, it could incur substantial costs and significant efforts of our management could be diverted, which in turn could harm our business, operating results and financial condition.

***We are an “emerging growth company” and will be able to take advantage of reduced disclosure requirements applicable to emerging growth companies, which could make our common stock less attractive to investors.***

We are an “emerging growth company,” as defined in the JOBS Act and, for as long as we continue to be an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies, but not to emerging growth companies, including but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an emerging growth company until the earliest of (a) December 31, 2026, (b) the last day of the first fiscal year in which our annual gross revenue is \$1.235 billion or more; (c) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that are held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter; or (d) the date on which we have issued more than \$1 billion in non-convertible

debt during the preceding fiscal year period. We expect to take advantage of these reporting exemptions described above until we are no longer an emerging growth company. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies.

We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find that our common stock is less attractive as a result of any choices to reduce future disclosures, there may be a less active trading market for our common stock and the price of our stock may be more volatile.

***Our internal controls over financial reporting may not be effective, and our independent auditors may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business.***

We are subject to various SEC reporting and other regulatory requirements. We have incurred, and will continue to incur, expenses and, to a lesser extent, diversion of management of our management's time in our efforts to comply with Section 404 of the Sarbanes-Oxley Act of 2002 regarding internal control over financial reporting. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act of 2002, or the subsequent testing by our independent registered public accounting firm when required, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retrospective changes to our consolidated financial statements or identify other areas for further attention or improvement. Inferior internal controls could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 1C. Cybersecurity**

##### **Risk Management and Strategy**

The Company has processes for assessing, identifying, and managing material risks from cybersecurity threats. These processes are integrated into the Company's overall risk management systems, as overseen by the Company's Board of Directors, primarily through its Audit Committee. These processes also include overseeing and identifying risks from cybersecurity threats associated with the use of third-party service providers. The Company conducts security assessments of certain third-party providers before engagement and has established monitoring procedures in its effort to mitigate risks related to data breaches or other security incidents originating from third parties. The Company engaged a third party consulting firm to evaluate and test the Company's risk management systems and to assess and remediate potential cybersecurity incidents as appropriate, which work is ongoing.

##### **Governance**

###### ***Board of Directors***

The Audit Committee of the Company's Board of Directors, with the input of management, oversees the Company's internal controls, including internal controls designed to assess, identify, and manage material risks from cybersecurity threats. The Audit Committee is informed of material risks from cybersecurity threats by the Company's Chief Executive Officer, Chief Financial Officer and Vice President of Information Technology. Updates on cybersecurity matters, including material risks and threats, are provided to the Company's Audit Committee, and the Audit Committee provides updates to the Company's Board of Directors at regular Board meetings. The Vice President of Information Technology also provides updates annually or more frequently as appropriate to the Company's Board of Directors.

###### ***Management***

Under the oversight of the Audit Committee of the Company's Board of Directors, and as directed by the Company's Chief Executive Officer, the Vice President of Information Technology is primarily responsible for the assessment and management of material cybersecurity risks and establishing and maintaining adequate and effective internal controls covering cybersecurity matters. The Vice President of Information Technology has more than 20 years of experience with information technology and related systems security matters and processes.

The Audit Committee of the Company's Board of Directors, with the assistance of the Company's Chief Financial Officer and Vice President of Information Technology, is responsible for overseeing the establishment and effectiveness of controls and other procedures, including controls and procedures related to the public disclosure of material cybersecurity matters.

During the year ended December 31, 2023, the Company experienced a cybersecurity incident that resulted in a \$0.7 million loss as a result of a term loan payment being initiated in error to an account provided in a fraudulent email the Company received. As a result of this incident, with the assistance of an outside independent consultant, the Company reviewed and strengthened its procedures in and around the approval of wire transfers of funds, and believe that these enhanced procedures will protect the Company against the reoccurrence of such incidences in future periods.

As of the date of this report, other than the foregoing, the Company is not aware of any cybersecurity incidents that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition and that are required to be reported in this report. For further discussion of the risks associated with cybersecurity incidents, see the cybersecurity risk factors in Item 1A. Risk Factors in this report.

## **Item 2. Properties**

As of December 31, 2024, the Company maintained the following principal facilities:

### **Massachusetts**

#### ***Beverly***

The Company operates a dispensary in Beverly in a retail space under a lease that expires in 2026, with options to extend the term for three additional five-year periods through 2041.

#### ***New Bedford***

The Company owns an industrial property, of which the Company has developed approximately half into a cannabis cultivation and processing facility in which it conducts wholesale operations. The remaining portion of the property was rented to a non-cannabis manufacturing company through November 2023. The Company intends to expand its cannabis wholesale operations to include the entire property. The mortgage on this property and the Middleborough, Massachusetts property described below was previously held by Bank of New England; however, in November 2023, the Company repaid this mortgage and refinanced both properties in connection with a new Construction to Permanent Commercial Real Estate Mortgage Loan with Needham Bank (the "CREM Loan"). As a result, the mortgage on the New Bedford and Middleborough properties is now held by Needham Bank, which mortgage matures in 2033.

#### ***Norwood***

The Company leases its corporate headquarters under a lease that expires in 2028 and which includes a five-year extension option.

#### ***Middleborough***

The Company owns and operates a retail and warehouse building located in a high-traffic area. A portion of the building houses the Company's flagship Massachusetts retail dispensary, with the remaining square footage used as a warehouse. The mortgage on this property and the New Bedford, Massachusetts property described above was previously held by Bank of New England; however, in November 2023, the Company repaid this mortgage and refinanced both properties in connection with the CREM Loan. As a result, the mortgage on the New Bedford and Middleborough properties is now held by Needham Bank, which mortgage matures in 2033.

#### ***Quincy***

The Company leases a building that houses both a dispensary and a cultivation facility under a lease that expires in 2038.

### **Delaware**

#### ***Lewes***

The Company leases retail space located in a multi-use building under a lease that expires in 2027 that it subleases to its Delaware cannabis-licensed client. The client uses this retail space to operate a dispensary.

### ***Milford***

The Company leases a warehouse, 60% of which it developed into a cultivation facility, with plans to develop the remaining square footage into a processing facility. The lease term expires in March 2030, with an option to extend the term for three additional five-year periods. The entire premises is subleased under a coterminous sublease to the Company's Delaware cannabis-licensed client.

### ***Wilmington***

The Company owns a cannabis cultivation, processing, and dispensary facility located in a business park. The property is secured under a mortgage with the Bank of New England that matures in 2031. The facility is leased to the Company's Delaware cannabis-licensed client under a 20-year lease expiring in 2035.

The Company also leases a cannabis production facility with offices which is subleased to its Delaware cannabis-licensed client. The sublease expires in January 2026 and contains an option to negotiate an extension.

## **Illinois**

### ***Anna***

The Company owns and operates a free-standing cannabis dispensary that is secured under a mortgage with DuQuoin State Bank maturing in May 2024 (the "DSQ Mortgage"). Since initiating the DSQ Mortgage in May 2016, the bank has renewed the mortgage for an additional one-year term on an annual basis.

### ***Casey***

The Company owns and operates a free-standing cannabis dispensary.

### ***Harrisburg***

The Company owns and operates a free-standing cannabis dispensary, also secured under the DSQ Mortgage.

### ***Metropolis***

The Company owns and operates a free-standing cannabis dispensary, secured under a mortgage with DuQuoin State Bank that matures in 2041.

### ***Mt. Vernon***

The Company owns and operates a grow and production facility. The premises are secured under a mortgage with DuQuoin State Bank that matures in 2042.

The Company also owns and operates a free-standing cannabis dispensary. The Company repaid and retired the mortgage on this facility in 2023.

## **Maryland**

### ***Annapolis***

The Company owns a free standing industrial building in which it operates a cannabis dispensary.

### ***Hagerstown***

The Company owns a manufacturing facility that it has developed into and in which it operates a cannabis cultivation and production facility.

### ***Upper Marlboro***

The Company operates a cannabis dispensary in a space that it rents on a month-to-month basis.

## **Ohio**

### ***Tiffin***

The Company operates a dispensary in Tiffin under a lease that expires in 2033.

### **Item 3. Legal Proceedings**

#### ***Bankruptcy Claim***

In 2019, MariMed Hemp, Inc. ("MMH"), a subsidiary of the Company, sold hemp seed inventory to GenCanna Global Inc. ("GenCanna"), recording a related party receivable of approximately \$29 million, which was fully reserved at December 31, 2019. In early 2020, GenCanna entered into a Chapter 11 bankruptcy, leading to a liquidating plan that remains ongoing. In 2022, the Plan Administrator filed a complaint against MMH for alleged preferential transfers, which was settled in 2023 by reducing MMH's general unsecured claims to \$15.5 million. In 2024, MMH received a liquidation distribution of \$116,250. As of the date of this filing, there is insufficient information to determine the amount of further liquidation distributions, if any, that MMH may receive on account of its general unsecured claim.

### **Item 4. Mine Safety Disclosures**

Not applicable.

## PART II

### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock currently trades on both the OTCQX market and on the Canadian Securities Exchange under the MRMD ticker symbol. Any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

#### **Stockholders**

At March 3, 2025, we had approximately 743 stockholders of record.

#### **Dividends**

We have never declared or paid a dividend on its common stock, and we do not anticipate paying cash or other dividends in the foreseeable future.

#### **Recent Sales of Unregistered Securities**

During the three months ended December 31, 2024, we issued the following unregistered securities:

- 16,930 shares of restricted common stock with an aggregate fair value of approximately \$2,700 issued under a licensing and royalty agreement.

The issuance of the shares of common stock described above were deemed to be exempt from registration under the Securities Act of 1933, as amended, in reliance upon Sections 4(a)(2) and/or 4(a)(5) of the Securities Act. A legend restricting the sale, transfer, or other disposition of these securities other than in compliance with the Securities Act was placed on the securities issued in the foregoing transactions.

### **Item 6. Reserved**

[Reserved]

### **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

#### **Forward Looking Statements**

When used in this Annual Report on Form 10-K and in future filings by the Company with the SEC, words or phrases such as “anticipate,” “believe,” “could,” “would,” “should,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will” or similar expressions are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on any such forward looking statements, each of which speak only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company has no obligation to publicly release the result of any revisions which may be made to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different. These factors include, but are not limited to, changes that may occur to general economic and business conditions; changes in current pricing levels that the Company can charge for its services and products or which it pays to its suppliers and business partners; changes in political, social and economic conditions in the jurisdictions in which the Company operates; changes to regulations that pertain to its operations; changes in technology that render the Company’s technology relatively inferior, obsolete or more expensive compared to others; changes in the business prospects of the Company’s business partners and customers; increased competition, including from the Company’s business partners; and enforcement of United States federal cannabis-related laws.

The following discussion should be read in conjunction with the financial statements and related notes which are included in this Annual Report on Form 10-K under Item 8.



The Company does not undertake to update its forward-looking statements or risk factors to reflect future events or circumstances, unless required by law.

## Overview

We are a multi-state cannabis operator in the United States, headquartered in Norwood, Massachusetts, dedicated to improving lives every day through our high-quality products, our actions, and our values. We develop, own, and manage seed to sale state-licensed, state-of-the-art, regulatory-compliant facilities for the cultivation, production, and dispensing of medicinal and adult-use cannabis. We have created and continue to develop our own brands of premium cannabis flower, concentrates, edibles, and other precision-dosed products utilizing our proprietary strains and formulations. We also license our proprietary brands, along with other top cannabis products, in domestic markets.

Our common stock trades on both the OCTQX and on the Canadian Securities Exchange under the ticker symbol MRMD.

We completed two acquisitions during 2024 that were accounted for as asset purchases. On April 9, 2024, we acquired 100% of the membership interests of Allgreens Dispensary, LLC ("Allgreens"), which held a conditional adult use cannabis dispensary license in Illinois (the "Allgreens Acquisition"). On April 5, 2024, we acquired 100% of the membership interests of Our Community Wellness & Compassionate Care Center, Inc. ("MedLeaf"), which held a retail dispensary license in Maryland (the "MedLeaf Acquisition"). The MedLeaf dispensary had ceased operations since July 1, 2023, but we reopened it on August 19, 2024, upon receiving regulatory approval to commence adult use retail sales.

On March 9, 2023 (the "Ermont Acquisition Date"), we acquired the operating assets of Ermont, Inc. ("Ermont"), a medical-licensed vertical cannabis operator located in Quincy, Massachusetts (the "Ermont Acquisition"). The financial results of Ermont are included in our consolidated financial statements since the Ermont Acquisition Date.

We continue to focus on executing our strategic growth plan, with priority on activities that include the following:

- Completing the acquisition and consolidation of our original advisory clients:
  - FSCC in Delaware is the last of these businesses. On February 28, 2025, we completed the acquisition of FSCC in accordance with the terms of the Omnibus Agreement.
- Increasing our product brand revenue by:
  - strengthening our cultivation and processing capabilities to ensure a reliable, high-quality supply of raw materials that will enhance product consistency, quality, and innovation;
  - developing and launching innovative new products that align with consumer preferences and demand;
  - offering new effects and formulations that differentiate our existing brands;
  - broadening our distribution network in existing markets to maximize our reach and brand visibility; and
  - expanding our distribution into new markets through new license applications, acquisitions of existing cannabis businesses, and/or identification of qualified licensing partners.
- Increasing retail store revenue by:
  - driving additional and higher average transactions in our existing stores through an outstanding customer experience that prioritizes our product selection and the ease of the shopping experience; and
  - expanding our dispensary footprint in current markets where regulations allow and into new markets through new license applications and/or acquisitions of existing cannabis businesses.

## **Critical Accounting Policies and Estimates**

Management's discussion and analysis of financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, and expenses, and related disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience, knowledge of current conditions and beliefs of what could occur in the future given available information. If actual results differ significantly from management's estimates and projections, there could be a material effect on our condensed consolidated financial statements. We consider the following accounting policies to be both those most important to the portrayal of our financial condition and those that require the most subjective judgment: accounts receivable; valuation of inventory; estimated useful lives and depreciation and amortization of property and equipment and intangible assets; accounting for acquisitions and business combinations; loss contingencies and reserves; stock-based compensation; and accounting for income taxes.

### ***Accounts Receivable***

We provide credit to our clients in the form of payment terms. We limit our credit risk by performing credit evaluations of our clients and maintaining a reserve, as applicable, for potential credit losses. Such evaluations are judgmental in nature and include a review of each client's outstanding balances with consideration toward such client's historical collection experience, as well as prevailing economic and market conditions and other factors. Accordingly, the actual amounts collected could differ from expected amounts and require that we record additional reserves.

### ***Inventory***

Our inventory is valued at the lower of cost or market, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected future selling price, what we expect to realize by selling the inventory, and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts, and net realizable value. These estimates are judgmental in nature and are made at a point in time, using available information, expected business plans and expected market conditions. As a result, the actual amount received on sale could differ from the estimated value of inventory. Periodic reviews are performed on the inventory balance. The impact of any changes in inventory reserves is reflected in cost of goods sold.

### ***Estimated Useful Lives and Depreciation and Amortization of Property, Equipment, and Intangible Assets***

Depreciation and amortization of property, equipment, and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

### ***Business Combinations and Asset Purchases***

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on how we record the transaction.

We allocate the purchase price of acquired assets and companies to identifiable assets acquired and liabilities assumed at their acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net amount of the acquisition date fair values of the assets acquired and the liabilities assumed and represents the expected future economic benefits from other assets acquired in the acquisition or business combination that are not individually identified and separately recognized. Significant judgments and assumptions are required in determining the fair value of assets acquired and liabilities assumed, particularly acquired intangible assets, which are principally based upon estimates of the future performance and cash flows expected from the acquired asset or business and applied discount rates. While we use our best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the acquisition date, our estimates and assumptions are inherently uncertain and subject to refinement. If different assumptions are used, it could materially impact the purchase price allocation and our financial position and results of operations. Any adjustments to assets acquired or liabilities assumed subsequent to the purchase price allocation period are included in operating results in the period in which the adjustments are determined.

Intangible assets typically are comprised of trademarks and trade names, licenses and customer relationships, and non-compete agreements.

### ***Loss Contingencies and Reserves***

We are subject to ongoing business risks arising in the ordinary course of business that affect the estimation process of the carrying value of assets, the recording liabilities, and the possibility of various loss contingencies. An estimated loss contingency is accrued when it is probable that a liability has been incurred or an asset has been impaired and the amount of loss can be reasonably estimated. We regularly evaluate current information available to determine whether such amounts should be adjusted and record changes in estimates in the period they become known. We are subject to legal claims from time to time. We reserve for legal contingencies and legal fees when the amounts are probable and estimable.

### ***Stock-Based Compensation***

Our stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized over the requisite service period, which is generally the vesting period. We use the Black-Scholes valuation model for estimating the fair value of stock options as of the date of grant. Determining the fair value of stock option awards at the grant date requires judgment regarding certain valuation assumptions, including the volatility of our stock price, expected term of the stock option, risk-free interest rate and expected dividends. Changes in such assumptions and estimates could result in different fair values and could therefore impact our earnings. Such changes, however, would not impact our cash flows.

### ***Income Taxes***

We use the asset and liability method to account for income taxes. Under this method, deferred income tax assets and liabilities are recorded for the future tax consequences of differences between the tax basis and financial reporting basis of assets and liabilities, measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent our management concludes that it is more likely than not that the assets will not be realized. To assess the recoverability of any tax assets recorded on the balance sheet, we consider all available positive and negative evidence, including our past operating results, the existence of cumulative income in the most recent years, changes in the business in which we operate and our forecast of future taxable income. In determining future taxable income, we make assumptions, including the amount of state and federal pre-tax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage our businesses.

## **Results of Operations**

### ***Years ended December 31, 2024 and 2023***

#### ***Revenue***

Our main sources of revenue are comprised of the following:

- Product sales (retail and wholesale) - direct sales of cannabis and cannabis-infused products primarily by our retail dispensaries and wholesale operations in multiple states. We recognize this revenue when products are delivered to unrelated parties or at our retail points-of-sale.
- Other revenue - comprised of real estate rentals to our cannabis-licensed client, supply procurement fees from facilitating purchases of resources, supplies and equipment for our cannabis-licensed client and third parties, management fees for providing our cannabis-licensed clients with comprehensive oversight of their operations, and licensing fees from the licensing of our branded products to wholesalers and regulated dispensaries.

Our revenue for the years ended December 31, 2024 and 2023 was comprised of the following (in thousands, except percentages):

	Year ended December 31,		Increase (decrease) from prior year	
	2024	2023	\$	%
Product sales - retail	\$ 91,530	\$ 95,517	\$ (3,987)	(4.2)%
Product sales - wholesale	62,895	48,788	14,107	28.9 %
Other revenue	3,539	4,293	(754)	(17.6)%
Total revenue	<u>\$ 157,964</u>	<u>\$ 148,598</u>	<u>\$ 9,366</u>	6.3 %

Our total revenue increased \$9.4 million, or 6.3%, in the year ended December 31, 2024 ("2024") compared to the year ended December 31, 2023 ("2023"), the result of higher product revenue, partially offset by lower other revenue.

Our total product revenue in 2024 increased \$10.1 million, or 7.0%, comprised of \$14.1 million of higher wholesale revenue that was partially offset by \$4.0 million of lower retail revenue. The increase in wholesale revenue was primarily attributable to revenue generated in Maryland and to the inclusion of wholesale revenue in Illinois in 2024. Although wholesale revenue increased in every state, Maryland and Illinois accounted for the majority of the increase. Our retail operations reported higher revenue in Massachusetts and Maryland; however, these increases were offset by lower retail sales in certain of our Illinois dispensaries.

The decrease in our other revenue was primarily attributable to rent, supply procurement and licensing fee reductions in connection with one of our cannabis-licensed clients, partially offset by higher management fees. The increase in management fees principally related to Allgreens prior to the Allgreens Acquisition.

#### *Cost of Revenue, Gross Profit and Gross Margin*

Our cost of revenue represents the direct costs associated with the generation of our revenue, including licensing, packaging, supply procurement, manufacturing, supplies, depreciation, amortization of acquired intangible assets, and other product-related costs.

Our cost of revenue, gross profit and gross margin for 2024 and 2023 were as follows (in thousands, except percentages):

	Year ended December 31,		Increase (decrease) from prior year	
	2024	2023	\$	%
Cost of revenue	\$ 95,096	\$ 82,679	\$ 12,417	15.0 %
Gross profit	\$ 62,868	\$ 65,919	\$ (3,051)	(4.6)%
Gross margin	39.8 %	44.4 %		

Our cost of revenue increased in 2024 compared to 2023, primarily attributable to higher materials costs, including \$3.7 million of expense related to our revaluation in 2024 of our inventory, coupled with higher employee- and facilities-related costs. The revaluation expense related to the redefinition of our standard cost assumptions to better align with our actual production and procurement trends. Our higher personnel costs were primarily due to our increased headcount in connection with our recent acquisitions and expanded footprint. The increase in wholesale revenue as a percentage of our total revenue was the primary contributor to the decrease in our gross margin in 2024 compared to 2023, as wholesale sales have a historically lower gross margin than retail sales.

## Operating Expenses

Our operating expenses are comprised of personnel, marketing and promotion, general and administrative, acquisition-related and other, and bad debt expenses. Our operating expenses for 2024 and 2023 were as follows (in thousands, except percentages):

	Year ended December 31,		Increase (decrease) from prior year	
	2024	2023	\$	%
Personnel	\$ 27,059	\$ 22,612	\$ 4,447	19.7 %
Marketing and promotion	6,664	5,977	687	11.5 %
General and administrative	25,618	22,132	3,486	15.8 %
Acquisition-related and other	951	695	256	36.8 %
Bad debt (recoveries)	(336)	118	(454)	(384.7%)
Total operating expenses	<u>\$ 59,956</u>	<u>\$ 51,534</u>	<u>\$ 8,422</u>	16.3 %

The increase in our personnel expenses in 2024 compared to 2023 was primarily due to the hiring of additional staff to support higher levels of projected revenue from existing and expanded operations, as well as increased headcount arising from our other recent acquisitions. Personnel costs increased to approximately 17% of revenue in 2024, compared to approximately 15% of revenue in 2023.

