

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period ended September 30, 2025

☐ 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	27-4672745
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
10 Oceana Way Norwood, MA 02062 (Address of Principal Executive Offices)	
<u>781-277-0007</u> (Registrant’s Telephone Number, Including Area Code)	

Securities registered pursuant to Section 12(b) of the Act: None.

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Not Applicable	Not Applicable	Not Applicable

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.

Large Accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 3, 2025, 395,073,625 shares of the registrant’s common stock were outstanding.

MariMed Inc.
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements and information relating to MariMed Inc. that is based on the beliefs of MariMed Inc.'s management, as well as assumptions made by and information currently available to the Company. In some cases, you can identify these statements by forward-looking words such as "anticipates," "believes," "could," "should," "estimates," "expects," "intends," "may," "plans," "predicts," "projects," "will," or other similar or comparable words. Any statements contained in this Quarterly Report on Form 10-Q that are not statements of historical facts may be deemed to be forward-looking statements. Such statements reflect the current views of the Company with respect to future events, including consummation of pending transactions, launch of new products, expanded distribution of existing products, obtainment of new licenses, estimates and projections of revenue, EBITDA and Adjusted EBITDA and other information about the Company's business, business prospects and strategic growth plan, which are based on certain assumptions of its management, including those described in this Quarterly Report on Form 10-Q. These statements are not a guarantee of future performance and involve risk and uncertainties that are difficult to predict, including, among other factors, changes in demand for the Company's services and products, changes in the law and its enforcement, timing and outcome of regulatory processes and changes in the economic environment.

Additional important factors that could cause actual results to differ materially from those in these forward-looking statements are also discussed in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A, "Risk Factors" included in this Quarterly Report on Form 10-Q and Part I, Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2024. Any forward-looking statement made by the Company in this Quarterly Report on Form 10-Q speaks only as of the date on which this Quarterly Report on Form 10-Q was first filed. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

PART I FINANCIAL INFORMATION
Item 1. Financial Statements

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

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,596	\$ 7,282
Accounts receivable, net of allowances of \$225 and \$255 at September 30, 2025 and December 31, 2024, respectively	7,955	8,742
Inventory	40,040	33,488
Deferred rents receivable	—	556
Notes receivable, current portion	866	52
Other current assets	4,636	3,389
Total current assets	60,093	53,509
Property and equipment, net	91,253	94,167
Intangible assets, net	18,019	18,639
Goodwill	22,655	15,812
Notes receivable, net of current portion	—	840
Operating lease right-of-use assets	7,973	8,730
Finance lease right-of-use assets	4,551	4,073
Other assets	1,055	11,219
Total assets	\$ 205,599	\$ 206,989
Liabilities, mezzanine equity and stockholders' equity		
Current liabilities:		
Mortgages and notes payable, current portion	\$ 2,323	\$ 5,126
Accounts payable	11,241	13,189
Accrued expenses and other	9,026	4,435
Deferred revenue	1,654	1,329
Income taxes payable	28,133	21,922
Operating lease liabilities, current portion	1,982	1,988
Finance lease liabilities, current portion	2,225	2,018
Total current liabilities	56,584	50,007
Mortgages and notes payable, net of current portion	70,863	69,860
Operating lease liabilities, net of current portion	6,833	7,549

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

	September 30, 2025	December 31, 2024
Finance lease liabilities, net of current portion	2,173	1,926
Other liabilities	100	100
Total liabilities	136,553	129,442
Commitments and contingencies		
Mezzanine equity		
Series B convertible preferred stock, \$0.001 par value; 4,908,333 shares authorized, issued and outstanding at September 30, 2025 and December 31, 2024	14,725	14,725
Series C convertible preferred stock \$0.001 par value; 12,432,432 shares authorized; zero and 1,155,274 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	—	4,275
Total mezzanine equity	14,725	19,000
Stockholders' equity		
Undesignated preferred stock, \$0.001 par value; 32,659,235 shares authorized; zero shares issued and outstanding at September 30, 2025 and December 31, 2024	—	—
Common stock, \$0.001 par value; 700,000,000 shares authorized; 394,452,517 and 381,476,581 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	394	381
Additional paid-in capital	179,057	173,366
Accumulated deficit	(123,301)	(113,448)
Noncontrolling interests	(1,829)	(1,752)
Total stockholders' equity	54,321	58,547
Total liabilities, mezzanine equity and stockholders' equity	\$ 205,599	\$ 206,989