The increase in our marketing and promotion expenses in 2024 compared to 2023 was primarily attributable to our continued focus on upgrading our marketing initiatives in order to expand branding and distribution of our licensed products. Marketing and promotion costs were approximately 4% of revenue in both 2024 and 2023.

The increase in our general and administrative expenses in 2024 compared to 2023 was primarily attributable to increases in facility-related expenses, depreciation and amortization of fixed assets, and insurance and travel expenses. These increases principally relate to the addition of new facilities and related fixed assets.

Acquisition-related and other expenses include those expenses related to acquisitions and other significant transactions that we would otherwise not have incurred, and include professional and services fees, such as legal, audit, consulting, paying agent and other fees. We incurred \$1.0 million of acquisition-related and other expense in 2024, primarily related to the acquisitions of MedLeaf and Allgreens, which were both consummated in April 2024, and non-cash expense for warrants to purchase our common stock issued to an entity in consideration for introductory and other services rendered in connection with certain acquisitive and financing activities. We incurred \$0.7 million of acquisition-related and other expense in 2023, primarily related to our acquisitive activities.

Overall, the increase in our operating expenses in 2024 compared to 2023 was primarily attributable to our higher personnel, general and administrative, and marketing and promotion expenses, partially offset by reversal adjustments to bad debt expense.

## Interest Expense, Net

Interest expense primarily relates to interest on mortgages and notes payable. Interest expense in 2024 includes interest on the CREM Loan (as described below) and in 2023, the CA Credit Agreement (as described below) and, to a lesser extent, the CREM Loan. Interest income primarily relates to our notes receivable.

Our net interest expense decreased by \$2.2 million in 2024 compared to 2023. This decrease was primarily due to lower non-cash interest expense in 2024, coupled with lower interest rates on our CREM Loan compared to our previous financing facility.

## Loss on Extinguishment of Debt

On November 16, 2023, we repaid and retired the term loan outstanding under the CA Credit Agreement (the "CA Term Loan Payoff") using proceeds from the CREM Loan entered into on the same date. The CA Term Loan Payoff amount totaled \$32.7 million, comprised of \$28.5 million for the outstanding principal, \$3.7 million for the make-whole payment, \$0.2 million for accrued unpaid interest and \$0.3 million for transaction-related fees. We also repaid the mortgage with Bank of New England related to our Massachusetts facilities in New Bedford and Middleborough (the "BNE Payoff") and

concurrently, we refinanced these properties under the CREM Loan. In connection with these prepayments, we recognized losses aggregating \$10.4 million, comprised of \$10.2 million in connection with the CA Term Loan Payoff and \$0.2 million in connection with the BNE Payoff. We did not recognize any such losses or gains in 2024.

#### *Other Expense, Net*

We reported net other expense of \$0.1 million and \$1.6 million in 2024 and 2023, respectively. The 2023 expense is primarily comprised of \$0.9 million for the write-off of assets in the first quarter of 2023 in connection with our decision to cancel our plans to expand into Nevada and a \$0.7 million term loan payment that we initiated in error to an account provided in a fraudulent email we received. We were initially advised by JPM Chase, the recipient's bank ("Chase") that we had identified the problem before the payment was delivered to the account identified by the email, and that the funds were being held by Chase pending its completion of an internal investigation. Chase subsequently advised us that the funds were delivered to the fraudulent recipient's account. We pursued all channels through our bank to recover these funds. In addition, we initiated a claim under our insurance coverage to recover this amount. However, to date, these efforts have been frustrated and it appears unlikely that we will successfully recover all or any portion of this amount. We reduced our cash balance and included this amount as a component of Other expense, net, in our consolidated statement of operations for the year ended December 31, 2023. If these funds, or any portion of these funds, are recovered, we will reverse the expense accordingly. We have implemented additional safeguards to protect ourselves from future fraudulent activity; please see Part I, Item 1A. Risk Factors and Item 1C. Cybersecurity for further information

#### *Income Tax Provision*

We recorded income tax provisions of \$8.2 million and \$9.4 million in 2024 and 2023, respectively. The provision recorded for both 2024 and 2023 was due in part to the impact of Section 280E of the Internal Revenue Code, which prohibits the deduction of certain ordinary business expenses.

### **Liquidity and Capital Resources**

We had cash and cash equivalents of \$7.3 million and \$14.6 million at December 31, 2024 and 2023, respectively. In addition to the discussions below of our cash flows from operating, investing, and financing activities, please also see our discussion of non-GAAP Adjusted EBITDA in the section "Non-GAAP Measurement" below, which discusses an additional financial measure not defined by GAAP, which our management also uses to measure our liquidity.

#### ***CA Credit Agreement***

On January 24, 2023, we entered into a Loan and Security Agreement, by and among the Company, subsidiaries of the Company from time-to-time party thereto (collectively with the Company, the "CA Borrowers"), lenders from time-to-time party thereto (the "CA Lenders"), and Chicago Atlantic Admin, LLC ("Chicago Atlantic"), as administrative agent for the Lenders (the "CA Credit Agreement").

Proceeds from the CA Credit Agreement were designated to complete the build-out of a new cultivation and processing facility in Illinois, complete the build-out of a new processing kitchen in Missouri, expand existing cultivation and processing facilities in Massachusetts and Maryland, fund certain capital expenditures, and repay in full the Kind Therapeutics seller notes incurred in connection with the Kind Acquisition, which repayment occurred on January 24, 2023. The remaining balance, if any, was expected to be used to fund acquisitions.

The CA Credit Agreement provided for \$35.0 million in the aggregate of principal borrowings at our option and further provided the CA Borrowers with the right, subject to customary conditions, to request an additional incremental term loan in the aggregate principal amount of up to \$30.0 million; provided that the CA Lenders elect to fund such incremental term loan. \$30.0 million of loan principal was funded at the initial closing (the "CA Term Loan") and we had the option, during the six-month period following the initial closing, to draw down an additional \$5.0 million, which we did not elect to do. The loans required scheduled amortization payments of 1.0% of the principal amount outstanding under the CA Credit Agreement per month commencing in May 2023, and the remaining principal balance was due in full on January 24, 2026, subject to extension to January 24, 2028 under certain circumstances.

The CA Credit Agreement provided the CA Borrowers with the right, subject to specified limitations, to incur (a) seller provided debt in connection with future acquisitions, (b) additional mortgage financing from third-party lenders secured by

real estate currently owned and acquired after the closing date, and (c) additional debt in connection with equipment leasing transactions.

The obligations under the CA Credit Agreement were secured by substantially all of the assets of the CA Borrowers, excluding specified parcels of real estate and other customary exclusions.

The CA Credit Agreement provided for a floating annual interest rate equal to the prime rate then in effect plus 5.75%, which rate could be increased by 3.00% upon an event of default or 7.50% upon a material event of default as provided in the Credit Agreement.

At any time, we could voluntarily prepay amounts due under the facility in \$5.0 million increments, subject to a three-percent prepayment premium and, during the first 20-months of the term, a “make-whole” payment.

The CA Credit Agreement included customary representations and warranties and customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to material indebtedness, and events of bankruptcy and insolvency.

The CA Credit Agreement also included customary negative covenants limiting our ability to incur additional indebtedness and grant liens that are otherwise not permitted, among others. Additionally, the CA Credit Agreement required us to meet certain financial tests. We were in compliance with the CA Credit Agreement covenants at all times while the CA Term Loan was outstanding.

The CA Credit Agreement provided for 30% warrant coverage against amounts funded under the facility, priced at a 20% premium to the trailing 20-day average price on the closing date of each such funding. At the initial closing, upon funding of the initial \$30.0 million under the facility, we issued to the CA Lenders warrants to purchase an aggregate of 19,148,936 shares of our common stock at \$0.47 per share, exercisable for a five-year period following issuance.

On November 16, 2023 (the "Payoff Date"), we repaid and retired the CA Term Loan using proceeds from the CREM Loan (described below). The CA Term Loan Payoff amount totaled \$32.7 million, comprised of \$28.5 million for the outstanding principal, \$3.7 million for the make-whole payment, \$0.2 million for accrued unpaid interest and \$0.3 million for transaction-related fees. We recognized a loss of \$10.2 million in connection with the CA Term Loan Payoff.

### ***CREM Loan***

On November 16, 2023, Mari Holdings MD LLC, Hartwell Realty Holdings LLC, Kind Therapeutics USA, LLC, ARL Healthcare Inc., and MariMed Advisors, Inc., each a wholly-owned direct or indirect subsidiary of the Company (collectively, the "CREM Borrowers") entered into a Loan Agreement (the "CREM Loan Agreement"), by and among the CREM Borrowers, and Needham Bank, a Massachusetts co-operative bank (the "CREM Lender") pursuant to which the CREM Lender loaned to the CREM Borrowers an aggregate principal amount of \$58.7 million (the "CREM Loan Transaction"). The Company has fully guaranteed the obligations of the CREM Borrowers under the CREM Loan Transaction and pledged to the CREM Lender its equity ownership in each CREM Borrower. The CREM Lender has a first priority security interest in all of the CREM Borrowers' operating assets in Maryland and Massachusetts and first priority mortgages on the CREM Borrowers' properties owned in Maryland and Massachusetts.

The CREM Loan Transaction matures in ten years and has an interest rate for the initial five years of 8.43% per annum. The interest rate will reset after five years to the FHLB Rate (the Classic Advance Rate for Fixed Rate advances for a period of five years for an amount greater than or equal to the loan amount, as such rate is defined and published by the Federal Home Loan Bank of Boston), plus 3.50%. As required, we made interest-only payments for the first twelve months of the term of the loan, with payments thereafter based upon a twenty-year amortization schedule.

The CREM Lender initially released \$52.8 million to the CREM Borrowers (the "Initial CREM Distribution"). The remaining proceeds of \$5.9 million would be held in escrow to complete the expansion of our Hagerstown, Maryland cultivation facility (the "Hagerstown Facility"). During the year ended December 31, 2024, \$5.1 million of the escrowed portion of the loan proceeds was released to us. Any unused proceeds will be released to us after completion of the Hagerstown Facility expansion. We used \$46.8 million of the Initial CREM Distribution to fully repay certain of our outstanding debt. These payments were comprised of \$32.7 million to repay the CA Term Loan, \$11.9 million to repay the mortgage with Bank of New England for our New Bedford and Middleborough, Massachusetts properties (the "BNE Mortgage"), and \$2.2 million to reduce the outstanding balance of the note we issued in connection with the Ermont

Acquisition. Concurrent with the repayment of the BNE Mortgage, we refinanced these properties through the CREM Loan and accordingly, effective November 16, 2023, the mortgage on these properties is held by Needham Bank, which mortgage matures in 2033 and which outstanding amount is included as a component of the CREM Loan amount in our consolidated balance sheet at December 31, 2023.

The CREM Loan Agreement includes customary representations and warranties and customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to material indebtedness, and events of bankruptcy and insolvency. The CREM Loan Agreement also includes customary negative covenants limiting the CREM Borrowers' (but not the Company's) ability to incur additional indebtedness and grant liens that are otherwise not permitted, among others. The CREM Loan Agreement also requires the CREM Borrowers to meet certain periodic financial tests. The Company was in compliance with such periodic financial tests at December 31, 2024.

### ***Cash Flows from Operating Activities***

Our primary sources of cash from operating activities are from sales to customers in our dispensaries and to our wholesale customers. We expect cash flows from operating activities to be affected by increases and decreases in sales volumes and timing of collections, and by purchases of inventory and shipment of our products. Our primary uses of cash for operating activities are for personnel costs, purchases of packaging and other materials required for the production and sale of our products, and income taxes.

Our operating activities provided \$6.8 million and \$7.9 million of cash in 2024 and 2023, respectively. The change in cash from operating activities in 2024 compared to 2023 was primarily attributable to higher costs and operating expenses arising from expanding our sales activities, facilities and geographic footprint.

### ***Cash Flows from Investing Activities***

Our investing activities used \$17.1 million and \$26.0 million of cash in 2024 and 2023, respectively. During 2024 and 2023, we used \$12.0 million and \$20.1 million, respectively, for capital expenditures, primarily related to the build-out of certain facilities to add cultivation, processing and sales capacity. We used \$4.3 million and \$3.0 million in 2024 and 2023, respectively, for purchase consideration. The 2024 amount was comprised of \$2.3 million for the Allgreens Acquisition and \$2.0 million for the MedLeaf Acquisition, and the 2023 amount related to the Ermont Acquisition. We made advances toward future business acquisitions of \$0.1 million and \$1.1 million in 2024 and 2023, respectively, and spent \$0.7 million and \$0.6 million to purchase or renew state cannabis licenses.

### ***Cash Flows from Financing Activities***

Our financing activities provided \$3.0 million of cash in 2024 and used \$23.0 million of cash in 2023.

In 2024, we received \$5.1 million of additional proceeds from the CREM Loan and \$1.2 million of proceeds from the refinancing of our retail facility in Mt. Vernon, Illinois. We made \$3.1 million of aggregate principal payments on our outstanding mortgages, promissory notes and finance leases, and approximately \$139,000 of distribution payments.

In 2023, we received proceeds of \$29.1 million from the CA Term Loan, of which we used \$5.5 million to repay in full the notes previously issued to the sellers of Kind as part of the purchase consideration for the Kind Acquisition. We received \$53.6 million from the CREM Loan, of which we used \$46.8 million in the aggregate to repay and retire the CA Term Loan and our mortgage with Bank of New England for our Massachusetts facilities in New Bedford and Middleborough, including prepayment penalties, and reduce the balance on our notes payable in connection with the Ermont Acquisition. Concurrent with the repayment to Bank of New England, we refinanced these properties through the CREM Loan.

Based on our current expectations, we believe our current cash and future funding opportunities will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for at least the next twelve months. The rate at which we consume cash is dependent on the cash needs of our future operations, including our contractual obligations at December 31, 2024, and our ability to raise additional cash through financing activities. Our contractual obligations at December 31, 2024 were primarily comprised of our outstanding CREM Loan, mortgages and promissory notes, as well as our operating leases. Our CREM Loan, mortgage and promissory note obligations totaled approximately \$75 million at December 31, 2024.



## Non-GAAP Measurement

In addition to the financial information reflected in this report, which is prepared in accordance with GAAP, we are providing a non-GAAP financial measurement of profitability – *Adjusted EBITDA* – as a supplement to the preceding discussion of our financial results.

Our management defines Adjusted EBITDA as income from operations, determined in accordance with GAAP, excluding the following:

- depreciation and amortization of property and equipment;
- amortization of acquired intangible assets;
- impairments or write-downs of acquired intangible assets;
- inventory revaluation;
- stock-based compensation;
- severance;
- legal settlements; and
- acquisition-related and other.

Management believes that Adjusted EBITDA is a useful measure to assess our performance and liquidity, as it provides meaningful operating results by excluding the effects of expenses that are not reflective of our operating business performance. In addition, our management uses Adjusted EBITDA to understand and compare operating results across accounting periods, and for financial and operational decision-making. The presentation of Adjusted EBITDA is not intended to be considered in isolation or as a substitute for the financial information prepared in accordance with GAAP.

Management believes that investors and analysts benefit from considering Adjusted EBITDA in assessing our financial results and our ongoing business, as it allows for meaningful comparisons and analysis of trends in the business. Adjusted EBITDA is used by many investors and analysts themselves, along with other metrics, to compare financial results across accounting periods and to those of peer companies.

As there are no standardized methods of calculating non-GAAP measurements, our calculations may differ from those used by analysts, investors, and other companies, even those within the cannabis industry, and therefore may not be directly comparable to similarly titled measures used by others.

### *Reconciliation of Income from Operations to Adjusted EBITDA (a Non-GAAP Measurement)*

The table below reconciles Income from operations to Adjusted EBITDA for the years ended December 31, 2024 and 2023 (in thousands):

	Year ended December 31,	
	2024	2023
<b>GAAP Income from operations</b>	\$ 2,912	\$ 14,385
Depreciation and amortization of property and equipment	7,910	5,549
Amortization of acquired intangible assets	2,948	3,025
Inventory revaluation	3,667	—
Stock-based compensation	1,050	1,020
Severance	211	—
Acquisition-related and other	951	695
<b>Adjusted EBITDA</b>	<b>\$ 19,649</b>	<b>\$ 24,674</b>

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenue, or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

**Inflation**

In the opinion of management, inflation has impacted the Company through increased costs of ingredients, nutrients and packaging. The Company recently negotiated with certain of our suppliers to reduce our costs for future purchases of ingredients, nutrients and packaging, all of which have increased significantly as a result of current economic conditions.

**Seasonality**

In the opinion of management, the Company's financial condition and results of its operations are not materially impacted by seasonal sales.

**Recent Accounting Pronouncements**

The Company has reviewed all other recently issued, but not yet effective, accounting pronouncements, and does not believe the future adoption of any such pronouncements will have a material impact on its financial condition or the results of its operations.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

The Company is a "smaller reporting company" as defined by Regulation S-K and, as such, is not required to provide the information contained in this item pursuant to Regulation S-K.

## Item 8. Financial Statements and Supplementary Data

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and  
Stockholders of MariMed Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of MariMed Inc. (the Company) as of December 31, 2024 and 2023, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### **Revenue**

As discussed in the Notes to the financial statements, the Company recognizes revenue upon the transfer of control of promised goods to the customer upon delivery in an amount that reflects the consideration the Company expects to receive in exchange for the products.

Auditing the recognition of revenue involves significant challenge due to the inherent risk of revenue recognition. Related to retail operations, M&K tested a sample of point-of-sale transactions as well as physical cash flows from the retail operations. Related to wholesale operations, M&K tested a sample of METRC reports and tested delivery of products to customers.

To evaluate the appropriateness and accuracy of the assessment by management, we evaluated management's assessment relationship to the relevant agreements and management's disclosure in the financial statements.

/s/ M&K CPAS, PLLC

We have served as the Company's auditor since 2018.  
The Woodlands, TX  
March 6, 2025

MariMed Inc.  
Consolidated Balance Sheets  
(in thousands, except share and per share amounts)

	December 31,	
	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,282	\$ 14,645
Accounts receivable, net	8,742	7,199
Inventory	33,488	25,306
Deferred rents receivable	556	630
Notes receivable, current portion	52	52
Investments, current portion	—	88
Other current assets	3,389	3,512
Total current assets	53,509	51,432
Property and equipment, net	94,167	89,103
Intangible assets, net	18,639	17,012
Goodwill	15,812	11,993
Investments, net of current portion	—	221
Notes receivable, net of current portion	840	814
Operating lease right-of-use assets	8,730	9,716
Finance lease right-of-use assets	4,073	3,295
Other assets	11,219	12,537
<b>Total assets</b>	<b>\$ 206,989</b>	<b>\$ 196,123</b>
<b>Liabilities, mezzanine equity and stockholders' equity</b>		
Current liabilities:		
Mortgages and notes payable, current portion	\$ 5,126	\$ 723
Accounts payable	13,189	9,001
Accrued expenses and other	4,435	3,549
Income taxes payable	21,922	14,434
Operating lease liabilities, current portion	1,988	1,945
Finance lease liabilities, current portion	2,018	1,210
Total current liabilities	48,678	30,862
Mortgages and notes payable, net of current portion	69,860	65,652
Operating lease liabilities, net of current portion	7,549	8,455
Finance lease liabilities, net of current portion	1,926	2,140
Other liabilities	100	100
Total liabilities	128,113	107,209

	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
Commitments and contingencies		
Mezzanine equity:		
Series B convertible preferred stock, \$0.001 par value; 4,908,333 shares authorized, issued and outstanding at December 31, 2024 and 2023	14,725	14,725
Series C convertible preferred stock, \$0.001 par value; 12,432,432 shares authorized; 1,155,274 shares issued and outstanding at December 31, 2024 and 2023	4,275	4,275
Total mezzanine equity	<u>19,000</u>	<u>19,000</u>
Stockholders' equity:		
Undesignated preferred stock, \$0.001 par value; 32,659,235 shares authorized; zero shares issued and outstanding at December 31, 2024 and 2023	—	—
Common stock, \$0.001 par value; 700,000,000 shares authorized; 381,476,581 and 375,126,352 shares issued and outstanding at December 31, 2024 and 2023, respectively	381	375
Additional paid-in capital	173,366	171,144
Accumulated deficit	(112,119)	(99,955)
Noncontrolling interests	(1,752)	(1,650)
Total stockholders' equity	<u>59,876</u>	<u>69,914</u>
Total liabilities, mezzanine equity, and stockholders' equity	<u>\$ 206,989</u>	<u>\$ 196,123</u>

See accompanying notes to the consolidated financial statements.

MariMed Inc.  
Consolidated Statements of Operations  
(in thousands, except per share amounts)

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Revenue	\$ 157,964	\$ 148,598
Cost of revenue	95,096	82,679
Gross profit	<u>62,868</u>	<u>65,919</u>
<b>Operating expenses:</b>		
Personnel	27,059	22,612
Marketing and promotion	6,664	5,977
General and administrative	25,618	22,132
Acquisition-related and other	951	695
Bad debt (recoveries)	(336)	118
Total operating expenses	<u>59,956</u>	<u>51,534</u>
Income from operations	2,912	14,385
<b>Interest and other (expense) income:</b>		
Interest expense	(6,944)	(9,185)
Interest income	114	270
Loss on extinguishment of debt	—	(10,431)
Other expense, net	(50)	(1,635)
Total interest and other expense, net	<u>(6,880)</u>	<u>(20,981)</u>
Loss before income taxes	(3,968)	(6,596)
Provision for income taxes	8,159	9,411
Net loss	(12,127)	(16,007)
Less: Net income attributable to noncontrolling interests	37	24
Net loss attributable to common stockholders	<u>\$ (12,164)</u>	<u>\$ (16,031)</u>
<b>Net loss per share attributable to common stockholders:</b>		
Basic	\$ (0.03)	\$ (0.04)
Diluted	\$ (0.03)	\$ (0.04)
<b>Weighted average common shares outstanding:</b>		
Basic	379,153	363,403
Diluted	379,153	363,403

See accompanying notes to consolidated financial statements.



MariMed Inc.  
Consolidated Statements of Stockholders' Equity  
(in thousands, except share amounts)

	Common stock		Common stock subscribed but not issued		Additional paid-in capital	Accumulated deficit	Non-controlling interests	Total stockholders' equity
	Shares	Par Value	Shares	Amount				
Balances at January 1, 2023	341,474,728	\$ 341	70,000	\$ 39	\$ 142,365	\$ (83,924)	\$ (1,511)	\$ 57,310
Common stock subscribed but not issued	—	—	5,025	2	—	—	—	2
Issuance of subscribed shares	75,025	—	(75,025)	(41)	41	—	—	—
Release of shares under stock grants	599,999	1	—	—	(1)	—	—	—
Exercise of stock options	487,752	—	—	—	109	—	—	109
Warrants issued in connection with debt	—	—	—	—	5,454	—	—	5,454
Conversion of preferred stock to common stock	25,304,710	25	—	—	18,700	—	—	18,725
Common stock issued to settle obligations	400,000	—	—	—	160	—	—	160
Common stock issued under a licensing and royalty agreement	13,007	—	—	—	5	—	—	5
Common stock issued to purchase property and equipment	740,741	1	—	—	299	—	—	300
Common stock issued as purchase consideration - business acquisition	6,580,390	7	—	—	2,987	—	—	2,994
Purchase of minority interest in a subsidiary of the Company	450,000	1	—	—	4	—	(5)	—
Common stock returned to the Company in connection with a cancelled transaction (1)	(1,000,000)	(1)	—	—	1	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(158)	(158)
Stock-based compensation	—	—	—	—	1,020	—	—	1,020
Net (loss) income	—	—	—	—	—	(16,031)	24	(16,007)
Balances at December 31, 2023	375,126,352	\$ 375	—	\$ —	\$ 171,144	\$ (99,955)	\$ (1,650)	\$ 69,914
Release of shares under stock grants	2,636,750	2	—	—	(2)	—	—	—
Shares of newly vested common stock surrendered to the Company to satisfy tax withholding obligations	(249,087)	—	—	—	(41)	—	—	(41)
Standalone warrants issued as payment for services	—	—	—	—	218	—	—	218
Common stock issued under a licensing and royalty agreement	45,299	—	—	—	10	—	—	10
Common stock issued as purchase consideration - business acquisition	3,917,267	4	—	—	987	—	—	991
Distributions to noncontrolling interests	—	—	—	—	—	—	(139)	(139)
Stock-based compensation	—	—	—	—	1,050	—	—	1,050
Net (loss) income	—	—	—	—	—	(12,164)	37	(12,127)
Balances at December 31, 2024	381,476,581	\$ 381	—	\$ —	\$ 173,366	\$ (112,119)	\$ (1,752)	\$ 59,876

(1) Represents shares initially issued in connection with an acquisitive transaction that was subsequently cancelled, at which time the shares were returned to the Company and recorded at par value.

See accompanying notes to the consolidated financial statements.

MariMed Inc.  
Consolidated Statements of Cash Flows  
(in thousands)

	<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Net loss attributable to common stockholders	\$ (12,164)	\$ (16,031)
Net income attributable to noncontrolling interests	37	24
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	7,910	5,549
Amortization of intangible assets	2,948	3,025
Stock-based compensation	1,050	1,020
Amortization of warrants issued as payment for services received	218	—
Amortization of original debt issuance discount	—	232
Amortization of debt discount	358	2,851
Amortization of debt issuance costs	73	—
Payment-in-kind interest	104	366
Bad debt (income) expense	(336)	118
Obligations settled with common stock	10	465
Loss on disposal of assets	13	906
Gain on finance lease adjustment	—	(31)
Writedown of prepaid purchase consideration	—	200
Loss on extinguishment of debt	—	10,431
Loss on changes in fair value of investments	145	76
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,207)	(3,160)
Inventory	(8,182)	(5,829)
Deferred rents receivable	74	74
Other current assets	883	4,500
Other assets	1,421	(356)
Accounts payable	4,188	2,375
Accrued expenses and other	1,754	(1,840)
Income taxes payable	7,488	2,945
Net cash provided by operating activities	<u>6,785</u>	<u>7,910</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(11,960)	(20,130)
Business acquisitions, net of cash acquired	(4,250)	(2,987)
Advances toward future business acquisitions	(100)	(1,125)
Purchases of investments	—	(261)
Purchases and renewals of cannabis licenses	(712)	(626)
Issuance of notes receivable	—	(879)
Proceeds from notes receivable	50	99
Return on investment	44	—
Proceeds from disposal of assets	22	—
Due from third party	(227)	(76)
Net cash used in investing activities	<u>(17,133)</u>	<u>(25,985)</u>

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from financing activities:</b>		
Proceeds from term loan	—	29,100
Proceeds from Construction to Permanent Commercial Real Estate Mortgage Loan	5,077	53,618
Proceeds from mortgages	1,163	—
Payment of third-party debt issuance costs in connection with debt	—	(3,339)
Principal payments of term loan	—	(1,800)
Repayment and retirement of term loan, including paid-in-kind interest	—	(28,541)
Payment of penalties on early retirement of debt	—	(4,251)
Principal payments of mortgages	(382)	(585)
Repayment and retirement of mortgages	—	(12,595)
Principal payments of promissory notes	(1,177)	(2,370)
Repayment and retirement of promissory notes	—	(5,503)
Proceeds from exercise of stock options	—	109
Principal payments of finance leases	(1,557)	(702)
Distributions	(139)	(158)
Net cash provided by financing activities	<u>2,985</u>	<u>22,983</u>
Net (decrease) increase to cash and cash equivalents	(7,363)	4,908
Cash and cash equivalents at beginning of year	14,645	9,737
Cash and cash equivalents at end of year	<u>\$ 7,282</u>	<u>\$ 14,645</u>

**Supplemental disclosure of cash flow information:**

Cash paid for interest	\$ 6,689	\$ 5,654
Cash paid for income taxes	\$ 877	\$ 6,419

**Non-cash activities:**

Common stock issued to purchase property and equipment	\$ —	\$ 300
Present value of promissory notes issued as purchase consideration	\$ 3,000	\$ 4,569
Entry into new operating leases	\$ —	\$ 5,604
Entry into new finance leases	\$ 2,881	\$ 3,235
Writeoff of finance leases	\$ 1,112	\$ —
Common stock issued as purchase consideration	\$ 991	\$ 2,994
Common stock issued to purchase minority interest in a subsidiary of the Company	\$ —	\$ 5
Warrants to issue common stock issued with debt	\$ —	\$ 5,454
Liability recorded for building improvements	\$ —	\$ 1,997
Notes payable issued to purchase property and equipment	\$ 396	\$ 158
Common stock issued to settle obligations	\$ —	\$ 160
Common stock issued under licensing agreement	\$ 10	\$ 5
Issuance of common stock associated with subscriptions	\$ —	\$ 41
Conversion of preferred stock to common stock	\$ —	\$ 18,725
Conversion of notes receivable to omnibus long-lived asset	\$ —	\$ 10,233

	<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Return of common stock to the Company in connection with withholding taxes	\$ 41	\$ —
Adjustment to purchase price allocation to reclassify certain acquired intangible assets to goodwill	\$ 3,819	\$ —

See accompanying notes to the consolidated financial statements.

MariMed Inc.  
Notes to Consolidated Financial Statements

**(1) NATURE OF THE BUSINESS**

MariMed Inc. ("MariMed" or the "Company") is a multi-state cannabis operator in the United States, headquartered in Norwood, Massachusetts, 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, state-of-the-art, regulatory-compliant facilities for the cultivation, production, and dispensing of medicinal and adult-use cannabis. MariMed has created and continues to develop its own brands of premium cannabis flower, concentrates, edibles, and other precision-dosed products utilizing its proprietary strains and formulations. The Company also licenses its proprietary brands, along with other top cannabis products, in domestic markets.

**(2) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Certain reclassifications, not affecting previously reported net income or cash flows, have been made to the previously issued financial statements to conform to the current period presentation.

**Significant Accounting Policies**

***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of MariMed Inc. and its wholly- and majority-owned subsidiaries. Consolidation is effected from the date when control is obtained. All intercompany transactions and balances have been eliminated.

Subsidiary	Percentage Owned
MariMed Advisors Inc.	100.0 %
Mia Development LLC	94.3 %
Mari Holdings IL LLC	100.0 %
Mari Holdings MD LLC	100.0 %
Mari Holdings NJ LLC	100.0 %
Mari Holdings Metropolis LLC	70.0 %
Mari Holdings Mt. Vernon LLC	100.0 %
Hartwell Realty Holdings LLC	100.0 %
Kind Therapeutics USA LLC	100.0 %
ARL Healthcare Inc.	100.0 %
KPG of Anna LLC	100.0 %
KPG of Harrisburg LLC	100.0 %
MariMed OH LLC	100.0 %
MariMed Hemp Inc.	100.0 %
MediTaurus LLC	100.0 %
MMMO LLC	100.0 %
Green Growth Group Inc.	100.0 %
Allgreens Dispensary LLC	100.0 %
Our Community Wellness & Compasionate Care Center, Inc.	100.0 %

### ***Noncontrolling Interests***

Noncontrolling interests represent third-party minority ownership of the Company's majority-owned consolidated subsidiaries. Net income attributable to noncontrolling interests is reported in the consolidated statements of operations, and the value of minority-owned interests is presented as a component of equity within the consolidated balance sheets.

### ***Use of Estimates and Judgments***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reporting amounts of revenue and expenses during the reporting periods. Significant estimates and judgments relied upon in preparing these consolidated financial statements include accounting for business combinations and asset purchases, inventory valuations, assumptions used to determine the fair value of stock-based compensation, and intangible assets and goodwill. The Company regularly assesses these estimates and records changes in estimates in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results could differ from those estimates or assumptions.

### ***Business Acquisitions***

#### ***Business Combinations***

The Company recognizes identifiable assets acquired and liabilities assumed at fair value on the date of acquisition. Goodwill is measured as the excess of consideration transferred over the net fair values of the assets acquired and the liabilities assumed and represents the expected future economic benefits arising from other assets acquired in the business combination that are not individually identified and separately recognized. While the Company uses its best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the acquisition date, its estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with a corresponding offset to goodwill to the extent that it identifies adjustments to the preliminary purchase price allocation. Upon the conclusion of the measurement period or final determination of the values of assets acquired and liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of operations.

#### ***Asset Purchases***

The Company accounts for an acquisitive transaction determined to be an asset purchase based on the cost accumulation and allocation method, under which the costs to purchase the asset or set of assets are allocated to the assets acquired. No goodwill is recorded in connection with an asset purchase.

### ***Cash Equivalents***

The Company considers all highly liquid investments with a maturity date of three months or less to be cash equivalents. The fair values of these investments approximate their carrying values.

The Company had \$0.3 million and \$0.1 million of cash held in escrow at December 31, 2024 and 2023, respectively.

The Company's cash and cash equivalents are maintained with recognized financial institutions located in the United States. In the normal course of business, the Company may carry balances with certain financial institutions that exceed federally insured limits. The Company has not experienced losses on balances in excess of such limits and management believes the Company is not exposed to significant risks in that regard.

### ***Fair Value of Financial Instruments***

The carrying amounts of the Company's financial instruments approximate their fair values and include cash equivalents, accounts receivable, deferred rents receivable, notes receivable, investments, term loans, mortgages and notes payable, and accounts payable.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. The three-tier fair value hierarchy is based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

- *Level 1.* Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- *Level 2.* Level 2 applies to assets or liabilities for which there are inputs that are directly or indirectly observable in the marketplace, such as quoted price for similar assets or liabilities in active markets or quoted price for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets).
- *Level 3.* Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

### ***Accounts Receivable***

Accounts receivable consist of trade receivables and are carried at their estimated collectible amounts.

The Company provides credit to its clients in the form of payment terms. The Company limits its credit risk by performing credit evaluations of its clients and maintaining a reserve, if deemed necessary, for potential credit losses. Such evaluations include the review of a client's outstanding balances with consideration towards such client's historical collection experience, as well as prevailing economic and market conditions and other factors. Based on such evaluations, the Company maintained reserves of \$0.3 million and \$0.8 million at December 31, 2024 and 2023, respectively.

### ***Inventory***

Inventory is carried at the lower of cost or net realizable value, with the cost being determined on a first-in, first-out basis. The Company allocates a certain percentage of overhead cost to its manufactured inventory; such allocation is based on square footage and other industry-standard criteria. The Company reviews physical inventory for obsolescence and/or excess and will record a reserve if necessary. As of the date of this report, no reserve was deemed necessary.

### ***Investments***

Investments are comprised of equity holdings of public companies. These investments are recorded at fair value on the Company's consolidated balance sheet, with changes to fair value included in income. Investments are evaluated for permanent impairment and are written down if such impairments are deemed to have occurred.

### ***Revenue Recognition***

The Company's main sources of revenue are comprised of the following:

- *Product sales (retail and wholesale).* The Company's product sales are derived from direct sales of cannabis and cannabis-infused products primarily by its retail dispensaries and wholesale operations in multiple states. The Company recognizes this revenue when products are delivered to third parties or at the Company's retail points-of-sale.
- *Other revenue.* The Company's other revenue is comprised of real estate rentals to cannabis-licensed clients; supply procurement fees from facilitating purchases of resources, supplies and equipment for cannabis-licensed clients and third parties; management fees for providing cannabis-licensed clients with comprehensive oversight of their operations; and licensing fees from the licensing of its branded products to wholesalers and regulated dispensaries.

The Company recognizes revenue in amounts that represent the consideration that it expects to receive in exchange for goods or services provided to customers performing the following steps:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognize revenue as the performance obligation is satisfied.

Additionally, when another party is involved in providing goods or services to the Company's clients, a determination is made as to who—the Company or the other party—is acting in the capacity as the principal in the sale transaction, and who is merely the agent arranging for goods or services to be provided by the other party.

The Company is typically considered the principal if it controls the specified goods or services before such goods or services are transferred to its client, and typically considered the agent if it does not exert such control. The Company may also be deemed to be the principal even if it engages another party (an agent) to satisfy some of the performance obligations on its behalf, provided the Company (i) takes on certain responsibilities, obligations and risks, (ii) possesses certain abilities and discretion, or (iii) other relevant indicators of the sale are present. If deemed an agent, the Company does not recognize revenue for the performance obligations it does not satisfy.

### ***Research and Development Costs***

Research and development costs are expensed as incurred.

### ***Advertising Costs***

Advertising costs are expensed as incurred.

### ***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation, with depreciation recognized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term, if applicable. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income. Repairs and maintenance are charged to expense in the period incurred. The estimated useful lives of property and equipment are generally as follows: buildings and building improvements, thirty-nine to forty years; tenant improvements, the lesser of the remaining duration of the related lease or the asset useful life; furniture and fixtures, seven to ten years; machinery and equipment, seven to ten years. Land is not depreciated.

Software development costs associated with internal use software are incurred in three stages of development: the preliminary project stage, the application development stage and the post-implementation stage. Costs incurred during the preliminary project and post-implementation stages are expensed as incurred. Certain qualifying costs incurred during the application development stage are capitalized as property and equipment. Internal use software is amortized on a straight-line basis over its estimated useful life of five to seven years, beginning when the software is ready for its intended use.

The Company's property and equipment are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the undiscounted future cash flows of such asset over the anticipated holding period. An impairment loss is measured by the excess of the asset's carrying amount over its estimated fair value. Impairment analysis is based on management's current plans, asset holding periods, and currently available market information. If these criteria change, the Company's evaluation of impairment losses may be different and could have a material impact to the consolidated financial statements. For the years ended December 31, 2024 and 2023, based on the results of management's impairment analysis, there were no impairment losses.

### ***Intangible Assets and Goodwill***

The Company's intangible assets are comprised of trade names and trademarks, licenses and customer and non-compete agreements. Intangible assets are reviewed for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable based upon the estimated undiscounted cash flows. Recoverability of intangible assets with estimated lives and other long-lived assets is measured by a comparison of the carrying amount of an asset or



asset group to future net undiscounted cash flows expected to be generated by the asset or asset group. If these comparisons indicate that an asset is not recoverable, the Company will recognize an impairment loss for the amount by which the carrying value of the asset or asset group exceeds the related estimated fair value. Estimated fair value is based on either discounted future operating cash flows or appraised values, depending on the nature of the asset. The Company amortizes its intangible assets over their respective useful lives. For the years ended December 31, 2024 and 2023, there was no impairment of goodwill.

### ***Leases***

Arrangements that are determined to be leases with a term greater than one year are accounted for by the recognition of right-of-use assets that represent the Company's right to use an underlying asset for the lease term and lease liabilities that represent the Company's obligation to make lease payments arising from the lease. Non-lease components within lease agreements are accounted for separately.

Right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term, utilizing the Company's incremental borrowing rate. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

### ***Impairment of Long-Lived Assets***

The Company reviews the carrying amounts of its long-lived assets whenever certain events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment of long-lived assets is recognized when the net book value of such assets exceeds their expected cash flows, in which case the assets are written down to fair value, which is determined based on discounted future cash flows or appraised values.

### ***Stock-Based Compensation***

The Company's stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which generally corresponds with the vesting period. The Company uses the Black-Scholes valuation model for estimating the fair value of stock options and warrants on the date of grant. The fair value of stock option and warrant issuances is affected by the Company's stock price on the issuance date as well as valuation assumptions, including the volatility of the Company's common stock price, expected term of the instrument, risk-free interest rate and expected dividends.

The expected life of an instrument is calculated using the simplified method, which allows for using the mid-point between the vesting date and expiration date for stock options and the contractual term for warrants. The volatility factors are based on the historical two-year movement of the Company's common stock prior to an instrument's issuance date. The risk-free interest rate is based on United States Treasury rates with maturity periods similar to the expected instruments life on the issuance date.

The Company amortizes the fair value of options, warrants and restricted stock units on a straight-line basis over the requisite service period of each instrument.

### ***Income Taxes***

The Company uses the asset and liability method to account for income taxes. Under this method, deferred income tax assets and liabilities are recorded for the future tax consequences of differences between the tax basis and financial reporting basis of assets and liabilities, measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of operations in the period that includes the enactment date.

The Company recognizes in the financial statements the benefit of a tax position that is "more likely than not" to be sustained under examination based solely on the technical merits of the position, assuming a review by tax authorities having all relevant information. Tax positions that meet the recognition threshold are measured using a cumulative probability approach, at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized

upon settlement. The Company's policy is to recognize interest and penalties related to the unrecognized tax benefits, if any, as a component of income tax expense.

Certain subsidiaries of the Company, due to their cannabis activities, are subject to the provisions of Section 280E of the Internal Revenue Code, as amended, which prohibits businesses from deducting certain expenses associated with the trafficking of controlled substances within the meaning of Schedule I and II of the Controlled Substances Act. Such non-deductibility of certain ordinary business expenses results in permanent differences and can cause the Company's effective tax rate to fluctuate significantly, and no necessarily correlated with pre-tax income.

### ***Related Party Transactions***

The Company's financial statements include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business, as well as transactions that are eliminated in the preparation of financial statements.

### ***Comprehensive Income***

There were no items of comprehensive income applicable to the Company during the periods covered in the financial statements.

### ***Commitments and Contingencies***

The Company regularly assesses the likelihood that a loss will be incurred from the occurrence or non-occurrence of one or more future events. Such assessment inherently involves an exercise of judgment. In assessing possible loss contingencies from legal proceedings or unasserted claims, the Company evaluates the perceived merits of such proceedings or claims, and of the relief sought or expected to be sought.

If the assessment of a contingency indicates that it is probable that a material loss will be incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability and an estimate of the range of possible losses, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

While not assured, management does not believe, based upon information available at this time, that any loss contingency will have material adverse effect on the Company's financial position, results of operations or cash flows.

### ***Risk and Uncertainties***

The Company is subject to risks common to companies operating within the legal and medical cannabis industries, including, but not limited to, federal laws, government regulations and jurisdictional laws.

### ***Off Balance Sheet Arrangements***

The Company does not have any off-balance sheet arrangements.

### ***Recent Accounting Pronouncements***

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements, and does not believe the future adoption of any such pronouncements will have a material impact on its financial condition or the results of its operations.

### (3) BUSINESS COMBINATION AND ASSET PURCHASES

#### Business Combination

##### *Ermont*

On March 9, 2023 (the "Ermont Acquisition Date"), the Company acquired the operating assets of Ermont, Inc. ("Ermont"), a medical-licensed vertical cannabis operator located in Quincy, Massachusetts (the "Ermont Acquisition"), following approval by the Massachusetts Cannabis Control Commission (the "CCC"). The Ermont Acquisition provided the Company with its third dispensary in Massachusetts, substantially completing its build-out to the maximum allowable by state regulations.

The financial results of Ermont are included in the Company's consolidated financial statements since the Ermont Acquisition Date.