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 40,764	\$ 40,595	\$ 118,176	\$ 118,760
Cost of revenue	24,401	23,813	70,797	68,803
Gross profit	16,363	16,782	47,379	49,957
Operating expenses:				
Personnel	7,028	7,255	21,761	20,678
Marketing and promotion	1,121	1,827	2,810	5,484
General and administrative	6,592	6,100	19,185	19,044
Acquisition-related and other	145	371	396	805
Bad debt	(122)	(116)	1,522	(131)
Total operating expenses	14,764	15,437	45,674	45,880
Income from operations	1,599	1,345	1,705	4,077
Interest and other (expense) income:				
Interest expense	(1,825)	(1,705)	(5,349)	(5,058)
Interest income	25	25	74	76
Other income (expense), net	19	—	36	(50)
Total interest and other expense, net	(1,781)	(1,680)	(5,239)	(5,032)
Loss before income taxes	(182)	(335)	(3,534)	(955)
Provision for income taxes	2,759	655	6,281	3,211
Net loss	(2,941)	(990)	(9,815)	(4,166)
Less: Net income attributable to noncontrolling interests	7	16	38	34
Net loss attributable to common stockholders	\$ (2,948)	\$ (1,006)	\$ (9,853)	\$ (4,200)
Net loss per share attributable to common stockholders:				
Basic	\$ (0.01)	\$ (0.00)	\$ (0.03)	\$ (0.01)
Diluted	\$ (0.01)	\$ (0.00)	\$ (0.03)	\$ (0.01)
Weighted average common shares outstanding:				
Basic	392,613	380,599	388,394	378,449
Diluted	392,613	380,599	388,394	378,449

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Nine months ended September 30, 2025					
	Common stock		Additional paid-in capital	Accumulated deficit	Non- controlling interests	Total stockholders' equity
	Shares	Par value				
Balances at January 1, 2025	381,476,581	\$ 381	\$ 173,366	\$ (113,448)	\$ (1,752)	\$ 58,547
Release of shares under stock grants	1,525,265	2	(2)	—	—	—
Shares of newly vested common stock surrendered to the Company to satisfy tax withholding obligations	(108,161)	—	(9)	—	—	(9)
Conversion of preferred stock to common stock	5,776,370	6	4,269	—	—	4,275
Common stock issued under licensing agreement	9,015	—	1	—	—	1
Distributions to non-controlling interests	—	—	—	—	(58)	(58)
Stock-based compensation	—	—	547	—	—	547
Net (loss) income	—	—	—	(5,511)	32	(5,479)
Balances at March 31, 2025	388,679,070	\$ 389	178,172	(118,959)	(1,778)	57,824
Release of shares under stock grants	3,568,940	3	(3)	—	—	—
Shares of newly vested common stock surrendered to the Company to satisfy tax withholding obligations	(251,631)	—	(21)	—	—	(21)
Common stock issued under licensing agreement	10,686	—	1	—	—	1
Distributions to non-controlling interests	—	—	—	—	(23)	(23)
Stock-based compensation	—	—	549	—	—	549
Net loss	—	—	—	(1,394)	(1)	(1,395)
Balances at June 30, 2025	392,007,065	392	178,698	(120,353)	(1,802)	56,935
Release of shares under stock grants	2,599,549	2	(2)	—	—	—
Shares of newly vested common stock surrendered to the Company to satisfy tax withholding obligations	(161,145)	—	(22)	—	—	(22)
Common stock issued under licensing agreement	7,048	—	1	—	—	1
Distributions to non-controlling interests	—	—	—	—	(34)	(34)
Stock-based compensation	—	—	382	—	—	382
Net (loss) income	—	—	—	(2,948)	7	(2,941)
Balances at September 30, 2025	394,452,517	\$ 394	\$ 179,057	\$ (123,301)	\$ (1,829)	\$ 54,321