As consideration for the Ermont Acquisition, which totaled \$13.0 million, the Company paid \$3.0 million of cash, issued 6,580,390 shares of the Company's common stock with a fair value of \$3.0 million, and issued a \$7.0 million promissory note (the "Ermont Note" and collectively, the "Ermont Consideration"). The Ermont Note has a six-year term and bears interest at 6.0% per annum, with payments of interest-only for two years and thereafter, quarterly payments of principal and interest in arrears. The outstanding balance on the Ermont Note is subject to prepayment in the event the Company raises \$75.0 million of equity capital. The Company recorded the Ermont Note at the present value of \$4.6 million as of the Ermont Acquisition Date. The difference between the present value and face value of the Ermont Note is being amortized to interest expense through the term of such note.

The Company rebranded the dispensary as *Panacea Wellness Dispensary* and commenced medical sales immediately after the Ermont Acquisition Date. The Ermont Acquisition also includes a Host Community Agreement with the city of Quincy to conduct adult-use cannabis sales. Adult-use sales commenced on July 23, 2024. The Company expanded the existing medical dispensary to accommodate the expected increased traffic associated with adult-use sales and repurposed Ermont's existing cultivation facility.

The Company's consolidated statement of operations for the year ended December 31, 2023 includes \$3.8 million of revenue and \$2.4 million of net loss attributable to Ermont for the period since the Ermont Acquisition Date.

The Ermont Acquisition has been accounted for as a business combination. The Company did not assume any of Ermont's liabilities. The Company recorded adjustments to the amounts allocated to certain identifiable intangible assets and goodwill to reflect more precise forecasts of future revenue streams. These adjustments resulted in an increase to the tradename and trademarks intangible asset of \$0.1 million, a decrease to the customer base intangible asset of \$3.9 million, and an increase to goodwill of \$3.8 million.

A summary of the allocation of the Ermont Consideration to the acquired and identifiable intangible assets is as follows (in thousands):

Fair value of consideration transferred:	
Cash consideration:	
Cash paid	\$ 3,000
Less cash acquired	(13)
Net cash consideration	2,987
Common stock	2,994
Promissory note	4,569
Total fair value of consideration	<u>\$ 10,550</u>

Fair value of assets acquired:	
Property and equipment	\$ 800
Intangible assets:	
Tradename and trademarks	1,118
Customer base	768
License	131
Goodwill	7,733
Fair value of net assets acquired	<u>\$ 10,550</u>

The Company is amortizing the identifiable intangible assets arising from the Ermont Acquisition in relation to the expected cash flows from the individual intangible assets over their respective useful lives, which have a weighted average useful life of 12.19 years (see Note 10). Goodwill results from assets not separately identifiable as part of the transaction and is not deductible for tax purposes.

The following unaudited pro forma information presents the condensed combined results of MariMed and Ermont for the year ended December 31, 2023 as if the Ermont Acquisition had been completed on January 1, 2023, with adjustments to give effect to pro forma events that are directly attributable to the Ermont Acquisition. These pro forma adjustments include amortization expense for the acquired intangible assets and interest expense related to the Ermont Note.

The unaudited pro forma results do not reflect any operating efficiencies or potential cost savings that may result from the consolidation of the operations of MariMed and Ermont. Accordingly, these unaudited pro forma results are presented for illustrative purposes and are not intended to represent or be indicative of the actual results of operations of the combined company that would have been achieved had the Ermont Acquisition occurred on January 1, 2023, nor are they intended to represent or be indicative of future results of operations. These unaudited pro forma results for the year ended December 31, 2023 are as follows (in thousands):

	(unaudited)
Revenue	\$ 148,948
Net loss	\$ (16,716)

### ***Valuation of Acquired Intangible Assets***

The valuation of the acquired intangible assets is inherently subjective and relies on significant unobservable inputs. The Company used an income approach to value the acquired trade name/trademarks, licenses/customer base, and non-compete intangible assets. The valuation for each of these intangible assets was based on estimated projections of expected cash flows to be generated by the assets discounted to the present value at discount rates commensurate with perceived risk. The valuation assumptions take into consideration the Company's estimates of new markets, products and customers and its outcome through key assumptions driving asset values, including sales growth, royalty rates and other related costs.

### **Asset Purchases**

#### ***Allgreens Dispensary, LLC ("Allgreens")***

In August 2022, the Company entered into an agreement to purchase 100% of the membership interests in Allgreens Dispensary, LLC (the "Allgreens Agreement"), a conditional adult-use cannabis dispensary license in Illinois, for \$3.25 million, comprised of \$2.25 million of cash and a promissory note for \$1.0 million, which note was issued to the Allgreens members on the Allgreens Acquisition Date (the "Allgreens Notes"). Completion of the acquisition was dependent upon certain conditions, including resolution of any remaining legal challenges affecting nearly 200 social equity dispensary licenses, and regulatory approval of the acquisition. With the closing conditions met and the acquisition completed on April 9, 2024 (the "Allgreens Acquisition Date"), the Company now owns and operates five adult-use dispensaries in Illinois. For the interim period until the Allgreens Acquisition Date, the Company entered into a management agreement with Allgreens, with the management fees calculated as a percentage of Allgreens' revenue. Under this management agreement, the Company funded the build-out of the dispensary, including purchasing and retaining ownership of the related fixed assets it intended to use upon the transfer of ownership to the Company, hired and trained employees, and implemented the processes necessary to run the dispensary, all of which was completed prior to the state's approval of the license transfer to the Company. In connection with this agreement, the Company recorded expenses related to Allgreens aggregating approximately \$250,000 for the period from January 1, 2024 through the Allgreens

Acquisition Date, and approximately \$164,000 in the year ended December 31, 2023 (the "Allgreens Expenses"). The Allgreens Expenses for the year ended December 1, 2023 were included as a component of Investments, net of current portion, in the consolidated balance sheet at December 31, 2023.

Pursuant to the Allgreens Agreement, as of December 31, 2023, the Company had made payments aggregating \$1,375,000 to the Allgreens members prior to the Allgreens Acquisition Date. On the Allgreens Acquisition Date, the Company made the final cash payment of \$875,000 and issued the Allgreens Notes. The Allgreens Notes bear interest at a rate of 7.5% per annum and mature one year from the date the dispensary was permitted to commence operations. At December 31, 2024, the principal balance of \$1.0 million due under the Allgreens Notes was past due and in default.

The Company has allocated the purchase price, including the Allgreens Expenses, to its licenses intangible asset, with an estimated useful life of 10 years (see Note 10).

### ***Our Community Wellness & Compassionate Care Center, Inc. ("MedLeaf")***

On February 1, 2024 (the "P&S Date"), the Company entered into an agreement to acquire 100% of the membership interests of MedLeaf (the "MedLeaf Agreement"), which held a retail dispensary license in Maryland. The MedLeaf dispensary had ceased its operations as of July 1, 2023. On April 5, 2024, the Company acquired 100% of the membership interests in MedLeaf (the "MedLeaf Acquisition Date"). Upon receiving regulatory approval, the Company reopened the dispensary and commenced adult-use retail sales on August 19, 2024. The acquisition of MedLeaf provided the Company with a second dispensary in the state of Maryland.

Pursuant to the MedLeaf Agreement, total purchase consideration was \$5.25 million, comprised of \$2.0 million of cash with adjustments to reflect amounts owed to the Company by the sellers of MedLeaf (the "MedLeaf Sellers"), a \$2.0 million promissory note (the "MedLeaf Note"), and shares of the Company's common stock, valued at \$1.25 million, with such number of shares calculated using the volume weighted average price based on the ten-trading day period ending on the P&S Date. The Company made payments aggregating \$0.5 million through the P&S Date, which funds were deposited into escrow. On the MedLeaf Acquisition Date, the outstanding cash balance was paid and the MedLeaf Note and 3.9 million shares of the Company's common stock were issued. The MedLeaf Note bears interest at a rate of 8.0% per annum and matures on October 5, 2025.

### **Pending Transaction at December 31, 2024**

#### ***Robust Missouri Process and Manufacturing 1, LLC ("Robust")***

In September 2022, the Company entered into an agreement to acquire 100% of the membership interests in Robust Missouri Processing and Manufacturing 1, LLC, a Missouri wholesaler and processor, for \$700,000 of cash (the "Robust Agreement"). Completion of the acquisition is dependent upon obtaining all requisite approvals from the Missouri Department of Health and Senior Services. In August 2024, the state of Missouri approved a facility license to conduct business, but has not yet approved the application to transfer the license from Robust to the Company (the "License Transfer"). The Company is currently conducting business under a managed service agreement until the final approval of the License Transfer. Pursuant to the Robust Agreement, the Company made an initial advance payment of \$350,000 to the Robust members, with the balance of \$350,000 due at closing, which will occur upon the state of Missouri's approval of the License Transfer.

### **(4) (LOSS) EARNINGS PER SHARE**

Basic (loss) earnings per share is computed by dividing net (loss) income by the weighted average number of shares outstanding during the period. For periods in which the Company reports net income, diluted earnings per share is determined by using the weighted average number of common and dilutive common equivalent shares outstanding during the period, unless the effect is antidilutive.

The shares used to compute loss per share were as follows (in thousands):

	Year ended December 31,	
	2024	2023
Weighted average shares outstanding - basic	379,153	363,403
Potential dilutive common shares	—	—
Weighted average shares outstanding - diluted	379,153	363,403

#### (5) ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, consisted of the following (in thousands):

	Year ended December 31,	
	2024	2023
Accounts receivable	8,997	7,963
Allowance for doubtful accounts	(255)	(764)
Accounts receivable, net	8,742	7,199

The Company maintains an allowance against trade accounts receivable (the "AR Allowance"), and had previously also reserved against cash advanced by the Company to a cannabis-licensed client for working capital purposes (the "WC Reserve"), both of which were reported as components of the allowance for doubtful accounts in the Company's consolidated balance sheets. The Company's allowance for doubtful accounts activity was as follows (in thousands):

Year ended December 31,	Balance at beginning of year	Charges (reversals) to expense	Write-offs	Balance at end of year
2024	\$ 764	\$ (336)	\$ (173)	\$ 255
2023	\$ 4,603	\$ 118	\$ (3,957)	\$ 764

#### (6) INVENTORY

Inventory at December 31, 2024 and 2023 consisted of the following (in thousands):

	December 31,	
	2024	2023
Plants	\$ 10,600	\$ 3,296
Ingredients and other raw materials	7,785	4,932
Work-in-process	4,759	9,663
Finished goods	10,344	7,415
Total inventory	\$ 33,488	\$ 25,306

#### (7) DEFERRED RENTS RECEIVABLE

The Company is the lessor under operating leases which contain rent holidays, escalating rents over time, options to renew, and requirements to pay property taxes, insurance and/or maintenance costs. The Company is not the lessor under any finance leases.

The Company recognizes fixed rental receipts from operating leases on a straight line basis over the expected lease term. Differences between amounts received and amounts recognized are recorded in Deferred rents receivable in the consolidated balance sheets.

The Company currently leases a cannabis cultivation, processing and dispensary facility that it owns in Delaware to a cannabis-licensed client under a triple net lease that expires in 2035. The Company had also previously leased a portion of an owned property in Massachusetts under a lease that expired in February 2023, after which the tenant continued to rent

the space on a month-to-month basis through November 2023. The Company expanded its cultivation footprint into this space and accordingly, it is currently utilizing this space for its operations.

The Company currently subleases two properties - a cannabis production facility with offices under a sublease that expires in January 2026 and contains an option to negotiate an extension of the sublease term, and a dispensary under a sublease that expires in April 2027. The Company also subleases a portion of a third property that it developed into a cultivation facility under a sublease that expires in March 2030, with an option to extend the term for three additional five-year periods. These properties are all subleased to a cannabis-licensed client in Delaware.

The Company received rental payments aggregating \$1.2 million and \$2.0 million in the years ended December 31, 2024 and 2023, respectively. The Company recognized rental revenue on a straight line basis totaling \$1.1 million and \$1.5 million for the years ended December 31, 2024 and 2023, respectively.

Future minimum rental receipts for non-cancellable leases and subleases as of December 31, 2024 were as follows (in thousands):

<b>Year ending December 31,</b>	
2025	\$ 1,211
2026	1,057
2027	952
2028	907
2029	907
Thereafter	1,930
Total	<u>\$ 6,964</u>

## **(8) NOTES RECEIVABLE AND OMNIBUS**

### **Note Receivable**

At December 31, 2024 and 2023, the Company had a note receivable from Healer LLC, an entity that provides cannabis education, dosage programs and products developed by Dr. Dustin Sulak ("Healer"), of approximately \$892,000 and \$866,000, respectively. Of these amounts, approximately \$52,000 was current at each of December 31, 2024 and 2023. The balance at December 31, 2024 included approximately \$26,000 of unpaid interest. The note bears interest at 6% per annum and requires quarterly interest payments through the April 2026 maturity date. The Company has the right to offset any licensing fees payable by the Company to Healer in the event that Healer fails to make any payment when due.

### **Omnibus Agreement**

On July 1, 2023 (the "Omnibus Agreement Date"), the Company entered into an Omnibus Agreement with First State Compassion Center ("FSCC"), the Company's cannabis-licensed client in Delaware (the "Omnibus Agreement"): (a) consolidating all amounts owed by FSCC to the Company and its affiliated entities as described below, aggregating \$11.0 million; (b) providing for the automatic conversion of all amounts owed by FSCC to the Company, upon the approval of adult cannabis use in Delaware, into 100% ownership of FSCC's licenses and business; and (c) extending to FSCC, in the Company's sole discretion, up to an additional \$2.0 million of working capital loans. The Omnibus Agreement has a term of five years, with an automatic five-year extension if adult cannabis use is not approved in Delaware by the maturity date, and bears interest, compounded semiannually and payable annually, at the appropriate rate of interest in effect under Sections 1274(d), 482 and 7872 of the Internal Revenue Code of 1986, as amended, as calculated under Rev. Ruling 86-17, 1986-1 C.B. 377, for the period for which the amount of interest is being determined. In May 2023, the state of Delaware approved the adult use of cannabis. As of December 31, 2024, Delaware had not approved the conversion of FSCC from a non-profit to a for-profit business, nor the conversion of the existing license to adult-use. The Omnibus Agreement is reported as a component of Other assets in the consolidated balance sheets at both December 31, 2024 and 2023. On February 28, 2025, the Company completed the acquisition of FSCC in accordance with the terms of the Omnibus Agreement.

## (9) PROPERTY AND EQUIPMENT

The Company's property and equipment, net, at December 31, 2024 and 2023 was comprised of the following (in thousands):

	December 31,	
	2024	2023
Land	\$ 6,151	\$ 4,819
Buildings and building improvements	55,833	54,737
Tenant improvements	31,894	25,451
Furniture and fixtures	2,225	2,191
Machinery and equipment	19,629	16,394
Construction in progress	80	427
	<u>115,812</u>	<u>104,019</u>
Less: accumulated depreciation	(21,645)	(14,916)
Property and equipment, net	<u>\$ 94,167</u>	<u>\$ 89,103</u>

During the years ended December 31, 2024 and 2023, additions to property and equipment totaled \$12.0 million and \$20.1 million, respectively. Of the additions to property and equipment in the year ended December 31, 2024, \$0.3 million of such additions were paid for by the issuance of Company common stock.

Depreciation expense for the years ended December 31, 2024 and 2023 was \$7.9 million and \$5.5 million, respectively.

## (10) INTANGIBLE ASSETS AND GOODWILL

The Company's acquired intangible assets at December 31, 2024 and 2023 consisted of the following (in thousands):

December 31, 2024	Weighted average amortization period (years)	Cost	Accumulated amortization	Net carrying value
Trade name and trademarks	7.38	\$ 3,159	\$ 2,466	\$ 693
Licenses and customer base	7.96	22,553	4,607	17,946
Non-compete agreements	2.00	42	42	—
	7.89	<u>\$ 25,754</u>	<u>\$ 7,115</u>	<u>\$ 18,639</u>

December 31, 2023	Weighted average amortization period (years)	Cost	Accumulated amortization	Net carrying value
Trade name and trademarks	7.11	\$ 3,104	\$ 1,335	\$ 1,769
Licenses and customer base	9.15	18,033	2,797	15,236
Non-compete agreements	2.00	42	35	7
	8.84	<u>\$ 21,179</u>	<u>\$ 4,167</u>	<u>\$ 17,012</u>



Estimated future amortization expense for the Company's intangible assets at December 31, 2024 was as follows (in thousands):

<b>Year ending December 31,</b>	
2025	\$ 3,077
2026	2,570
2027	2,477
2028	2,477
2029	2,029
Thereafter	6,009
Total	<u>\$ 18,639</u>

The changes in the carrying value of the Company's goodwill in the years ended December 31, 2024 and 2023 were as follows (in thousands):

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1,	\$ 11,993	\$ 8,079
Ermont Acquisition and subsequent adjustments to the purchase price allocation	3,819	3,914
Balance at December 31,	<u>\$ 15,812</u>	<u>\$ 11,993</u>

Goodwill is tested on an annual basis for impairment. The Company performs its annual goodwill impairment test as of November 30 of each respective year. Based on these tests, the Company determined that there was no goodwill impairment in the years ended December 31, 2024 and 2023.

## **(11) DEBT**

### **Term Loan (the "CA Term Loan")**

On January 24, 2023 (the "Term Loan Date"), the Company entered into a Loan and Security Agreement, by and among the Company, subsidiaries of the Company from time to time party thereto (collectively with the Company, the "CA Borrowers"), lenders from time to time party thereto (the "CA Lenders"), and Chicago Atlantic Admin, LLC ("Chicago Atlantic"), as administrative agent for the Lenders (the "CA Credit Agreement"). Proceeds from the CA Credit Agreement were designated to complete the build-out of a new cultivation and processing facility in Illinois, complete the build-out of a new processing kitchen in Missouri, expand existing cultivation and processing facilities in Massachusetts and Maryland, fund certain capital expenditures, and repay in full the Kind Notes incurred in 2022 in connection with the acquisition of Kind Therapeutics USA, which repayment occurred on January 24, 2023. The remaining balance, if any, was expected to be used to fund acquisitions.

The CA Credit Agreement allowed for \$35.0 million in the aggregate of principal borrowings at the CA Borrowers' option and further provided the CA Borrowers with the right, subject to customary conditions, to request an additional incremental term loan in the aggregate principal amount of up to \$30.0 million, provided that the CA Lenders elected to fund such incremental term loan. \$30.0 million of loan principal was funded at the initial closing (the "CA Term Loan"), which amount was reduced by an original issuance discount of \$0.9 million (the "CA Original Issuance Discount"). The Company had the option, during the six-month period following the initial closing, to draw down an additional \$5.0 million, which it did not elect to do. The loan required scheduled amortization payments of 1.0% of the principal amount outstanding under the CA Credit Agreement per month commencing in May 2023, and the remaining principal balance was due in full on January 24, 2026, subject to extension to January 24, 2028 under certain circumstances.

The CA Credit Agreement provided the CA Borrowers with the right, subject to specified limitations, to incur (a) seller-provided debt in connection with future acquisitions, (b) additional mortgage financing from third-party lenders secured by real estate currently owned and acquired after the closing date, and (c) additional debt in connection with equipment leasing transactions. The obligations under the CA Credit Agreement were secured by substantially all of the assets of the CA Borrowers, excluding specified parcels of real estate and other customary exclusions.

The CA Credit Agreement provided for a floating annual interest rate equal to the prime rate then in effect plus 5.75%, which rate could be increased by 3.00% upon an event of default or 7.50% upon a material event of default as provided in the CA Credit Agreement. At any time, the Company could voluntarily prepay amounts due under the facility in minimum \$5.0 million increments, subject to a three-percent prepayment premium and, during the first 20-months of the term, a “make-whole” payment.

The CA Credit Agreement included customary representations and warranties and customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to material indebtedness, and events of bankruptcy or insolvency. The CA Credit Agreement also included customary negative covenants limiting the CA Borrowers’ ability to incur additional indebtedness and grant certain liens, among others. Additionally, the CA Credit Agreement required the CA Borrowers to meet certain financial tests. The Company was in compliance with the CA Credit Agreement covenants and financial tests throughout the term of the CA Credit Agreement.

The CA Credit Agreement provided for 30% warrant coverage against amounts funded under the facility, priced at a 20% premium to the trailing 20-day average price on the closing date of each such funding. At the initial closing, upon funding of the initial \$30.0 million under the facility, the Company issued to the CA Lenders an aggregate of 19,148,936 warrants to purchase shares of the Company’s common stock at \$0.47 per share, exercisable for a five-year period following issuance. The Company recorded the warrants at their present value of \$5.5 million as of January 24, 2023 as a component of Additional paid-in capital on the consolidated balance sheet, and discounted the CA Term Loan amount by \$5.5 million (the "CA Warrant Discount"). The Company amortized the CA Warrant Discount to interest expense over the period that the CA Credit Agreement was outstanding.

The Company incurred \$1.8 million of third party costs (i.e., legal fees, referral fees, etc.) in connection with the CA Term Loan, which were recorded as a discount to the CA Term Loan (the "CA Third-Party Costs Discount"), which was being amortized to interest expense over the term of the CA Credit Agreement. The Company recorded \$2.1 million of aggregate interest amortization from the Term Loan Date to the CA Payoff Date (as described below) related to the CA Original Issuance Discount, CA Warrant Discount and CA Third Party Costs Discount.

On November 16, 2023 (the "CA Payoff Date"), the Company repaid and retired the CA Term Loan (the "CA Term Loan Payoff") using proceeds from a new \$58.7 million loan entered into on the same date (see "CREM Loan" below). The CA Term Loan Payoff amount totaled \$32.7 million, comprised of \$28.5 million for the outstanding principal, \$3.7 million for the make-whole payment, \$0.2 million for accrued unpaid interest and \$0.3 million for transaction-related fees. The Company recognized a loss of \$10.2 million in connection with the CA Term Loan Payoff, which it recorded in the fourth quarter of 2023.