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

	Nine months ended September 30, 2024					
	Common stock		Additional paid-in capital	Accumulated deficit	Non- controlling interests	Total stockholders' equity
	Shares	Par value				
Balances at January 1, 2024	375,126,352	\$ 375	\$ 171,144	\$ (100,981)	\$ (1,650)	\$ 68,888
Release of shares under stock grants	335,300	—	—	—	—	—
Common stock issued under licensing agreement	3,614	—	1	—	—	1
Distributions to non-controlling interests	—	—	—	—	(46)	(46)
Stock-based compensation	—	—	244	—	—	244
Net loss (income)	—	—	—	(1,403)	6	(1,397)
Balances at March 31, 2024	375,465,266	\$ 375	\$ 171,389	\$ (102,384)	\$ (1,690)	\$ 67,690
Release of shares under stock grants	950,707	1	(1)	—	—	—
Shares as purchase consideration - business combination	3,917,267	4	987	—	—	991
Standalone warrants issued as payment for services	—	—	218	—	—	218
Common stock issued under licensing agreement	5,550	—	1	—	—	1
Distributions to non-controlling interests	—	—	—	—	(37)	(37)
Stock-based compensation	—	—	248	—	—	248
Net (loss) income	—	—	—	(1,791)	12	(1,779)
Balances at June 30, 2024	380,338,790	\$ 380	\$ 172,842	\$ (104,175)	\$ (1,715)	\$ 67,332
Release of shares under stock grants	719,462	1	(1)	—	—	—
Shares of newly vested common stock surrendered to the Company to satisfy tax withholding obligations	(85,071)	—	(15)	—	—	(15)
Common stock issued under licensing agreement	19,205	—	5	—	—	5
Distributions to non-controlling interests	—	—	—	—	(37)	(37)
Stock-based compensation	—	—	280	—	—	280
Net loss (income)	—	—	—	(1,006)	16	(990)
Balances at September 30, 2024	380,992,386	\$ 381	\$ 173,111	\$ (105,181)	\$ (1,736)	\$ 66,575

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Nine months ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss attributable to common stockholders	\$ (9,853)	\$ (4,200)
Net income attributable to noncontrolling interests	38	34
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization of property and equipment	6,036	5,749
Amortization of intangible assets	2,592	2,065
Stock-based compensation	1,478	772
Amortization of warrants issued as payment for services received	—	218
Amortization of debt discount	339	265
Amortization of debt issuance costs	54	55
Payment-in-kind interest	30	151
Bad debt expense (income)	1,522	(131)
Obligations settled with common stock	3	7
Loss (gain) on disposal of assets	245	(20)
Loss on changes in fair value of investments	—	145
Changes in operating assets and liabilities:		
Accounts receivable, net	973	9
Deferred rents receivable	12	55
Inventory	(2,933)	(9,669)
Other current assets	(270)	404
Other assets	(2,707)	1,434
Accounts payable	(2,690)	4,220
Accrued expenses and other	2,903	2,786
Deferred revenue	283	240
Income taxes payable	6,211	2,609
Net cash provided by operating activities	4,266	7,198
Cash flows from investing activities:		
Purchases of property and equipment	(1,134)	(10,902)
Business combinations, net of cash acquired, and asset purchases	231	(4,250)
Advances toward future business combinations and asset purchases	(50)	—
Purchases and renewals of cannabis licenses	(301)	(663)
Proceeds from notes receivable	26	13
Return on investment	—	44
Proceeds from disposal of assets	45	22
Due from third party	—	(197)
Net cash used in investing activities	(1,183)	(15,933)

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

	Nine months ended September 30,	
	2025	2024
Cash flows from financing activities:		
Proceeds from Construction to Permanent Commercial Real Estate Mortgage Loan	—	5,077
Proceeds from mortgages	2,000	1,163
Payment of third-party debt issuance costs in connection with debt	(9)	—
Principal payments of mortgages	(1,105)	(207)
Repayment and retirement of mortgages	(689)	—
Principal payments of promissory notes	(2,876)	(783)
Principal payments of finance leases	(975)	(1,252)
Distributions	(115)	(120)
Net cash (used in) provided by financing activities	(3,769)	3,878
Net decrease in cash and cash equivalents	(686)	(4,857)
Cash and equivalents, beginning of year	7,282	14,645
Cash and cash equivalents, end of period	\$ 6,596	\$ 9,788
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 5,193	\$ 4,901
Cash paid for income taxes	\$ 72	\$ 877
Non-cash activities:		
Common stock issued as purchase consideration	\$ —	\$ 991
Present value of promissory notes issued as purchase consideration	\$ —	\$ 3,000
Notes payable issued to purchase property and equipment	\$ 447	\$ 396
Entry into new finance leases	\$ 1,264	\$ 2,816
Write-off of finance leases	\$ —	\$ (1,112)
Conversion of preferred stock to common stock	\$ 4,275	\$ 15
Return of stock to the Company in connection with withholding taxes	\$ 52	\$ —
Adjustment to purchase price allocation to reclassify certain acquired intangible assets to goodwill	\$ —	\$ 3,819

See accompanying notes to the unaudited condensed consolidated financial statements.

MariMed Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

(1) BASIS OF PRESENTATION

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 medical 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.

Basis of Presentation

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting only of normal recurring items, necessary for their fair presentation in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Interim results are not necessarily indicative of results for the full fiscal year or any future interim period. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (the “Annual Report”), which was filed with the U.S. Securities and Exchange Commission (“SEC”) on March 6, 2025.

Certain reclassifications have been made to the previously issued financial statements to conform to the current period presentation.

Significant Accounting Policies

The Company’s significant accounting policies are disclosed in Note 2 to the Consolidated Financial Statements in the Annual Report. There were no material changes to the Company’s significant accounting policies during the nine-month period ended September 30, 2025.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of MariMed 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.

Noncontrolling interests represent third-party minority ownership interests in the Company’s majority-owned consolidated subsidiaries. Net income attributable to noncontrolling interests is reported in the condensed consolidated statements of operations, and the value of minority-owned interests is presented as a component of equity within the condensed 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 reported amounts of revenue and expenses during the reporting periods. Significant estimates and judgments relied upon in preparing these condensed 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 change 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.

Cash and 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 of cash held in escrow at each of September 30, 2025 and December 31, 2024, respectively.

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, 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 prices for similar assets or liabilities in active markets or quoted prices 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.

Bad Debt Expense

The Company recorded \$0.1 million of credits to bad debt expense and \$1.5 million of bad debt expense in the three and nine months ended September 30, 2025, respectively. The nine-month amount included \$1.5 million of expense to fully reserve amounts due from two credit card service providers (the "Service Provider Receivables"). Of the \$1.5 million of Service Provider Receivables, \$1.3 million and the related reserve were included as components of Other assets and \$0.2 million and the related reserve were included as components of Accounts Receivable in the condensed consolidated balance sheet at September 30, 2025. At December 31, 2024, the Service Provider Receivables were included as components of Cash. The Company recorded \$0.1 million of credits to bad debt expense in each of the three and nine months ended September 30, 2024.

Recent Accounting Pronouncements

The Company has reviewed all recently issued, but not yet effective, Accounting Standards Updates ("ASUs") and does not believe that the future adoption of any such ASUs will have a material impact on its financial condition or results of operations.