### **Mortgages and Notes Payable**

The Company's mortgages and notes payable are reported in the aggregate on the consolidated balance sheets under the captions Mortgages and notes payable, current portion, and Mortgages and notes payable, net of current portion.

The Company's mortgages and notes payable balances at December 31, 2024 and 2023 were comprised of the following (in thousands):

	December 31,	
	2024	2023
Construction to Permanent Commercial Real Estate Mortgage Loan ("CREM Loan"), net of debt discount of \$1,460 and \$1,534 at December 31, 2024 and 2023, respectively	\$ 57,136	\$ 52,083
Bank of New England Wilmington, DE property	1,086	1,219
DuQuoin State Bank Anna, IL and Harrisburg, IL properties	689	719
DuQuoin State Bank Metropolis, IL property	2,427	2,472
DuQuoin State Bank Mt. Vernon, IL property (retail)	1,139	—
DuQuoin State Bank Mt. Vernon, IL property (grow and production)	2,872	2,923
Promissory note issued as purchase consideration - Ermont Acquisition, net of debt discount of \$1,801 and \$2,159 at December 31, 2024 and 2023, respectively	2,949	2,591
Promissory note issued as purchase consideration - Greenhouse Naturals Acquisition, net of debt discount of \$567 and \$627 at December 31, 2024 and 2023, respectively	3,791	4,190
Promissory notes issued as purchase consideration - MedLeaf Acquisition	1,377	—
Promissory note issued as purchase consideration - Allgreens Acquisition	1,000	—
Promissory note issued to purchase land	352	—
Promissory notes issued to purchase motor vehicles	168	178
Total mortgages and notes payable	74,986	66,375
Less: Mortgages and notes payable, current portion	(5,126)	(723)
Mortgages and notes payable, net of current	<u>\$ 69,860</u>	<u>\$ 65,652</u>

## Mortgages

### *CREM Loan*

On November 16, 2023, Mari Holdings MD LLC, Hartwell Realty Holdings LLC, Kind Therapeutics USA, LLC, ARL Healthcare Inc., and MariMed Advisors, Inc., each a wholly-owned direct or indirect subsidiary of the Company (collectively, the "CREM Borrowers") entered into a Loan Agreement (the "CREM Loan Agreement"), by and among the CREM Borrowers and Needham Bank, a Massachusetts co-operative bank (the "CREM Lender") pursuant to which the CREM Lender loaned to the CREM Borrowers an aggregate principal amount of \$58.7 million (the "CREM Loan Transaction"). The Company guaranteed the obligations of the CREM Borrowers under the CREM Loan Agreement and pledged to the CREM Lender its equity ownership in each CREM Borrower as security for the loan. The CREM Lender has a first priority security interest in all of the CREM Borrowers' operating assets in Maryland and Massachusetts and first priority mortgages on the CREM Borrowers' properties owned in Maryland and Massachusetts.

The CREM Loan Transaction matures in ten years and has an interest rate for the initial five years of 8.43% per annum. The interest rate will reset after five years to the FHLB Rate (the Classic Advance Rate for Fixed Rate advances for a period of five years for an amount greater than or equal to the loan amount, as such rate is defined and published by the Federal Home Loan Bank of Boston), plus 3.50%. The CREM Borrowers made interest-only payments for the first twelve months of the term of the loan, with payments thereafter based upon a twenty-year amortization schedule.

The CREM Lender initially released \$52.8 million to the CREM Borrowers (the "Initial CREM Distribution"). The remaining proceeds of \$5.9 million were held in escrow to complete the expansion of the Company's Hagerstown, Maryland cultivation facility (the "Hagerstown Facility"), with any unused proceeds to be released to the Company after completion of the Hagerstown Facility expansion. The Company used \$46.8 million of the Initial CREM Distribution to fully repay certain of its outstanding debt obligations. These payments were comprised of \$32.7 million for the CA Term Loan Payoff, \$11.9 million to pay off the mortgage with Bank of New England for the New Bedford, MA and

Middleborough, MA properties, and \$2.2 million to reduce the outstanding balance of the note issued by the Company in connection with the Ermont Acquisition.

The Company incurred bank closing costs and third party costs (i.e., legal fees, etc.) aggregating \$1.5 million in connection with the CREM Loan Transaction, which were recorded as a discount to the Loan Transaction (the "CREM Closing Costs Discount"), and which are being amortized to interest expense over the term of the CREM Loan Transaction. The Company recorded interest amortization of approximately \$73,000 in the year ended December 31, 2024 and nominal interest amortization in the year ended December 31, 2023 related to the CREM Closing Costs Discount.

The CREM Loan Agreement includes customary representations and warranties and customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to material indebtedness, and events of bankruptcy and insolvency. The CREM Loan Agreement also includes customary negative covenants limiting the CREM Borrowers' (but not the Company's) ability to incur additional indebtedness and grant liens that are otherwise not permitted, among others. The CREM Loan Agreement also requires the CREM Borrowers to meet certain periodic financial tests.

During the year ended December 31, 2024, \$5.1 million of the escrowed portion of the loan proceeds was released to the Company. The Company made interest-only payments to the CREM Lender through November 30, 2024 and commenced principal payments in December 2024. During the year ended December 31, 2024, the Company made interest-only payments aggregating \$4.8 million and a principal payment of \$0.1 million. The current portion of the outstanding principal balance of the CREM Loan was \$1.2 million and \$0.1 million at December 31, 2024 and 2023, respectively.

Through November 16, 2023, the Company had a mortgage outstanding with Bank of New England secured by the Company's properties in New Bedford, MA and Middleborough, MA in the original amount of \$13.0 million, which bore interest of 6.5% per annum and was scheduled to mature in August 2025 (the "Refinanced Mortgage"). The Company used \$11.9 million of the proceeds from the CREM Loan Transaction to pay the outstanding principal of the Refinanced Mortgage, and such mortgage was retired. The Company recorded a loss of \$0.2 million on the early repayment of the Refinanced Mortgage, which amount is included as a component of Loss on extinguishment of debt in the Company's consolidated statement of operations for the year ended December 31, 2023. Concurrent with the repayment of the Refinanced Mortgage, the Company refinanced the properties through the CREM Loan and accordingly, effective November 16, 2023, the mortgage on these properties is held by Needham Bank, which mortgage matures in 2033 and which outstanding amount is included as a component of the CREM Loan outstanding balance.

#### ***Bank of New England (Wilmington, DE)***

The Company maintains a mortgage with Bank of New England for the 2016 purchase of a building in Wilmington, DE, which was developed into a cannabis seed to sale facility and is currently leased to the Company's cannabis-licensed client in that state. The mortgage matures in 2031, with monthly principal and interest payments at a rate of 5.25% per annum, and with the rate adjusting every five years to the then prime rate plus 1.5% with a floor of 5.25% per annum. The next rate adjustment will occur in September 2026. At December 31, 2024 and 2023, the current portion of the outstanding principal balance under this mortgage was approximately \$140,000 and \$133,000, respectively.

#### ***DuQuoin State Bank (Anna, IL and Harrisburg, IL)***

In May 2016, the Company entered into a mortgage agreement with DuQuoin State Bank ("DSB") for the purchase of properties in Anna, IL and Harrisburg, IL, which the Company developed into two free-standing retail dispensaries. On May 5<sup>th</sup> of each year, this mortgage is due to be repaid unless it is renewed for another year at a rate determined by DSB's executive committee. The mortgage was renewed in May 2024 at a rate of 9.50% per annum. At both December 31, 2024 and 2023, the current portion of the outstanding principal balance under this mortgage was approximately \$27,000.

#### ***DuQuoin State Bank (Metropolis, IL)***

In July 2021, the Company purchased the land and building in which it operates its cannabis dispensary in Metropolis, IL. In connection with this purchase, the Company entered into a mortgage agreement with DSB in the amount of \$2.7 million that matures in July 2041 and which currently bears interest at a rate of 11.25% per annum, which rate is adjusted each year based on a certain interest rate index plus a margin. As part of this transaction, the seller was provided with a 30.0% ownership interest in Mari Holdings Metropolis LLC ("Metro"), the Company's subsidiary that owns the property and related mortgage obligation, reducing the Company's ownership interest in Metro to 70.0%. At December 31, 2024 and

2023, the current portion of the outstanding principal balance of this mortgage was approximately \$56,000 and \$46,000, respectively.

***DuQuoin State Bank (Mt. Vernon, IL) grow and production***

In July 2022, Mari Holdings Mt. Vernon LLC, a wholly-owned subsidiary of the Company, entered into a \$3.0 million loan agreement and mortgage with DSB secured by property owned in Mt. Vernon, IL, which the Company developed into a grow and production facility. The mortgage has a 20-year term and currently bears interest at the rate of 11.25% per annum, subject to adjustment on each annual anniversary date to the Wall Street Journal United States Prime Rate (with an interest rate floor of 7.75%). The proceeds of the loan were utilized for the build-out of the property and other working capital purposes. The current portion of the outstanding principal balance of this mortgage was approximately \$61,000 and \$48,000 at December 31, 2024 and 2023, respectively.

***DuQuoin State Bank (Mt. Vernon, IL retail)***

In February 2020, the Company entered into a mortgage agreement with South Porte Bank for the purchase and development of a property in Mt. Vernon, IL (the "South Porte Bank Mortgage"). Beginning in August 2021, pursuant to an amendment to the South Porte Bank Mortgage, the monthly payments of principal and interest aggregated approximately \$6,000, with such payment amounts effective through June 2023, at which time all remaining principal, interest and fees were due. On May 26, 2023, the Company repaid the outstanding balance on the South Porte Bank Mortgage, which totaled approximately \$778,000. In January 2024, the Company refinanced this property and entered into a \$1.2 million mortgage with DSB. The mortgage with DSB has a 17-year term and bears interest at the rate of 9.50% per annum. The current portion of the outstanding principal balance of this mortgage was approximately \$31,000 at December 31, 2024.

**Promissory Notes**

***Promissory Notes Issued as Purchase Consideration***

*Ermont*

In connection with the Ermont Acquisition, the Company issued the Ermont Note (see Note 3), in the principal amount of \$7.0 million. The Ermont Note matures in March 2029 and bears interest at 6.0% per annum, with payments of interest-only for two years, and quarterly payments of principal and interest in arrears thereafter. The outstanding balance on the Ermont Note is subject to prepayment in full in the event the Company raises \$75.0 million or more of equity capital. The Company recorded the Ermont Note at a present value of \$4.6 million. This amount is net of the \$2.4 million recorded as a debt discount, which is being accreted through the term of the Ermont Note to interest expense. As discussed above, on November 26, 2023, the Company used \$2.2 million of the proceeds from the CREM Loan Transaction to reduce the outstanding balance of the Ermont Note. The difference between the face value of the Ermont Note and the present value recorded at the time of the Ermont Acquisition is being amortized to interest expense over the term of the Ermont Note. The fair value of the Ermont Note was \$2.9 million and \$2.6 million at December 31, 2024 and 2023, respectively. The current portion of the outstanding principal balance of the Ermont Note was \$0.5 million at December 31, 2024. The Ermont Note did not have a current portion recorded at December 31, 2023.

*Greenhouse Naturals LLC*

In December 2022, the Company completed the acquisition from Greenhouse Naturals LLC of the assets associated with a cannabis dispensary in Beverly, Massachusetts (the "Beverly Dispensary"). In connection with this transaction, the Company issued a \$5.0 million promissory note to the Sellers, payable on a monthly basis as percentage of the monthly gross sales of the Beverly Dispensary (the "Greenhouse Naturals Note"). The Company recorded \$0.7 million as a debt discount, which is being accreted to interest expense through the term of the Greenhouse Naturals Note, which matures in July 2026. In the third quarter of 2023, the Company updated its forecast of revenue attributable to the Beverly Dispensary and accordingly, adjusted the schedule of estimated future payments on the Greenhouse Naturals Note. The fair value of the Greenhouse Naturals Note was \$3.8 million and \$4.3 million at December 31, 2024 and 2023, respectively. The Company estimated that the current portion of the Greenhouse Naturals Note was \$0.8 million and \$0.3 million at December 31, 2024 and 2023, respectively, which amounts are included in Mortgages and notes payable, current portion, in the Company's consolidated balance sheets.

### *MedLeaf*

In connection with the MedLeaf Acquisition, the Company issued the MedLeaf Note, totaling \$2.0 million (see Note 3). The MedLeaf Note bears interest at a rate of 8.0% per annum and matures on October 5, 2025. The MedLeaf Note calls for six equal principal payments, paid quarterly, which payments began on July 5, 2024. At December 31, 2024, the MedLeaf Note had an outstanding balance of \$1.4 million, all of which was recorded as current.

### *Allgreens*

In connection with the Allgreens Acquisition, the Company issued promissory notes aggregating \$1.0 million (see Note 3). The Allgreens Notes bear interest at a rate of 7.5% per annum and will mature one year from the date that the dispensary is permitted to commence operations. The Allgreens Notes had an aggregate outstanding balance of \$1.0 million at December 31, 2024, all of which was recorded as current and was in default.

### *Kind Therapeutics USA*

In connection with the 2022 acquisition of Kind Therapeutics USA ("Kind"), the Company issued four-year promissory notes aggregating \$6.5 million with an interest rate of 6.0% per annum to the members of Kind (the "Kind Notes"). In connection with the CA Credit Agreement, on January 24, 2023, the Company repaid the Kind Notes in full, aggregating \$5.4 million, including approximately \$420,000 of accrued interest. There was no penalty in connection with the early repayment of the Kind Notes.

### ***Promissory Notes Issued to Purchase Property and Equipment***

At each of December 31, 2024 and 2023, the Company had five outstanding promissory notes in connection with the purchase of commercial motor vehicles. At December 31, 2024, the outstanding notes had an aggregate outstanding balance of approximately \$168,000, of which approximately \$36,000 was current. At December 31, 2023, the outstanding notes had an aggregate outstanding balance of approximately \$178,000, of which approximately \$33,000 was current. The weighted average interest rates of the outstanding balances were 11.38% and 11.07% at December 31, 2024 and 2023, respectively. The weighted average remaining terms of these notes were 4.27 years and 4.61 years at December 31, 2024 and 2023, respectively.

At December 31, 2024, the Company had an outstanding note in connection with the purchase, in the second quarter of 2024, of a parking lot adjacent to its Middleborough, MA dispensary totaling \$352,000. The note bears interest at 4.0%, with monthly interest-only payments and a balloon payment for the entire principal amount due on February 1, 2029.

### **Future Payments**

The future principal payments due under the Company's outstanding mortgages and notes payable at December 31, 2024 were as follows (in thousands):

<b>Year ending December 31,</b>	
2025	4,866
2026	2,969
2027	3,019
2028	3,152
2029	6,382
Thereafter	57,799
Total future principal payments	78,187
Less: discount	(3,201)
Total future principal payments, net of discount	<u>\$ 74,986</u>

## (12) MEZZANINE EQUITY

### *Series B Convertible Preferred Stock*

The Company had 4,908,333 shares of Series B Convertible Preferred Stock (the "Series B Stock") outstanding at each of December 31, 2024 and 2023, which shares are held by three institutional shareholders (the "Series B Holders"). The original issuance date of the Series B Stock was February 27, 2020. The Series B Holders are entitled to cast the number of votes equal to the number of shares of common stock into which the shares of Series B Stock are convertible, together with the holders of common stock as a single class, on most matters. However, the affirmative vote or consent of the Series B Holders voting separately as a class is required for certain acts taken by the Company, including the amendment or repeal of certain charter provisions, liquidation or winding up of the Company, creation of stock senior to the Series B Stock, and/or other acts as defined in the Series B Stock certificate of designation.

The Series B Stock shall, with respect to dividend rights and rights on liquidation, winding up and dissolution, rank senior to the Company's common stock. The Company shall not declare, pay, or set aside any dividends on shares of any other class or series of capital stock of the Company unless the Series B Holders then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B Stock in an amount calculated pursuant to the Series B Stock certificate of designation.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the Series B Holders then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders before any payment shall be made to the holders of common stock by reason of their ownership thereof, an amount per share equal to \$3.00, plus any dividends declared but unpaid thereon, with any remaining assets distributed on a prorated basis among the holders of the shares of Series B Stock and common stock, based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to common stock.

At any time on or prior to the six-year anniversary of the original issuance date of the Series B Stock, (i) the Series B Holders have the option to convert their shares of Series B Stock into common stock at a conversion price of \$3.00 per share, without the payment of additional consideration, and (ii) the Company has the option to convert all, but not less than all, of the shares of Series B Stock into the Company's common stock at a conversion price of \$3.00 if the daily volume weighted average price of common stock (the "VWAP") exceeds \$4.00 per share for at least twenty consecutive trading days prior to the date on which the Company gives notice of such conversion to the Series B Holders.

On the day following the six-year anniversary of the 2020 issuance of the Series B Stock, all outstanding shares of Series B Stock shall automatically convert into common stock as follows:

If the sixty-day VWAP is less than or equal to \$0.50 per share, the Company shall have the option to:

- convert all shares of Series B Stock into shares of the Company's common stock at a conversion ratio of 1:1 (4,908,333 shares), subject to adjustment upon the occurrence of certain events and pay cash to the Series B Holders equal to the difference between the sixty-day VWAP and \$3.00 per share; or
- pay cash to the Series B Holders equal to \$3.00 per share (\$14,725,000).

If the sixty-day VWAP is greater than \$0.50 per share, the Company shall have the option to

- convert all shares of Series B Stock into shares of common stock at a conversion price per share equal to \$3.00 per share divided by the sixty-day VWAP;
- pay cash to the Series B Holders equal to \$3.00 per share (\$14,725,000); or
- convert a number of shares of Series B Stock, such number at the Company's sole discretion into shares of the Company's common stock valued at the sixty-day VWAP (the "Conversion Value") and pay cash to the Series B Holders equal to the difference between \$14,725,000 and the Conversion Value (shares issued multiplied by the sixty-day VWAP).

The Company shall at all times when the Series B Stock is outstanding, reserve and keep available such number of its duly authorized shares of common stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series B Stock.

### ***Series C Convertible Preferred Stock***

In March 2021, the Company entered into a securities purchase agreement with Hadron Healthcare Master Fund ("Hadron") with respect to a financing facility of up to \$46.0 million in exchange for newly-designated Series C Convertible Preferred Stock of the Company (the "Series C Stock") and warrants to purchase the Company's common stock (the "Hadron Agreement"). At that time, Hadron purchased \$23.0 million of Units at a price of \$3.70 per Unit. Each Unit is comprised of one share of Series C Stock and a four-year warrant to purchase two and one-half shares of common stock. The Company issued to Hadron 6,216,216 shares of Series C Stock and warrants to purchase up to an aggregate of 15,540,540 shares of common stock. Each share of Series C Stock is convertible, at the holder's option, into five shares of MariMed common stock, and each warrant is exercisable at an exercise price of \$1.087 per share. The warrants are subject to early termination if certain milestones are attained and the market value of the Company's common stock reaches certain predetermined levels.

Provided that at least 50.0% of the shares of Series C Stock remained outstanding, Hadron had the right to appoint one observer to the Company's Board of Directors (the "Board") and to each of its Board committees, and appoint a member to the Board if and when a seat became available, at which time the observer roles would terminate. The transaction also imposed certain covenants on the Company with respect to the incurrence of new indebtedness, the issuance of additional shares of preferred stock, and the payment of distributions.

On August 4, 2022, the Company and Hadron entered into a second amendment to the Hadron Agreement pursuant to which, inter alia, (i) Hadron's obligation to provide any further funding to the Company and the Company's obligation to sell any further securities to Hadron was terminated, and (ii) certain covenants restricting the Company's incurrence of new indebtedness were eliminated.

During the year ended December 31, 2023, in three separate transactions, the Company converted, at Hadron's request in accordance with the terms and conditions of the Series C Stock, a total of 5,060,942 shares of Series C Stock into 25,304,710 shares of the Company's common stock (the "Conversions"). The Conversions were effected at a conversion rate of five shares of the Company's common stock for each share of Series C Stock converted. The Company did not recognize a gain or loss on the Conversions, as they were effected in accordance with the Series C Stock certificate of designation. Upon the Conversions, less than 50.0% of the shares of Series C Stock remained outstanding, and as a result, Hadron's rights to appointment a designee to the Board and an observer to the Board and each of the Board's committees terminated. At December 31, 2024, 1,155,274 shares of Series C Stock remained outstanding. There were no such conversions in the year ended December 31, 2024.

## **(13) STOCKHOLDERS' EQUITY AND STOCK-BASED COMPENSATION**

### **Amended and Restated 2018 Stock Award and Incentive Plan**

The Amended and Restated Stock Award and Incentive Plan (the "2018 Plan") provides for the award of options to purchase the Company's common stock ("stock options"), restricted stock units ("RSUs"), stock appreciation rights, restricted stock, deferred stock, dividend equivalents, performance shares or other stock-based performance awards, as well as other stock- or cash-based awards. At December 31, 2024, there were 25,481,098 total shares of common stock available for future issuance under the 2018 Plan.

### **Stock Options**

A summary of the Company's stock option activity during the year ended December 31, 2024 was as follows:

	<b>Shares</b>	<b>Weighted average exercise price</b>
Outstanding at January 1, 2024	35,599,421	\$ 0.78
Granted	60,000	\$ 0.14
Exercised	—	\$ —
Forfeited	(3,750)	\$ 0.44
Expired	(1,383,750)	\$ 0.59
Outstanding at December 31, 2024	<u>34,271,921</u>	<u>\$ 0.79</u>



Stock options granted under the 2018 Plan generally expire five years from the date of grant. At December 31, 2024, the options outstanding had a weighted average remaining life of approximately one and one-half years.

The grant date fair values of stock options granted in the year ended December 31, 2024 were estimated using the Black-Scholes valuation model with the following assumptions:

Estimated life (in years)	1.18
Weighted average volatility	64.81%
Weighted average risk-free interest rate	5.12%
Dividend yield	—

### Restricted Stock Units

Holders of unvested restricted stock units ("RSUs") do not have voting and dividend rights. The grant date fair values of RSUs are recognized as expense on a straight-line basis over the requisite service periods. The fair value of RSUs is determined based on the market value of the Company's common stock on the date of grant.

The activity related to RSUs for the year ended December 31, 2024 was as follows:

	RSUs	Weighted average grant date fair value
Unvested at January 1, 2024	5,825,538	\$ 0.42
Granted	4,803,991	\$ 0.18
Vested	(2,636,750)	\$ 0.43
Forfeited	(286,654)	\$ 0.38
Outstanding at December 31, 2024	<u>7,706,125</u>	<u>\$ 0.27</u>

### Warrants

On May 2, 2024, the Company issued warrants to purchase 1,000,000 shares of the Company's common stock to an entity in consideration for introductory and other services rendered in connection with certain funding and acquisition transactions. The warrants have an exercise price of \$0.32 per share, were fully vested upon issuance, and expire on May 1, 2029. The grant date fair value of the warrants was approximately \$218,000 using the Black-Scholes valuation model. This expense is included as a component of Acquisition-related and other in the Company's consolidated statements of operations for the year ended December 31, 2024.

In connection with the CA Credit Agreement (see Note 11), on January 24, 2023, the Company issued to the Lenders an aggregate of 19,148,936 warrants to purchase shares of the Company's common stock at \$0.47 per share, exercisable during the five-year period following issuance.

In connection with the purchase by the Company of the outstanding minority interest in Mari Holdings MD LLC ("Mari MD") on April 13, 2023, the Company issued 400,000 warrants to purchase the Company's common stock at an exercise price of \$0.40 per share (the "Mari MD Warrants"). The Mari MD Warrants expire on April 13, 2026.

At December 31, 2024, warrants to purchase up to 38,089,476 shares of common stock were outstanding, with a weighted average exercise price of \$0.73.

### Other Common Stock Issuances

In addition to the activity related to stock options and RSUs described above, the Company also issued during the year ended December 31, 2024:

- 3,917,267 shares of restricted common stock with a fair value of \$1.0 million in connection with the MedLeaf Acquisition (see Note 3); and
- 45,299 shares of restricted common stock with an aggregate fair value of approximately \$10,000 issued under a licensing and royalty agreement.

## Stock-Based Compensation

The Company recorded stock-based compensation expense of \$1.1 million and \$1.0 million for the years ended December 31, 2024 and 2023, respectively.

## (14) SEGMENT INFORMATION

The Company operates as a single reporting segment engaged in the cultivation, processing and sale of branded cannabis products. The Chief Operating Decision Makers are the Company's Chief Executive Officer and its Chief Financial Officer, who together (the "CODM"), evaluate company performance based on Net income (loss), determined in accordance with U.S. GAAP, and Adjusted EBITDA, a non-GAAP measure.

The Company defines Adjusted EBITDA as income from operations, determined in accordance with GAAP, excluding the following:

- depreciation and amortization of property and equipment;
- amortization of acquired intangible assets;
- impairments or write-downs of acquired intangible assets;
- inventory revaluation;
- stock-based compensation;
- severance;
- legal settlements; and
- acquisition-related and other.

The CODM uses these measures to assess profitability and guide resource allocations, and believes that Adjusted EBITDA, when reviewed in conjunction with Net income (loss), is a useful measure to assess the Company's performance and liquidity, as it provides meaningful operating results by excluding the effects of expenses that are not reflective of the Company's operating business performance. In addition, the CODM uses Adjusted EBITDA to understand and compare operating results across accounting periods, and for financial and operational decision-making and resource allocation. The presentation of Adjusted EBITDA is not intended to be considered in isolation or as a substitute for the financial information prepared in accordance with GAAP.

The CODM conducts monthly financial reviews, focusing on revenue trends, gross margin performance and operational efficiency across the Company's vertically integrated operations. Investment decisions, including capital expenditures for new cultivation facilities and retail expansion, are made based on expected return on investment and regulatory considerations in each state in which the Company operates.

The table below provides the Company's Net loss, Income from operations, and a reconciliation of Income from operations to Adjusted EBITDA for the years ended December 31, 2024 and 2023 (in thousands):

	Year ended December 31,	
	2024	2023
Net loss	\$ (12,127)	\$ (16,007)
GAAP Income from operations	\$ 2,912	\$ 14,385
Depreciation and amortization of property and equipment	7,910	5,549
Amortization of acquired intangible assets	2,948	3,025
Inventory revaluation	3,667	—
Stock-based compensation	1,050	1,020
Severance	211	—
Acquisition-related and other	951	695
Adjusted EBITDA	\$ 19,649	\$ 24,674

## (15) REVENUE

For the years ended December 31, 2024 and 2023, the Company's revenue was derived from the following categories (in thousands):

	Year ended December 31,	
	2024	2023
Product sales - retail	\$ 91,530	\$ 95,517
Product sales - wholesale	62,895	48,788
Other revenue	3,539	4,293
Total revenue	<u>\$ 157,964</u>	<u>\$ 148,598</u>

## (16) MAJOR CUSTOMERS

The Company did not have any customers that contributed 10% or more of total revenue in the years ended December 31, 2024 or 2023.

At each of December 31, 2024 and 2023, there were no customers that accounted for 10% or more of the Company's accounts receivable balance. The Company performs ongoing credit evaluations of its customers and generally does not require collateral on accounts receivable.

## (17) LEASES

### Lease Commitments

At December 31, 2024, the Company was the lessee under eight operating leases and thirty-one finance leases. These leases contain rent holidays and customary escalations of lease payments for the types of facilities being leased. The Company's operating lease agreements include its corporate headquarters, dispensaries and cannabis production and processing facilities. The Company subleases three of these leased facilities to a cannabis-licensed client. The Company recognizes rent expense on a straight-line basis over the expected lease term, including option periods which the Company fully expects to exercise. Certain leases require the payment of property taxes, insurance and/or maintenance costs in addition to the rent payments.

The Company leases machinery and office equipment under finance leases that expire in January 2026 through July 2031, with such terms comprising a major part of the economic useful life of the leased property.

The components of lease expense for the years ended December 31, 2024 and 2023 were as follows (in thousands):

	Year ended December 31,	
	2024	2023
Operating lease expense	<u>\$ 2,069</u>	<u>\$ 1,838</u>
Finance lease expense:		
Amortization of right-of-use assets	\$ 1,145	\$ 606
Interest on lease liabilities	292	244
Total finance lease expense	<u>\$ 1,437</u>	<u>\$ 850</u>

The weighted average remaining lease terms and weighted average discount rates for the Company's operating leases and finance leases at December 31, 2024 and 2023 were as follows:

	Year ended December 31,	
	2024	2023
Weighted average remaining lease term (years):		
Operating leases	9.26	9.83
Finance leases	2.78	3.29
Weighted average discount rate:		
Operating leases	11.1 %	11.0 %
Finance leases	9.6 %	11.0 %

Future minimum lease payments as of December 31, 2024 under all non-cancelable leases having an initial or remaining term of more than one year were as follows (in thousands):

Year ending December 31,	Operating leases	Finance leases
2025	\$ 1,988	\$ 2,018
2026	1,915	1,613
2027	1,813	563
2028	1,757	309
2029	1,595	134
Thereafter	635	10
Total lease payments	9,703	4,647
Less: imputed interest	(166)	(703)
Present value of lease liabilities	\$ 9,537	\$ 3,944

## (18) RELATED PARTY TRANSACTIONS

The Company's corporate offices are leased from an entity in which the Company's President and Chief Executive Officer (the "CEO") has an investment interest. This lease expires in October 2028 and contains a five-year extension option. Expenses under this lease in the years ended December 31, 2024 and 2023 were approximately \$233,000 and \$272,000, respectively.

The Company procures nutrients, lab equipment, cultivation supplies, furniture and tools from an entity owned by the family of the Company's Chief Operating Officer (the "COO"). Purchases from this entity totaled \$4.6 million and \$6.5 million in the years ended December 31, 2024 and 2023, respectively.

The Company pays royalties on the revenue generated from its Betty's Eddies product line to an entity owned by the COO and the Company's Chief Revenue Officer (the "CRO") under a royalty agreement. Under this agreement, the royalty on all sales of Betty's Eddies products is 3.0% if sold directly by the Company and between 1.3% and 2.5% if licensed by the Company for sale by third parties. Future developed products (i.e., ice cream) have a royalty rate of 0.5% if sold directly by the Company and between 0.125% and 0.135% if licensed by the Company for sale by third parties. The aggregate royalties earned by the entity for the years ended December 31, 2024 and 2023 approximated \$634,000 and \$722,000, respectively.

During the years ended December 31, 2024 and 2023, one of the Company's majority-owned subsidiaries paid distributions of approximately \$5,000 and \$11,000, respectively, to the CEO, who owns a minority equity interest in such subsidiary.

At December 31, 2024, the Company had an outstanding accounts payable balance of approximately \$251,000 in connection with fixed assets purchased from a third-party company in which the CEO has a controlling interest.

On June 10, 2024 (the "Membership Unit Purchase Date"), the CEO and COO purchased 5% and 15%, respectively, of the membership units of Mari Holdings Metropolis, LLC, one of the Company's majority-owned subsidiaries. These membership units were purchased from the previous minority interest-holder, and accordingly, the percentage of the noncontrolling interests in this majority-owned subsidiary remains unchanged. During the year ended December 31, 2024, this majority-owned subsidiary made distribution payments of approximately \$6,750 and \$20,250 to the CEO and COO, respectively.

Prior to December 31, 2023, FSCC, the cannabis-licensed client in Delaware that the Company manages, paid fees to BKR Management Inc., a company partially owned by the CEO, related to the initial formation, licensing and establishment of FSCC's cannabis operations. The aggregate fees paid by FSCC were approximately \$192,000 for the year ended December 31, 2023. Payment of these fees terminated effective as of December 31, 2023.

At December 31, 2024, the Company's mortgages with Bank of New England and DSB were personally guaranteed by the CEO. Additionally, the CEO provided a limited guaranty to the CA Lenders under the CA Credit Agreement through its repayment in November 2023. The CEO had also guaranteed the South Porte Bank Mortgage prior to its repayment in May 2023.

## (19) INCOME TAXES

The Company recorded provisions for income taxes of \$8.2 million and \$9.4 million for the years ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, the Company's cumulative federal net operating losses were \$64.5 million and \$71.2 million, respectively. The provision recorded in the year ended December 31, 2024 was due in part to the impact of Section 280E of the Internal Revenue Code ("Section 280E"), which prohibits the deduction of certain ordinary business expenses, the change in valuation allowance against deferred tax assets, and other nondeductible expenses. The provision recorded in the year ended December 31, 2022 was due in part to the impact of Section 280E of the Internal Revenue Code, which prohibits the deduction of true-ups from changes that occurred between when the provision for the year ended December 31, 2022 was determined and when the related tax returns were filed, and reserves recorded against uncertain tax positions taken on the tax return as filed.

Reconciliations of the Company's effective tax rates and the statutory tax rate for the years ended December 31, 2024 and 2023 were as follows:

	<u>Year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
U.S federal taxes at the statutory rate	21.0 %	21.0 %
State taxes net of federal benefit	(9.9)%	(4.2)%
Section 280E adjustment	(240.4)%	(49.3)%
Other permanent non-deductible expenses	(27.7)%	(6.1)%
Stock-based compensation	(3.5)%	(0.7)%
Non-cash interest	(1.5)%	(9.4)%
FIN 48 reserve	(2.7)%	(28.1)%
Return to provision adjustments	3.1 %	45.9 %
Other	3.5 %	(1.2)%
Valuation allowance	37.6 %	(96.9)%
Effective tax rate	<u>(220.5)%</u>	<u>(129.0)%</u>

The income tax effect of the Company's loss carryforwards and temporary differences at December 31, 2024 and 2023 were as follows:

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Deferred tax assets:</b>		
Net operating loss carryforwards	\$ 12,690	14,693
Allowance for doubtful accounts	68	207
Stock-based compensation	2,333	2,434
Loss on equity investments	8,025	8,094
Goodwill write-offs	—	115
Change in fair value of investments	247	229
Lease payments	2,674	2,621
Accruals and reserves	169	484
Other	889	448
<b>Deferred tax liabilities:</b>		
Depreciation	(6,047)	(6,925)
Goodwill write-offs	(303)	—
Real estate revenue	(2,613)	(2,477)
<b>Net deferred tax asset</b>	<b>18,132</b>	<b>19,923</b>
Valuation allowance	(18,132)	(19,923)
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>

Federal net operating losses carry forward indefinitely, subject to an annual limitation of 80% of taxable income, while state net operating losses expire at various dates beginning in 2031. These tax attributes are subject to an annual limitation from equity shifts, which constitute a change of ownership as defined under Internal Revenue Code Section 382. The Company recorded valuation allowances against its net deferred tax assets at December 31, 2024 and 2023 due to the uncertainty regarding the realization of such assets. The Company's assessment of the realization of its deferred tax assets in future periods may differ due to changing circumstances.

The Company's gross unrecognized tax benefits for the years ended December 31, 2024 and 2023 were as follows (in thousands):

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1,	\$ 5,650	\$ 4,014
Additions based on tax positions related to prior years	3	1,636
Reductions due to statute of limitations lapse	(397)	—
<b>Balance at December 31,</b>	<b>\$ 5,256</b>	<b>\$ 5,650</b>

All of the unrecognized tax benefits are included as a component of Income taxes payable, which is a current liability. The Company does not expect its unrecognized tax benefits to change significantly over the next twelve months. During the year ended December 31, 2024, the Company's unrecognized tax benefits decreased by approximately \$394,000 as a result of the lapse of the statute of limitations for uncertain tax positions relating to net operating losses deducted by subsidiaries that are subject to the provisions of Section 280E. During the year ended December 31, 2023, the Company's unrecognized tax benefits increased by \$1.6 million as a result of uncertain tax positions relating to net operating losses deducted by subsidiaries that are subject to the provision of Section 280E of the Internal Revenue Code.

The Company is currently undergoing an IRS audit for the tax year ended December 31, 2022 for certain of its subsidiaries. The result of this audit could reasonably result in a change in our uncertain tax positions related to net operating losses deducted within the next 12 months. At this time, an estimate of the amount that could change for those uncertain tax positions cannot be made. The Company believes that its reserves for uncertain tax positions are appropriate, and that it has meritorious defenses for its tax filings and will vigorously defend them during any audit process, appellate process and through litigation in courts, as necessary.

The Company classified interest and penalties related to unrecognized tax benefits as income tax expense. The total amount of interest and penalties related to uncertain tax positions and recognized in the balance sheet at December 31, 2024 was \$0.9 million.

The Company files income tax returns in the United States federal tax jurisdiction and various state jurisdictions. The Company is currently open to examination under the statute of limitations by the Internal Revenue Service and state jurisdictions for the tax years ended December 31, 2021 through December 31, 2024.

At December 31, 2024 and 2023, the Company's consolidated balance sheets included a receivable for income taxes of \$0.8 million and \$0.7 million, respectively, representing requests for refunds from the Internal Revenue Service and state taxing authorities, and are reported as components of Other current assets as of the respective balance sheets.

## **(20) COMMITMENTS AND CONTINGENCIES**

### **Bankruptcy Claim**

In 2019, MariMed Hemp, Inc. ("MMH"), a subsidiary of the Company, sold hemp seed inventory to GenCanna Global Inc., ("GenCanna"), recording a related party receivable of approximately \$29 million, which was fully reserved at December 31, 2019. In early 2020, GenCanna entered a Chapter 11 bankruptcy, leading to a liquidating plan that remains ongoing. In 2022, the Plan Administrator filed a complaint against MMH for alleged preferential transfers, which was settled in 2023 by reducing MMH's general unsecured claim to \$15.5 million. In the three months ended September 30, 2024, MMH received a liquidation distribution of \$116,250. As of the date of this filing, there is insufficient information to determine the amount of further liquidation distributions, if any, that MMH may receive on account of its general unsecured claim.

### **New Bedford, MA and Middleborough, MA Buildouts**

In the third quarter of 2023, the Company recorded an increase of \$2.0 million in building and building improvements and a corresponding accrued liability in the same amount for electrical work performed at the Company's New Bedford and Middleborough properties between December 2017 and June 2023. The electrical work was performed by an electrical contractor that is owned and/or controlled by the family of a non-officer/director Company stockholder who beneficially owned more than 5% of the Company's common stock when the electrical work began. The electrical work was primarily paid for by an entity that is indirectly controlled by that individual and another non-officer/director Company shareholder who also beneficially owned more than 5% of the common stock when the electrical work began. The Company repaid the two shareholders \$300,000 each as salary between 2021 and 2023 (at the rate of \$100,000 each per year), which payments have since been terminated. As of December 31, 2024, the \$2.0 million accrued liability remains on the Company's consolidated balance sheet. Discussions to reach agreement with the entity that paid for the electrical work and all other interested parties to address this liability and related payment terms are ongoing.

## **(21) SUBSEQUENT EVENTS**

### **Equity Transaction**

Subsequent to December 31, 2024, the Company issued 697,398 shares of common stock in the aggregate underlying RSUs that vested on various dates prior to the filing of this report.

### **FSCC**

On February 28, 2025, the Company completed the acquisition of FSCC in accordance with the terms of the Omnibus Agreement.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

### **Item 9A. Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2024 (the "Evaluation Date"). Based upon that evaluation, our management concluded that, as of the Evaluation Date, our disclosure controls and procedures are ineffective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act (i) are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) are accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

#### **Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the SEC in Rule 13a-15(f) and 15d-15(f) under the Exchange Act, internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

Our internal control system is designed to provide reasonable assurances to our management and the Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations which may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control—Integrated Framework*. Based on that assessment and using the COSO criteria, our management concluded that, as of December 31, 2024, our internal control over financial reporting was ineffective. During the audit process related to our fiscal year ended December 31, 2024, our independent auditors identified a weakness in our controls related to the preparation of the income tax provision prepared by a third-party firm, which lead to the Company recording an audit adjustment related to income tax expense and income tax liability. Specifically, we did not maintain effective controls in connection with the computation of our income tax provision as of and for the year ended December 31, 2024. The matter relates to the application of 280E of the Internal Revenue Code (the "Code") and whether certain costs are deductible under the Code. The Internal Revenue Service ("IRS") has taken the position that cannabis companies are subject to the limits of Code Section 280E, under which they are only allowed to deduct expenses directly related to cost of goods sold. In preparing the 2024 income tax provision, the Company took a position, based on its interpretation of the Code, that it could deduct certain additional expenses, including ordinary and necessary business expenses related to its cultivation and processing activities (the "Additional Expenses"). This position was based on the outcome of IRS audits conducted on the Company's income tax returns filed for years prior to 2024.

#### **Remediation of Weakness**

We have recalculated the Company's income tax provision to exclude the additional expenses the Company initially included based on its interpretation as noted above. In addition, we have reviewed our tax provision working papers and the review and monitoring procedures over our third-party firm to ensure our tax provision calculation properly considers and applies Code Section 280E in accordance with the position taken by the IRS outlined above.



## **Changes in Internal Control over Financial Reporting**

On August 8, 2024, the Company appointed Mario Pinho as Chief Financial Officer ("CFO"), replacing Jon Levine, our Chief Executive Officer who was also serving as our interim CFO at that time. This leadership change represents a modification in the oversight of our financial reporting processes. Management has evaluated this transition and does not believe it has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. However, we continue to assess and enhance our financial controls to ensure a smooth transition and maintain the integrity of our reporting processes.

Other than as described above, there was no change to our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) that occurred during the fiscal year ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **Attestation Report of the Registered Public Accounting Firm**

Pursuant to rules of the SEC that permit us to provide only our management's report in this annual report on Form 10-K, an attestation report of our independent registered public accounting firm regarding internal control over financial reporting is not included in this Annual Report on Form 10-K.

## **Item 9B. Other Information**

### **Insider Trading Arrangements**

None.

## **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance**

We have adopted a code of ethics (the “Code”) that applies to our Board of Directors, executive officers, including our principal executive officer, principal financial officer, principal accounting officer or controller, or individuals performing similar functions, as well as our employees. A copy of the Code can be found on our website at <https://ir.marimedinc.com/corporate-governance/governance-documents>. The Code of Ethics was designed with the intent to deter wrongdoing, and to promote the following:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submit to, the Commission and in other public communications the Company makes;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of the code to an appropriate person or persons identified in the Code; and
- accountability for adherence to the Code.

The information required by this Item 10 is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's December 31, 2024 fiscal year.

### **Item 11. Executive Compensation**

The information required by this Item 11 is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's December 31, 2024 fiscal year.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item 12 is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's December 31, 2024 fiscal year.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this Item 13 is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's December 31, 2024 fiscal year.

### **Item 14. Principal Accountant Fees and Services**

The information required by this Item 14 is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's December 31, 2024 fiscal year.

## **PART IV**

### **Item 15. Exhibits, Financial Statement Schedules**

#### **1) Financial Statements**

The consolidated financial statements of the Company are listed in the index under Part II, Item 8, of this Annual Report on Form 10-K.

#### **2) Financial Statement Schedules**

None. All schedules are omitted because they are not applicable, not required under the instructions, or the information is contained in the consolidated financial statements or notes thereto, included herein.