(2) BUSINESS COMBINATIONS AND ASSET PURCHASES

Business Combination

First State Compassion Center

On July 1, 2023 (the "Omnibus Agreement Date"), the Company entered into an Omnibus Agreement (the "Omnibus Agreement") with First State Compassion Center ("FSC"): (a) consolidating all amounts owed by FSC 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 FSC to the Company, upon the approval of adult cannabis use in Delaware, into 100% ownership of FSC's licenses and business; and (c) extending to FSC, in the Company's sole discretion, up to an additional \$2.0 million of working capital loans. The Omnibus Agreement had a term of five years, with an automatic five-year extension if adult cannabis was not approved in Delaware by the maturity date, and bore 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 was being determined. The State of Delaware recently approved the adult use of cannabis, and the acquisition of FSC by the Company (the "FSC Acquisition") was completed effective March 1, 2025 (the "FSC Acquisition Date"). Effective on the FSC Acquisition Date, the amount owed by FSC to the Company was treated as purchase consideration as part of the purchase accounting for FSC (the "FSC Consideration"). This amount was included as a component of Other assets in the condensed consolidated balance sheet at December 31, 2024.

The Company's condensed consolidated statement of operations for the three and nine months ended September 30, 2025 included revenue of \$3.9 million and \$7.1 million, respectively, and \$2.4 million and \$0.8 million of net income, respectively, attributable to FSC for the periods since the FSC Acquisition Date.

The FSC Acquisition has been accounted for as a business combination. During the three months ended September 30, 2025, the Company recorded reductions of \$0.2 million to current assets, net of cash acquired, \$0.6 million to the tradenames and trademarks intangible asset and \$1.4 million to the customer base intangible asset, and an increase of \$0.4 million to assumed accrued expenses. These amounts were offset by an increase of \$2.6 million to goodwill. A summary of the preliminary allocation of the FSC Consideration to the acquired and identifiable intangible assets as of September 30, 2025 is as follows (in thousands):

Fair value of consideration transferred:	
Release of FSC obligation to the Company under the Omnibus Agreement	\$ 11,401
Less cash acquired	(231)
Total fair value of consideration	<u>\$ 11,170</u>
Fair value of assets acquired and (liabilities assumed):	
Current assets, net of cash acquired	\$ 3,952
Property and equipment	1,104
Intangible assets:	
Tradename and trademarks	570
Customer base	1,402
Goodwill	6,843
Other assets	5
Current liabilities	(2,706)
Fair value of net assets acquired	<u>\$ 11,170</u>

The Company is amortizing the identifiable intangible assets arising from the FSC Acquisition in relation to the expected cash flows from the individual intangible assets over their respective useful lives, which have a weighted average life of 5.84 years (see Note 8). 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 FSC for the three and nine months ended September 30, 2025 and 2024 as if the FSC Acquisition had been completed on January 1, 2024, with adjustments to give effect to pro forma events that are directly attributable to the FSC Acquisition. These pro forma adjustments include amortization of acquired intangibles arising from the FSC Acquisition, the reversal of income recognized by MariMed attributable to FSC as its managed client, and the reversal of expense recorded by FSC in connection with its management agreement with MariMed.

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 FSC. Accordingly, these unaudited pro forma results are presented for illustrative purposes and are not intended to represent or be indicative of the actual results that would have been achieved had the FSC Acquisition occurred on January 1, 2024, nor are they intended to represent or be indicative of future results of

operations. These unaudited pro forma results for the three and nine months ended September 30, 2025 and 2024 are as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	(unaudited)			
Revenue	\$ 40,764	\$ 42,730	\$ 119,344	\$ 124,994
Net loss	\$ (4,036)	\$ (1,440)	\$ (15,093)	\$ (6,745)

Valuation of Acquired Intangible Assets

The valuation of acquired intangible assets is inherently subjective and relies on significant unobservable inputs. The Company uses an income approach to value acquired tradenames and trademarks, licenses and customer bases, and non-compete intangible assets. The valuation for each of these intangible assets is 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

In August 2022, the Company entered into an agreement to purchase 100% of the membership interests in Allgreens Dispensary, LLC (the "Allgreens Agreement"), the owner of 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 (the "Allgreens Notes") upon closing of the transaction on April 9, 2024 (the "the Allgreens Acquisition Date"). 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, the Company now owns and operates five adult-use dispensaries in Illinois. For the interim period until the acquisition was completed, 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.