#### **3) List of Exhibits**

The Exhibits filed part of this Annual Report on Form 10-K are listed in the Exhibit Index immediately preceding the signature page of this Annual Report, which Exhibit Index is incorporated herein by reference.

### **Item 16. Form 10-K Summary**

None.

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
3.1	<u>Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form 10-12G (File No. 000-54433), filed June 9, 2011 with the SEC).</u>
3.1.1	<u>Certificate of Amendment to the Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K, filed April 17, 2017 with the SEC).</u>
3.1.2	<u>Certificate Eliminating Reference to A Series of Shares of Stock from the Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed February 27, 2020 with the SEC).</u>
3.1.3	<u>Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock of the Registrant (incorporate by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed February 27, 2020 with the SEC).</u>
3.1.4	<u>Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock of the Registrant (incorporated by reference to Exhibit 3.1.4 to the Registrant's Current Report on Form 8-K, filed March 2, 2021 with the SEC).</u>
3.1.5	<u>Certificate of Amendment to the Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1.5 to the Registrant's Quarterly Report on Form 10-Q, filed November 14, 2021 with the SEC).</u>
3.1.6	<u>Certificate of Amendment to the Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1.6 to the Registrant's Quarterly Report on Form 10-Q, filed November 15, 2021 with the SEC).</u>
3.2	<u>Amended and Restated By-Laws, effective as of August 5, 2024 (incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q, filed August 8, 2024 with the SEC).</u>
4.1	<u>Amended and Restated Promissory Note, dated February 10, 2020, in the principal amount of \$11,500,000, issued by MariMed Hemp Inc. and the Registrant (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed February 12, 2020 with the SEC).</u>
4.1.1	<u>Promissory Note, dated February 27, 2020, in the principal amount of \$3,742,500, issued by the Registrant to Navy Capital Green Fund, LP (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed February 27, 2020 with the SEC).</u>
4.1.2	<u>Promissory Note, dated February 27, 2020, in the principal amount of \$675,000, issued by the Registrant to Navy Capital Green Co-Invest Fund, LLC (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed February 27, 2020 with the SEC).</u>
4.1.3	<u>12% Convertible Promissory Note, dated April 23, 2020, in the principal amount of \$900,000, issued by the Registrant to Best Buds Funding LLC (incorporated by reference to Exhibit 4.1.4 to the Registrant's Quarterly Report on Form 10-Q, filed May 28, 2020 with the SEC).</u>
4.2	<u>Second Amended and Restated Promissory Note, dated June 24, 2020, in the principal amount of \$8,811,653.84, issued by MariMed Hemp Inc. and the Registrant to SYYM LLC (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q, filed May 28, 2020 with the SEC).</u>
4.3	<u>Common Stock Purchase Warrant, dated June 24, 2020, issued by the Registrant to SYYM LLC (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed June 30, 2020 with the SEC).</u>
4.4	<u>Amended and Restated Senior Secured Commercial Promissory Note, dated October 19, 2020, in the principal amount of \$5,845,000, issued by MariMed Advisors, Inc. to Best Buds Funding LLC (incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K, filed October 26, 2020 with the SEC).</u>

Exhibit No.	Description
4.5	<a href="#"><u>Amended and Restated Senior Secured Commercial Promissory Note, dated October 19, 2020, in the principal amount of \$3,000,000, issued by MariMed Advisors, Inc. to Best Buds Funding LLC (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K, filed October 26, 2020 with the SEC).</u></a>
4.6	<a href="#"><u>Common Stock Purchase Warrant, dated September 30, 2020, issued by the Registrant to Best Buds Funding, LLC. (incorporated by reference to Exhibit 4.6 to the Registrant's Current Report on Form 8-K, filed October 26, 2020 with the SEC).</u></a>
4.7	<a href="#"><u>Amended and Restated Common Stock Purchase Warrant, dated March 18, 2021, issued by the Registrant to Hadron Healthcare Master Fund (incorporated by reference to Exhibit 4.7 to the Registrant's Quarterly Report on Form 10-Q, filed November 15, 2021 with the SEC).</u></a>
4.8	<a href="#"><u>Third Amended and Restated Promissory Note, dated April 1, 2021, in the principal amount of \$3,211,653.84, issued by MariMed Hemp Inc. and the Registrant to SYYM LLC (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed April 1, 2021 with the SEC).</u></a>
4.9	<a href="#"><u>Form of Common Stock Purchase Warrant, dated January 24, 2023, issued by the Registrant to the lenders (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed January 24, 2023 with the SEC).</u></a>
4.10	<a href="#"><u>Form of Promissory Note, dated January 24, 2023, issued by the Registrant and the subsidiaries of the Registrant party thereto to Chicago Atlantic Credit Company, LLC (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed January 24, 2023 with the SEC).</u></a>
4.11	<a href="#"><u>Form of Promissory Note, dated November 16, 2023, issued by the Borrowers to Needham Bank (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed November 20, 2023 with the SEC).</u></a>
4.12	<a href="#"><u>Common Stock Purchase Warrant dated May 2, 2024, issued by the Registrant to Change Equity Capital LLC (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q, filed August 8, 2024 with the SEC).</u></a>
10.1	<a href="#"><u>Amended and Restated 2018 Stock Award and Incentive Plan (incorporated by reference to Appendix A of the Registrant's Definitive Proxy Statement on Schedule 14A, filed August 26, 2019 with the SEC).</u></a>
10.1.1	<a href="#"><u>Amendment to the Amended and Restated 2018 Stock Award and Incentive Plan, effective as of September 23, 2021 (incorporated by reference to Exhibit 10.7.1 to the Registrant's Quarterly Report on Form 10-Q, filed November 15, 2021 with the SEC).</u></a>
10.1.2	<a href="#"><u>MariMed Inc. Second Amended and Restated 2018 Stock Award and Incentive Plan, as amended and restated June 8, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, filed August 4, 2023 with the SEC).</u></a>
10.2	<a href="#"><u>Form of Stock Option Agreement Granted under the Amended and Restated 2018 Stock Award and Incentive Plan, as amended, dated September 27, 2019, with each of David R. Allen, Eva Selhub, M.D., and Edward J. Gildea (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, filed November 29, 2019 with the SEC).</u></a>
10.3	<a href="#"><u>Amendment Agreement, dated as of February 10, 2020, between SYYM LLC, as noteholder and collateral agent, and the Registrant and MariMed Hemp Inc., as co-borrowers (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed February 12, 2020 with the SEC).</u></a>
10.4	<a href="#"><u>Exchange Agreement, dated as of February 27, 2020, among the Registrant, Navy Capital Green Management, LLC, a Delaware limited liability company, as discretionary investment manager of Navy Capital Green Fund, LP, and Navy Capital Green Co-Invest Fund, LLC. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed February 27, 2020 with the SEC).</u></a>

Exhibit No.	Description
10.5	<a href="#"><u>Amendment Agreement dated June 24, 2020, between SYYM LLC, as noteholder and collateral agent, and the Registrant and MariMed Hemp Inc., as co-borrowers (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed June 30, 2020 with the SEC).</u></a>
10.6	<a href="#"><u>Note Extension Agreement, effective as of September 30, 2020, among Best Buds Funding LLC, as lender, and each of the Registrant, Mari Holdings MD LLC, and MariMed Advisors Inc., as the borrower parties (incorporated by reference to Exhibit 10.13 to the Registrant's Current Report on Form 8-K, filed October 26, 2020 with the SEC).</u></a>
10.7	<a href="#"><u>Securities Purchase Agreement, dated March 1, 2021, between the Registrant and Hadron Healthcare Master Fund (incorporated by reference to Exhibit 10.13 to the Registrant's Current Report on Form 8-K, filed March 2, 2021 with the SEC).</u></a>
10.8	<a href="#"><u>First Amendment to Securities Purchase Agreement, dated March 18, 2021, between the Registrant and Hadron Healthcare Master Fund (incorporated by reference to Exhibit 10.14 to the Registrant's Quarterly Report on Form 10-Q, filed November 15, 2021 with the SEC).</u></a>
10.9	<a href="#"><u>Amendment Agreement dated April 1, 2021, between SYYM LLC, as noteholder and collateral agent, and the Registrant and MariMed Hemp, Inc., as co-borrowers (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed April 1, 2021 with the SEC).</u></a>
10.10 ***	<a href="#"><u>Form of Stock Option Agreement, dated July 9, 2021 Granted under the Amended and Restated 2018 Stock Award and Incentive Plan, as amended, dated July 9, 2021, with each of Robert Fireman, Jon R. Levine, and Timothy Shaw (incorporated by reference to Exhibit 10.20 to the Registrant's Quarterly Report on Form 10-Q, filed November 15, 2021 with the SEC).</u></a>
10.11 ***	<a href="#"><u>Form of Stock Option Agreement Granted under the Amended and Restated 2018 Stock Award and Incentive Plan, a amended, dated October 1, 2021, with each of Robert Fireman, Jon R. Levine, and Timothy Shaw (incorporated by reference to Exhibit 10.21 to the Registrant's Quarterly Report on Form 10-Q, filed November 15, 2021 with the SEC).</u></a>
10.12	<a href="#"><u>Settlement Agreement and General Release, dated August 19, 2021, between the Registrant and Thomas Kidrin (incorporated by reference to Exhibit 10.22 to the Registrant's Quarterly Report on Form 10-Q, filed November 15, 2021 with the SEC).</u></a>
10.13	<a href="#"><u>Membership Interest Purchase Agreement, dated December 31, 2021, between the Registrant and Jennifer DiPietro, Susan Zimmerman and Sophia Leonard-Burns (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K, filed March 16, 2022 with the SEC).</u></a>
10.14	<a href="#"><u>Membership Interest Purchase Agreement, dated December 31, 2021, between MariMed Advisors Inc. and Jennifer DiPietro (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K, filed March 16, 2022 with the SEC).</u></a>
10.15 ***	<a href="#"><u>Stock Option Agreement, dated May 2, 2022, between the Registrant and Susan M. Villare (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed May 18, 2022 with the SEC).</u></a>
10.16 ***	<a href="#"><u>Restricted Stock Agreement, dated May 2, 2022, between the Registrant and Susan M. Villare (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed May 18, 2022 with the SEC).</u></a>
10.17	<a href="#"><u>Second Amendment to Securities Purchase Agreement, dated August 4, 2022 by and between MariMed Inc. and Hadron Healthcare Master Fund (incorporated by reference to Exhibit 4.2 to the Registrant's Quarterly Report on Form 10-Q, filed August 9, 2022 with the SEC).</u></a>
10.18 ***	<a href="#"><u>Amended and Restated Employment Agreement, effective as of February 28, 2023, between the Registrant and Jon R. Levine (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K, as amended, filed March 3, 2023 with the SEC).</u></a>
10.19 ***	<a href="#"><u>Amended and Restated Employment Agreement, effective as of February 28, 2023, between the Registrant and Susan M. Villare (incorporated by reference to Exhibit 10.19 to the Registrant's Annual Report on Form 10-K, as amended, filed March 3, 2023 with the SEC).</u></a>

Exhibit No.	Description
10.20 ***	<a href="#"><u>Amended and Restated Employment Agreement, effective as of February 28, 2023, between the Registrant and Timothy Shaw (incorporated by reference to Exhibit 10.20 to the Registrant's Annual Report on Form 10-K, as amended, filed March 3, 2023 with the SEC).</u></a>
10.21	<a href="#"><u>Loan and Security Agreement, dated as of January 24, 2023, by and among the Registrant, certain subsidiaries of the Registrant (the "Borrowers") from time-to-time party thereto, certain lenders from time-to-time party thereto (the "Lenders"), and Chicago Atlantic Admin, LLC, a Delaware limited liability company as administrative agent for the Lenders (incorporated by reference to the Registrant's Current Report on Form 8-K, filed January 24, 2023 with the SEC).</u></a>
10.22 ***	<a href="#"><u>Form of Restricted Stock Unit Agreement under the Amended and Restated 2018 Stock Award and Incentive Plan, as amended (incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K, as amended, filed March 3, 2023 with the SEC).</u></a>
10.23 ***	<a href="#"><u>Form of Stock Option Agreement under the Amended and Restated 2018 Stock Award and Incentive Plan, as Amended (incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K, as amended, filed March 3, 2023 with the SEC).</u></a>
10.24	<a href="#"><u>Omnibus Agreement, dated July 1, 2023, by and between MariMed Inc., MariMed Advisors Inc., MIA Development LLC, and First State Compassion Center, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly on Report Form 10-Q, filed on August 4, 2023 with the SEC).</u></a>
10.25	<a href="#"><u>Construction Loan Agreement, dated November 16, 2023, by and among Mari Holdings MD LLC, Hartwell Realty Holdings LLC, Kind Therapeutics USA, LLC, ARL Healthcare Inc. and MariMed Advisors Inc., and Needham Bank (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed November 20, 2023 with the SEC).</u></a>
10.26	<a href="#"><u>Form of Guaranty, dated November 16, 2023, by and between MariMed Inc. and Needham Bank (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed November 20, 2023 with the SEC).</u></a>
19 *	<a href="#"><u>Insider Trading Policy of the Registrant.</u></a>
21.1 *	<a href="#"><u>Subsidiaries of the Registrant</u></a>
23.1*	<a href="#"><u>Consent of M&amp;K CPAS, PLLC, dated March 6, 2025.</u></a>
31.1*	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</u></a>
31.2 *	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer</u></a>
32.1**	<a href="#"><u>Section 1350 Certification of Chief Executive Officer</u></a>
32.2 **	<a href="#"><u>Section 1350 Certification of Chief Financial Officer</u></a>
101.INS XBRL*	Instance Document
101.SCH XBRL*	Taxonomy Extension Schema
101.CAL XBRL*	Taxonomy Extension Calculation Linkbase
101.DEF XBRL*	Taxonomy Extension Definition Linkbase
101.LAB XBRL*	Taxonomy Extension Label Linkbase
101.PRE XBRL*	Taxonomy Extension Presentation Linkbase
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith.

\*\* Furnished herewith in accordance with Item 601 (32)(ii) of Regulation S-K.

\*\*\* This exhibit is a management contract or compensatory plan or arrangement.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: March 6, 2025

MARIMED INC.

(Registrant)

By: /s/ Jon R. Levine

Name: Jon R. Levine

Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jon R. Levine</u> Jon R. Levine	President and Chief Executive Officer (Principal Executive and Financial Officer)	March 6, 2025
<u>/s/ Mario Pinho</u> Mario Pinho	Chief Financial Officer (Principal Financial Officer)	March 6, 2025
<u>/s/ Edward Gildea</u> Edward Gildea	Director and Chairman of the Board	March 6, 2025
<u>/s/ David Allen</u> David Allen	Director	March 6, 2025
<u>/s/ Eva Selhub</u> Eva Selhub	Director	March 6, 2025
<u>/s/ Kathleen Tucker</u> Kathleen Tucker	Director	March 6, 2025



**MARIMED INC.**

**POLICY ON INSIDER TRADING  
AND  
DISCLOSURE OF MATERIAL NONPUBLIC INFORMATION  
(As revised on June 8, 2023)**

In the course of conducting the business of MariMed Inc. (the “*Company*”), you may come into possession of material information about the Company or other entities that is not available to the investing public (“*material nonpublic information*”). You must maintain the confidentiality of material nonpublic information and may not use it in connection with the purchase or sale of Company Securities (defined below) or the securities of any other entity to which the information relates nor may you disclose such information to others except in the limited circumstances set forth below. The Company has adopted this Policy on Insider Trading and Disclosure of Material Nonpublic Information (this “*Policy*”) in order to ensure compliance with the law and to avoid even the appearance of improper conduct by anyone associated with the Company. We have all worked hard to establish the Company’s reputation for integrity and ethical conduct, and we are all responsible for preserving and enhancing this reputation.

**Scope of Coverage**

The restrictions set forth in this Policy apply to all Company officers, directors and employees, wherever located, and to their spouses, minor children, adult family members sharing the same household and any other person over whom the officer, director or employee exercises substantial control over his, her or its securities trading decisions. This Policy also applies to any trust or other estate in which an officer, director or employee has a substantial beneficial interest or as to which he or she serves as trustee or in a similar fiduciary capacity.

To avoid even the appearance of impropriety, additional restrictions on trading Company securities (including equity securities, convertible securities, options, bonds, and derivatives thereon) (“*Company Securities*”) apply to directors, officers and certain designated employees of the Company who have access to material nonpublic information about the Company. These policies are set forth in the Company's Addendum to this Policy (the “*Addendum*”) that applies to directors, officers, and certain designated employees of the Company who have access to material nonpublic information about the Company. The Company will notify you if you are subject to the Addendum. The Addendum generally prohibits those covered by it from trading in Company Securities during blackout periods, and requires pre-clearance for all transactions in Company Securities.

**Inside Information**

This Policy and the laws of the United States and many other countries strictly prohibit any director, officer or employee of the Company, from trading Company Securities while in possession of “inside information” about the Company. Inside information is any material nonpublic information about a company.

If you become aware of any inside information, you may not execute any trade in Company Securities and you should treat the information as strictly confidential and, generally, not to be disclosed to others (see “Tipping” below). This prohibition applies to Company Securities as well as the securities of any other company about which you acquire inside information in the course of your duties for the Company. It also applies to transactions for any Company account, client account, employee account or account over which you have investment discretion. You are responsible for reviewing this Policy and ensuring that your actions do not violate it.

### **Material Nonpublic Information**

As noted above, it is illegal and a violation of this Policy to trade securities while aware of material nonpublic information.

#### ***What is Material Information?***

Under this Policy and United States laws, information is material if:

- there is a substantial likelihood that a reasonable investor would consider the information important in determining whether to trade in a security; or
- the information, if made public, likely would affect the market price of a company's securities.

Information may be material even if it relates to future, speculative or contingent events and even if it is significant only when considered in combination with publicly available information. Material information can be positive or negative. Nonpublic information can be material even with respect to companies that do not have publicly traded stock, such as those with outstanding bonds or bank loans.

Depending on the facts and circumstances, information that could be considered material includes, but is not limited to:

- earnings announcements or estimates, or changes to previously released announcements or estimates;
- other unpublished financial results;
- write downs and additions to reserves for bad debts;
- expansion or curtailment of operations;
- new products, inventions or discoveries;
- major litigation or government actions;
- mergers, acquisitions, tender offers, joint ventures or changes in assets;
- changes in analyst recommendations or debt ratings;
- events regarding Company Securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits, changes in

- dividends, changes to the rights of securityholders or public or private sales of additional securities);
- changes in control of the Company or extraordinary management developments;
- extraordinary borrowing;
- liquidity problems; and
- changes in auditors or auditor notification that the Company may no longer rely on an audit report.

### ***What is Nonpublic Information?***

Information is considered to be nonpublic unless it has been adequately disclosed to the public, which means that the information must be publicly disseminated and sufficient time must have passed for the securities markets to digest the information.

It is important to note that information is not necessarily public merely because it has been discussed in the press, which will sometimes report rumors. You should presume that information is nonpublic unless you can point to its official release by the Company in at least one of the following ways:

- public filings with securities regulatory authorities;
- issuance of press releases;
- meetings with members of the press and the public; or
- information contained in proxy statements and prospectuses.

You may not attempt to “beat the market” by trading simultaneously with, or shortly after, the official release of material information. Although there is no fixed period for how long it takes the market to absorb information, out of prudence a person aware of material nonpublic information should refrain from any trading activity for at least two full trading days following its official release; shorter or longer waiting periods might be warranted based upon the liquidity of the security and the nature of the information.

**Notwithstanding these timing guidelines, it is illegal for you to trade while in possession of material nonpublic information, including situations in which you are aware of major developments that have not yet been publicly announced by the Company.**

### ***What Transactions are Covered by this Policy?***

Trading includes purchases and sales of stock, derivative securities such as warrants, options, convertible debentures, preferred stock and debt securities.

*Stock Option Plans.* The trading restrictions in this Policy do not apply to exercises of stock options where no Company common stock is sold in the market to fund the option exercise price or related taxes. The trading restrictions do apply, however, to sales of Company common stock received upon the exercise of options in which the

proceeds are used to fund the option exercise price (i.e., a cashless exercise of options) or related taxes.

### ***Twenty-Twenty Hindsight***

If securities transactions ever become the subject of scrutiny, they are likely to be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how the transaction may be construed in the bright light of hindsight. If you have any questions or uncertainties about this Policy or a proposed transaction, please ask our Chief Financial Officer, Jon R. Levine (the "Compliance Officer").

### **“Tipping” Material Nonpublic Information is Prohibited**

In addition to trading while in possession of material nonpublic information, it is illegal and a violation of this Policy to convey such information to another ("tipping") if you know or have reason to believe that the person will misuse such information by trading in securities or passing such information to others who trade. This applies regardless of whether the "tippee" is related to the insider or is an entity, such as a trust or a corporation, and regardless of whether you receive any monetary benefit from the tippee.

### **Avoid Speculation**

Those subject to this Policy may not trade in options, warrants, puts and calls or similar instruments on Company Securities or sell Company Securities "short". Investing in Company Securities provides an opportunity to share in the future growth of the Company. Investment in the Company and sharing in the growth of the Company, however, does not mean short-range speculation based on fluctuations in the market. Such activities may put the personal gain of the director, officer or employee in conflict with the best interests of the Company and its shareholders. The simultaneous sale through a broker of some or all of the shares acquired through the exercise of an option granted under a Company compensation plan is not considered a short sale, but such activity (i.e., a cashless exercise of options) is considered a trade and is subject to the restrictions discussed in this Policy and other applicable Company policies.

In addition, you may not hold Company Securities in margin accounts or pledge Company Securities.