Pursuant to the Allgreens Agreement, the Company 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 promissory notes in the aggregate principal amount of \$1.0 million (the "Allgreens Notes") to the sellers. The Allgreens Notes bore interest at a rate of 7.5% per annum and matured one year from the date the dispensary was permitted to commence operations. In April 2025, the Company and the former owners of Allgreens agreed to revise the repayment terms of the Allgreens Notes. Pursuant to that agreement, the Company made a payment of \$175,000 on April 16, 2025, with additional payments aggregating \$130,000, \$300,000 and \$400,000, respectively, every thirty days thereafter. The Company made the final payment of \$400,000 in July 2025 and accordingly, the Allgreens Notes were satisfied in full.

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 8).

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 since July 1, 2023. On April 5, 2024, the Company consummated its acquisition of 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 cash payments aggregating \$0.5 million through the P&S Date, which funds were deposited into escrow. On the MedLeaf Acquisition Date, the escrowed funds were released, 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 bore interest at a rate of 8.0% per annum and was scheduled to mature on October 5, 2025. It called for six equal quarterly payments beginning on July 5, 2024. The Company made the final payment in September 2025, satisfying the MedLeaf Note in full.

The Company has allocated the purchase price to its licenses intangible asset, with an estimated useful life of 10 years (see Note 8).

Disposition of Missouri Operations and Exit from Pending Transaction

Robust Missouri Process and Manufacturing, 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 wholesale and cultivator ("Robust"), for \$700,000 in cash (the "Robust Agreement"). Completion of the acquisition was 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 had not yet approved the application to transfer the license from Robust to the Company (the "License Transfer"). The Company was 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, with the balance due at closing, which was to occur upon the State of Missouri's approval of the License Transfer.

On October 28, 2025, the Company announced that it had completed a strategic review of its Missouri business operations and had decided to exit that market, effective that day. For additional information, please see Note 19.

(3) EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares outstanding during the period. For periods in which the Company reports net income, diluted net income 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):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Weighted average shares outstanding - basic	392,613	380,599	388,394	378,449
Potential dilutive common shares	—	—	—	—
Weighted average shares outstanding - diluted	392,613	380,599	388,394	378,449

(4) INVENTORY

Inventory at September 30, 2025 and December 31, 2024 consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Plants	\$ 7,606	\$ 10,600
Ingredients and other raw materials	9,505	7,785
Work-in-process	12,172	4,759
Finished goods	10,757	10,344
	<u>\$ 40,040</u>	<u>\$ 33,488</u>

(5) DEFERRED RENTS RECEIVABLE

Through February 28, 2025, the Company was the lessor under operating leases which contained escalating rents over time, rent holidays, options to renew, and requirements to pay property taxes, insurance and/or maintenance costs. The Company leased a cannabis cultivation, processing and dispensary facility that it owns in Delaware to FSC under a triple net lease that expired. The Company also subleased three properties to FSC - a cannabis production facility with offices, a dispensary, and a portion of a third property that it developed into a cultivation facility. The Company acquired FSC on March 1, 2025 (see Note 2). In connection with the FSC Acquisition, the Company ceased receiving rental payments and recognizing rental income from FSC related to these properties.

The Company recognized fixed rental receipts from such lease agreements on a straight-line basis over the expected lease term. Differences between amounts received and amounts recognized were recorded in Deferred rents receivable in the condensed consolidated balance sheets. The Company is not the lessor under any finance leases.

The Company received rental payments and recognized rental income of \$0.2 million in the nine months ended September 30, 2025, all of which was recorded in the three months ended March 31, 2025. The Company received rental payments aggregating \$0.3 million and \$0.9 million in the three and nine months ended September 30, 2024, respectively. These payments were recognized as revenue on a straight-line basis.

(6) NOTE RECEIVABLE AND OMNIBUS AGREEMENT***Note Receivable***

At September 30, 2025 and December 31, 2024, 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 \$866,000 and \$892,000, respectively. The note bears interest at 6% per annum and requires quarterly payments of interest through the April 2026 maturity date. As of September 30, 2025, all interest payments were current. The Company has the right to offset any licensing fees payable by the Company to Healer in the event Healer fails to make any payment when due.

Omnibus Agreement

The amount due under the Omnibus Agreement, which was included as a component of Other assets in the condensed consolidated balance sheet at December 31, 2024, was treated as purchase consideration in connection with the FSC Acquisition (see Note 2).

(7) PROPERTY AND EQUIPMENT, NET

The Company's property and equipment, net, at September 30, 2025 and December 31, 2024 was comprised of the following (in thousands):

	September 30, 2025	December 31, 2024
Land	\$ 6,151	\$ 6,151
Buildings and building improvements	56,770	55,833
Tenant improvements	31,436	31,894
Furniture and fixtures	2,208	2,225
Machinery and equipment	19,582	19,629
Construction in progress	593	80
	116,740	115,812
Less: accumulated depreciation	(25,487)	(21,645)
Property and equipment, net	\$ 91,253	\$ 94,167

The Company recorded depreciation expense related to property and equipment of \$2.1 million and \$1.8 million in the three months ended September 30, 2025 and 2024, respectively, and \$6.0 million and \$5.7 million in each of the nine months ended September 30, 2025 and 2024, respectively.

During the nine months ended September 30, 2025, the Company wrote off property and equipment with an original cost aggregating \$1.5 million, the majority of which was fully depreciated. The Company recognized a loss on these write-offs of \$0.2 million.

(8) INTANGIBLE ASSETS AND GOODWILL

The Company's acquired intangible assets at September 30, 2025 and December 31, 2024 consisted of the following (in thousands):

September 30, 2025	Weighted average amortization period (years)	Cost	Accumulated amortization	Net carrying value
Tradenames and trademarks	5.64	\$ 3,729	\$ 3,084	\$ 645
Licenses and customer base	8.68	23,955	6,581	17,374
Non-compete agreements	2.00	42	42	—
	8.23	\$ 27,726	\$ 9,707	\$ 18,019

December 31, 2024	Weighted average amortization period (years)	Cost	Accumulated amortization	Net carrying value
Tradenames 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	\$ 25,754	\$ 7,115	\$ 18,639

Estimated future amortization expense for the Company's intangible assets at September 30, 2025 was as follows:

Year ending December 31,	
Remainder of 2025	\$ 810
2026	2,961
2027	2,867
2028	2,709
2029	2,230
Thereafter	6,442
Total	<u>\$ 18,019</u>

The changes in the carrying value of the Company's goodwill in the nine months ended September 30, 2025 and 2024 were as follows (in thousands):

	2025	2024
Balance at January 1,	\$ 15,812	\$ 11,993
FSC Acquisition	6,843	—
Adjustments to Ermont purchase price allocation*	—	3,819
Balance at September 30,	<u>\$ 22,655</u>	<u>\$ 15,812</u>

* In connection with the finalization of the purchase price allocation in the first quarter of 2024 related to the 2023 acquisition of Ermont, Inc., the Company recorded reclassifications between its Tradenames and trademarks intangible asset, Licenses and customer base intangible asset, and Goodwill.