### **Rule 10b5-1 Trading Plans**

Notwithstanding the prohibition against insider trading, you are permitted to trade in Company Securities regardless of your awareness of inside information if the transaction is made pursuant to a pre-arranged written trading plan that was adopted when you were not in possession of material nonpublic information and that complies with the

requirements of Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (“Rule 10b5-1 Trading Plan”). If you wish to adopt a Rule 10b5-1 Trading Plan you must submit the plan to the Compliance Officer for his approval prior to the adoption of the plan. Rule 10b5-1 Trading Plans may not be adopted when you are in possession of material nonpublic information about the Company. A Rule 10b5-1 Trading Plan may be amended or replaced only during periods when trading is permitted in accordance with this Policy.

### **Safeguarding Confidential Information**

If material information relating to the Company or its business has not been disclosed to the general public, such information must be kept in strict confidence and should be discussed only with persons who have a "need to know" the information for a legitimate business purpose. The utmost care and circumspection must be exercised at all times in order to protect the Company's confidential information. The following practices should be followed to help prevent the misuse of confidential information:

- Avoid discussing confidential information in places where you may be overheard by people who do not have a valid need to know such information, such as on elevators, in restaurants and on airplanes.
- Avoid discussing confidential information on cellular phones, and take great care when discussing such information on speaker phones. Do not discuss such information with relatives or social acquaintances.
- Do not give your computer IDs and passwords to any other person. Password protect computers and log off when they are not in use.
- Always put confidential documents away when not in use and, based upon the sensitivity of the material, keep such documents in a locked desk or office. Do not leave documents containing confidential information where they may be seen by persons who do not have a need to know the content of the documents.
- Be aware that the Internet and other external electronic mail carriers are not secure environments for the transmission of confidential information. Use Company-authorized encryption software to protect confidential electronic communications.
- Comply with the specific terms of any confidentiality agreements of which you are aware.
- Upon termination of your employment, you must return to the Company all physical (including electronic) copies of confidential information as well as all other material embodied in any physical or electronic form that is based on or derived from such information, without retaining any copies.
- You may not bring the confidential information of any former employer to the Company.

### **Responding to Requests for Information**

Only Company individuals specifically authorized to do so may answer questions about or disclose information concerning the Company. You may find yourself the recipient of questions concerning various activities of the Company. Such inquiries can come from the media, securities analysts and others regarding the Company's business, rumors, trading activity, current and future prospects and plans, acquisition or divestiture activities and other similar important information. Under no circumstances should you attempt to handle these inquiries without prior authorization. All requests for information regarding the Company should be referred to the Compliance Officer.

### **Reporting Violations/Seeking Advice**

You should refer suspected violations of this Policy to the Compliance Officer. In addition, if you:

- receive material nonpublic information that you are not authorized to receive or that you do not legitimately need to know to perform your employment responsibilities, or
- receive confidential information and are unsure if it is within the definition of material nonpublic information or whether its release might be contrary to a fiduciary or other duty or obligation,

you should not share it with anyone. To seek advice about what to do under those circumstances, you should contact the Compliance Officer. Consulting your colleagues can have the effect of exacerbating the problem. Containment of the information, until the legal implications of possessing it are determined, is critical.

### **Penalties for Violations of this Policy and Laws**

In the United States and many other countries, the personal consequences to you of illegally trading securities while in possession of material nonpublic information can be quite severe. Besides requiring disgorgement of profits gained or losses avoided, there are now substantial civil and criminal penalties which may be assessed for insider trading. Penalties could include imposition of a penalty of up to three times the illicit windfall. In addition, corporations may be fined up to \$25,000,000 and individuals may be fined up to \$5,000,000 and imprisoned for up to twenty years for insider trading violations. Subject to applicable law, Company employees who violate this Policy may also be subject to discipline by the Company, up to and including termination of employment, even if the country or jurisdiction where the conduct took place does not regard it as illegal.

If you are located or engaged in dealings outside the U.S., be aware that laws regarding insider trading and similar offenses differ from country to country. Employees must abide by the laws in the country where located. However, you are required to

comply with this Policy even if local law is less restrictive. If a local law conflicts with this Policy, you must consult the Compliance Officer.

### **ACKNOWLEDGEMENT**

All directors, officers and other employees subject to the procedures set forth in this Policy must acknowledge their understanding of, and intent to comply with, this Policy on the form attached to this Policy.

**MARIMED INC.**

**POLICY ON INSIDER TRADING  
AND  
DISCLOSURE OF MATERIAL NONPUBLIC INFORMATION  
(As revised on June 8, 2023)**

**ACKNOWLEDGMENT FORM**

I have received and read the MariMed Inc. Policy on Insider Trading and Disclosure of Material Nonpublic Information (the "*Policy*") and I understand its content. I agree to comply fully with the policies and procedures contained in the Policy. If I am an employee of the Company, I acknowledge that the Policy is a statement of policies and procedures and do not, in any way, constitute an employment contract or an assurance of continued employment.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



## MARIMED INC.

# ADDENDUM TO THE POLICY ON INSIDER TRADING AND DISCLOSURE OF MATERIAL NONPUBLIC INFORMATION (As revised on June 8, 2023)

## INTRODUCTION

This Addendum to the MariMed Inc. (the “*Company*”) Policy on Insider Trading and Disclosure of Material Nonpublic Information (the “*Policy*”) explains requirements and procedures which apply to all directors, officers and certain designated employees of the Company who have access to material nonpublic information about the Company, and is in addition to and supplements the Policy (this “*Addendum*”). The Company will from time to time designate the individuals who, or positions that, are subject to this Addendum. Please note that this Addendum applies to all Company Securities which you hold or may acquire in the future. Capitalized terms used but not defined in this Addendum shall have the same meaning as set forth in the Policy.

Please read this Addendum carefully. When you have completed your review, please sign the attached acknowledgment form and return it to the Compliance Officer. If you have provided the acknowledgement form attached to this Addendum you do not need to provide the acknowledgment form attached to the Policy.

### ***Contact the Compliance Officer if at any time you:***

- have questions about this Addendum or the Policy or their application to a particular situation; or
- plan to trade in the Company's Securities but are unsure about whether you are able to do so.

## GENERAL RULES

In general terms, the law, the Policy and this Addendum prohibit:

- Buying or selling Company Securities while in possession of material nonpublic information. In order to avoid even the appearance of impropriety, the Company's policy is to require pre-clearance of all transactions in Company Securities by those subject to this Addendum (as described in more detail below), and to prohibit any transactions in the Company's Securities by those subject to this Addendum during certain designated blackout periods, as detailed below.

- Disclosing material nonpublic information to outsiders, including Family Members (defined below) and others (tipping), who then trade in the Company's Securities or the securities of another company while in possession of that information.
- Retaining "short-swing profits" earned by directors or certain officers through trading in Company Securities, whether or not in possession of material nonpublic information. Any such profits, which generally involve a purchase and sale or a sale and purchase (or any number of these transactions) within any period of less than six months, must be disgorged to the Company.
- The sale of any Company Securities without complying with all the requirements of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). Rule 144, also described in more detail later in this Addendum, has detailed reporting requirements (on Form 144), and strict limitations and requirements regarding:
  - the number of shares that may be sold during an established period of time;
  - for certain securities, the length of time for which they must be held before they are sold;
  - the availability of publicly available information about the Company; and
  - the manner of sale.
- Answering questions or providing information about the Company and its affairs to Company outsiders unless you are specifically authorized to do so, or it is a regular part of your position.

In addition, as a member of the Company's Board of Directors ("Director") and/or as an officer designated by the Company's Board of Directors as a "Section 16 Officer" you are required to file a number of forms with the Securities and Exchange Commission (the "SEC") in connection with various events described in Reporting and Form Filing Requirements, below.

### **PRE-CLEARANCE PROCEDURES**

Those subject to this Addendum, and their spouses, minor children, adult family members sharing the same household, and any other person over whom the individual exercises substantial control over his, her or its securities trading decisions (collectively, "Family Members"), may not engage in any transaction involving Company Securities (including the exercise of stock options, gifts, loans, contributions to a trust, or any other transfers) without first obtaining pre-clearance of the transaction from the Compliance Officer. Notwithstanding the foregoing, pre-clearance is not required for any trades made

pursuant to a pre-arranged Rule 10b5-1 Trading Plan adopted in accordance with the requirements of the Policy. Each proposed transaction will be evaluated to determine if it raises insider trading concerns or other concerns under federal laws and regulations. Any advice will relate solely to the restraints imposed by law and will not constitute advice regarding the investment aspects of any transaction. Clearance of a transaction is valid only for a 48-hour period. If the transaction order is not placed within that 48-hour period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.

## **BLACKOUT PERIODS**

In addition to being subject to the limitations set forth in the Policy, you and your Family Members are subject to the following blackout periods, during which no trading in Company Securities will be permitted (except by means of pre-arranged Rule 10b5-1 Trading Plans established in compliance with the Policy).

*Quarterly Blackout.* Because the announcement of the Company's quarterly financial results will almost always have the potential to have a material effect on the market for Company Securities, you may not trade in the Company Securities during the period beginning on the fifteenth (15<sup>th</sup>) day prior to the end of the quarter and ending after the second (2<sup>nd</sup>) trading day following the release of the Company's earnings for that quarter.

*Interim Earnings Guidance and Event-Specific Blackouts.* The Company may on occasion issue interim earnings guidance or other potentially material information by means of a press release, SEC filing on Form 8-K or other means designed to achieve widespread dissemination of the information. You should anticipate that trading will be blacked out while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market.

From time to time, an event may occur that is material to the Company and is known by only a few directors or officers. The existence of an event-specific blackout will not be announced. If, however, a person whose trades are subject to pre-clearance requests permission to trade in Company Securities during an event-specific blackout, the Compliance Officer will inform the requesting person of the existence of a blackout period, without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person.

You may also be subject to event-specific blackouts pursuant to the SEC's Regulation Blackout Trading Restriction, which prohibits certain sales and other transfers by insiders during certain pension plan blackout periods.

Even if a blackout period is not in effect, at no time may you trade in Company Securities if you are aware of material nonpublic information about the Company. The

failure of the Compliance Officer to notify you of an event-specific blackout will not relieve you of the obligation not to trade while aware of material nonpublic information.

## **REPORTING AND FORM FILING REQUIREMENTS**

Under Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), a person who becomes a Director or a Section 16 Officer must file forms with the SEC when he/she engages in transactions involving Company Securities.

**Form 3: Initial Beneficial Ownership Statement.** A person who becomes a Director or a Section 16 Officer must file a Form 3 within ten days of becoming a Director or Section 16 Officer, even if such person is not an owner of Company Securities at the time. The Form 3 must disclose such person's ownership of any Company Securities immediately prior to assuming office.

**Form 4: Changes of Beneficial Ownership Statement.** As long as a person remains a Director or Section 16 Officer, and for up to six months after a person no longer holds such a position with the Company, a Form 4 must be filed before 10:00 p.m. on the second business day following the day that there is a change in the number of Company Securities held from that previously reported to the SEC. There are exceptions to this requirement for gifts and a very limited class of employee benefit plan transactions.

**Form 5: Annual Beneficial Ownership Statement.** A Form 5 must be filed with the SEC by any individual who served as a Director or Section 16 Officer during any part of the Company's fiscal year to report: (1) all reportable transactions in Company Securities exempt from the Form 4 filing requirement or unreported transactions of less than \$10,000; (2) all transactions that should have been reported during the last fiscal year but were not; and (3) with respect to an individual's first Form 5, all transactions which should have been reported but were not for the last two fiscal years.

A Form 5 need not be filed if all transactions otherwise reportable have been previously reported. If required, Form 5 must be filed within 45 days after the end of the Company's fiscal year, which is February 14, or the first business day thereafter. Common types of transactions reportable on Form 5 include gifts and unreported transactions of less than \$10,000.

### **Family Holdings**

Directors and Section 16 Officers are presumed to beneficially own securities held by Family Members. As a result, Directors and Section 16 Officers must report all holdings and transactions by Family Members.

**Any questions concerning whether a particular transaction will necessitate filing of one of these Forms, or how or when they should be completed should be**

asked of the Compliance Officer, or, if you prefer, your individual legal counsel. The Company must disclose in its Annual Report on Form 10-K and in its Proxy Statement any delinquent filings of Forms 3, 4 or 5 by Directors and Section 16 Officers, and must post on its website, by the end of the business day after filing with the SEC, any Forms 3, 4 and 5 relating to Company Securities.

#### **Reporting Exemptions for Certain Employee Benefit Plan Transactions**

Rule 16b-3 under the Exchange Act provides exemptions for Director and Section 16 Officers reporting of certain employee benefit plan events on Forms 4 and 5, including certain routine non-volitional transactions under tax-conditioned thrift, stock purchase and excess benefit plans.

A transaction that results only in a change in the form of a person's beneficial ownership is also exempt from reporting. An exempt "change in the form of beneficial ownership" would include, for example, a distribution of benefit plan securities to an insider participant where the securities were previously attributable to the insider. Exercises or conversions of derivative securities would not, however, be considered mere changes in beneficial ownership and would be reportable.

The vesting of most stock options, restricted stock and stock appreciation rights is also not subject to the reporting requirements.

### **SHORT-SWING TRADING PROFITS AND SHORT SALES**

#### **Short-Swing Trading Profits**

In order to discourage Directors and Section 16 Officers from profiting through short-term trading transactions in Company Securities, Section 16(b) of the Exchange Act requires that any "short-swing profits" be disgorged to the Company. (This is in addition to the Form reporting requirements described above.)

"Short-swing profits" are profits that result from any purchase and sale, or sale and purchase of the Company's equity securities within a six-month period, unless there is an applicable exemption for either transaction. It is important to note that this rule applies to any matched transactions in the Company's securities (including derivative securities), not only a purchase and sale or sale and purchase of the same shares, or even of the same class of securities. Furthermore, pursuant to the SEC's rules, profit is determined so as to maximize the amount that the Director or Section 16 Officer must disgorge, and this amount may not be offset by any losses realized. "Short-swing profits" may exceed economic profits.

#### **Short-swing Exemptions for Certain Reinvestment and Employee Benefit Plan Transactions**

As indicated, to come within the short-swing rules, a purchase and sale (or sale and purchase) within any period of less than six months are matched to determine what profit there is (if any). Rule 16b-3 has carved out a few exceptions to what constitutes a "purchase" for these matching purposes.

Under this Rule certain transactions involving acquisitions of equity securities under employee benefit plans are not counted as "purchases" for short-swing purposes, provided that the benefit plan meets various statutory requirements.

### **Prohibition Against Short Sales**

Directors and Section 16 Officers are prohibited from making "short sales" of Company Securities. A short sale has occurred if the seller: (1) does not own the securities sold; or (2) does own the securities sold, but does not deliver them within 20 days or place them in the mail within 5 days of the sale.

## **LIMITATIONS AND REQUIREMENTS ON REALES OF THE COMPANY'S SECURITIES**

Under the Securities Act, affiliates (including officers, Directors and beneficial owners of greater than 10% of Company Securities registered under the Exchange Act) of the Company ("*Affiliates*") who wish to sell Company securities generally must comply with the requirements of Rule 144 or be forced to register them under the Securities Act. "Securities" under Rule 144 (unlike under Section 16) are broadly defined to include all securities, not just equity securities. Therefore, the Rule 144 requirements apply not only to common and preferred stock, but also to bonds, debentures and any other form of security. Also, the safe harbor afforded by this rule is available whether or not the securities to be resold were previously registered under the Securities Act (except that the minimum holding period required to satisfy the safe harbor shall apply only to securities which were not registered under the Securities Act).

The relevant provisions of Rule 144 as they apply to resales by Affiliates seeking to take advantage of the safe harbor are as follows:

1. **Current public information.** There must be adequate current public information available regarding the Company. This requirement is satisfied only if the Company has filed all reports required by the Exchange Act during the twelve months preceding the sale.
2. **Manner of sale.** The sale of Company Securities must be made in an open market transaction through a broker at the prevailing market price for no more than the usual and customary brokerage commission (or to a market maker at the price held out by the market maker). Furthermore, the broker may not solicit or arrange for the solicitation of customers to purchase the shares. In addition, your

broker likely has its own Rule 144 procedures (and must be involved in transmitting Form 144 (see paragraph 4 below)), so it is important to speak with your broker prior to any sale.

Even if your stock certificates do not contain any restrictive legend, you should inform your broker that you may be considered an affiliate of the Company.

3. ***Number of shares which may be sold.*** The amount of Company Securities that may be sold in a three-month period is limited to one percent (1%) of the outstanding shares of the same class of the Company.
4. ***Notice of proposed sale.*** If the amount of Company Securities proposed to be sold during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of \$50,000, a notice of sale must be filed with the SEC on Form 144 prior to, or concurrently with, the placing of the order to sell securities.
5. ***Holding Periods.*** Any Company Securities acquired directly or indirectly from the Company in a transaction that was not registered with the SEC under the Securities Act (restricted securities) must be held for six months prior to reselling such securities. There is no statutory minimum holding period for securities which were registered under the Securities Act or acquired in an open-market transaction.

In certain situations (*e.g.*, securities acquired through stock dividends, splits or conversions), "tacking" is permitted, that is, the new securities will be deemed to have been acquired at the same time as the original securities.

#### **PENALTIES FOR VIOLATING THE SECURITIES LAWS AND COMPANY POLICY**

The seriousness of securities law violations is reflected in the penalties such violations carry. A Director's resignation may be sought, or an officer will be subject to possible Company disciplinary action up to and including termination of employment. In addition, both the Company itself and individual Directors, officers or employees may be subjected to both criminal and civil liability. These violations may also create negative publicity for the Company.

#### **QUESTIONS**

Because of the technical nature of some aspects of the federal securities laws, you should review this material carefully and contact the Compliance Officer prior to engaging in any transaction in Company Securities which might be in conflict with the securities law and this Addendum and the Policy.

## **ACKNOWLEDGEMENT**

All Directors, officers and certain designated employees of the Company subject to this Addendum must acknowledge their understanding of, and intent to comply with, the Policy and this Addendum on the form attached to this Addendum.



**MARIMED INC.**

**ADDENDUM  
TO THE  
POLICY ON INSIDER TRADING  
AND  
DISCLOSURE OF MATERIAL NONPUBLIC INFORMATION  
(As revised on June 8, 2023)**

**ACKNOWLEDGMENT FORM**

I have received and read the MariMed Inc. Policy on Insider Trading and Disclosure of Material Nonpublic Information (the "*Policy*") and this Addendum to the Policy applicable to officers, directors and certain designated employees, and I understand their contents. I agree to comply fully with the policies and procedures contained in the Policy and this Addendum. If I am an employee of the Company, I acknowledge that the Policy and this Addendum are statements of policies and procedures and do not, in any way, constitute an employment contract or an assurance of continued employment.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**MariMed Inc.**  
**Subsidiaries of the Registrant**

<b><u>Name</u></b>	<b><u>Jurisdiction of Incorporation</u></b>
MariMed Advisors Inc.	Massachusetts
Mia Development LLC	Massachusetts
Mari Holdings IL LLC	Massachusetts
Mari Holdings MD LLC	Massachusetts
Mari Holdings NJ LLC	New Jersey
Mari Holdings NV LLC	Massachusetts
Mari Holdings Metropolis LLC	Massachusetts
Mari Holdings Mt. Vernon LLC	Massachusetts
Mari Mfg LLC	New Jersey
Hartwell Realty Holdings LLC	Massachusetts
iRollie LLC	Massachusetts
ARL Healthcare Inc.	Massachusetts
KPG of Anna LLC	Illinois
KPG of Harrisburg LLC	Illinois
MariMed OH LLC	Ohio
MariMed Hemp Inc.	Delaware
MediTaurus LLC	Delaware
MMMO LLC	Missouri
Green Growth Group Inc.	Illinois
Allgreens Dispensary LLC	Illinois
Our Community Wellness & Compassionate Care Center, Inc.	Maryland

The registrant's principal subsidiaries as of December 31, 2024 are listed above. All other subsidiaries of the Registrant, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary of the Registrant as of December 31, 2024.



**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation, by reference, in the Registration Statements of MariMed Inc. (the “Company”) on Form S-8 (File Nos. 333-252719 and 333-270325) and on Form S-3 (File No. 333-255338) of our report dated March 6, 2025 relating to the consolidated balance sheets of the Company as of December 31, 2024 and 2023, and the related consolidated statements of operations, stockholders’ equity and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes, as appearing in the annual report on Form 10-K of the Company for the years ended December 31, 2024 and 2023. We also consent to the reference to us under the heading “Experts” in such prospectus.

*/s/ M&K CPAS, PLLC*

The Woodlands, TX  
March 6, 2025

Certifications

I, Jon R. Levine, certify that:

1. I have reviewed this Annual Report on Form 10-K of MariMed Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 6, 2025

*/s/ Jon R. Levine*

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Jon R. Levine

Chief Executive Officer and Interim Chief Financial Officer  
(Principal Executive and Financial Officer)

Certifications

I, Mario Pinho, certify that:

1. I have reviewed this Annual Report on Form 10-K of MariMed Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 6, 2025

/s/ Mario Pinho

Mario Pinho

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Annual Report of MariMed Inc. (the “Company”) on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jon R. Levine, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, our financial condition and result of operations.

**MARIMED INC.**

(Registrant)

Date: March 6, 2025

*By: /s/ Jon R. Levine*

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Jon R. Levine

Chief Executive Officer and Interim Chief  
Financial Officer

(Principal Executive and Financial Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Annual Report of MariMed Inc. (the “Company”) on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mario Pinho, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, our financial condition and result of operations.

**MARIMED INC.**

(Registrant)

Date: March 6, 2025

*By: /s/ Mario Pinho*

\_\_\_\_\_  
Mario Pinho

Chief Financial Officer

(Principal Financial Officer)