(9) DEBT

Mortgages and Notes Payable

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

The Company's mortgage and notes payable balances at September 30, 2025 and December 31, 2024 were comprised of the following (in thousands):

	September 30, 2025	December 31, 2024
Construction to Permanent Commercial Real Estate Mortgage Loan ("CREM Loan"), net of debt discount of \$1,405 and \$1,460 at September 30, 2025 and December 31, 2024, respectively	\$ 56,324	\$ 57,136
Bank of New England - Wilmington, DE property	983	1,086
DuQuoin State Bank - Anna, IL and Harrisburg, IL properties	—	689
DuQuoin State Bank - Anna, IL and Harrisburg, IL properties (refinanced)	1,990	—
DuQuoin State Bank - Metropolis, IL property	2,372	2,427
DuQuoin State Bank - Mt. Vernon, IL property (retail)	1,111	1,139
DuQuoin State Bank - Mt. Vernon, IL property (grow and production)	2,829	2,872
Promissory note issued as purchase consideration - Ermont Acquisition, net of debt discount of \$1,502 and \$1,801 at September 30, 2025 and December 31, 2024, respectively	3,175	2,949
Promissory note issued as purchase consideration - Greenhouse Naturals Acquisition, net of debt discount of \$526 and \$567 at September 30, 2025 and December 31, 2024, respectively	3,522	3,791
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	352
Promissory notes issued to purchase motor vehicles	196	168
Promissory note issued to purchase other machinery and equipment	332	—
Total mortgages and notes payable	73,186	74,986
Less: Mortgages and notes payable, current portion	(2,323)	(5,126)
Mortgages and notes payable, net of current portion	\$ 70,863	\$ 69,860

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 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 is for a term of 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 Company 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"), with the remaining proceeds of \$5.9 million placed into 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 to pay off its previous term loan administered by Chicago Atlantic Admin, LLC, \$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 approximately \$18,000 of interest amortization in each of the three months ended September 30, 2025 and 2024, and approximately \$48,000 in each of the nine months ended September 30, 2025 and 2024 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 nine months ended September 30, 2025, the Company made payments aggregating \$4.6 million, comprised of \$0.9 million of principal and \$3.7 million of interest. During the nine months ended September 30, 2024, the Company received \$5.1 million of the amount previously held back by the CREM Lender and made interest-only payments aggregating \$4.0 million. The current portion of the outstanding principal balance of the CREM Loan was \$1.2 million at each of September 30, 2025 and December 31, 2024.

Bank of New England (Wilmington, DE)

The Company maintains a mortgage with Bank of New England in connection with the 2016 purchase of a building in Wilmington, DE, which was developed into a cannabis seed to sale facility. The mortgage matures in 2031, with monthly principal and interest payments at a rate of 5.25% per annum, 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 interest rate adjustment will occur in September 2026. The current portion of the outstanding principal balance under this mortgage at September 30, 2025 and December 31, 2024 was approximately \$146,000 and \$140,000, respectively.

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

In May 2016, the Company entered into a loan and mortgage agreement with DuQuoin State Bank ("DSB") for the purchase of properties in Anna, IL and Harrisburg, IL (the "DSB Original Mortgage"), which the Company developed into two free-standing retail dispensaries. On May 5th 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 9.5% per annum. The current portion of the outstanding principal balance under this mortgage at December 31, 2024 was approximately \$27,000.

In May 2025, the Company refinanced this mortgage with DSB at a rate of 9.5% per annum (the "DSB Refinance Mortgage"). The DSB Refinance Mortgage matures in May 2045. The Company used \$0.7 million of the proceeds from the DSB Refinance Mortgage to retire the DSB Original Mortgage. At September 30, 2025, the current portion of the outstanding principal balance under the DSB Refinance Mortgage was approximately \$36,000.

DuQuoin State Bank (Metropolis, IL)

In July 2021, the Company purchased the land and building in which it operates its cannabis dispensary in Metropolis, Illinois. In connection with this purchase, the Company entered into a loan and 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 holds the related mortgage obligation, reducing the Company's ownership interest in Metro to 70.0%. The current portion of the outstanding principal balance of this mortgage at September 30, 2025 and December 31, 2024 was approximately \$48,000 and \$56,000, respectively.

DuQuoin State Bank (Mt. Vernon, IL)

In July 2022, Mari Holdings Mt Vernon LLC, a wholly owned subsidiary of the Company, entered into a \$3.0 million loan and mortgage agreement with DSB secured by property owned by the Company in Mt. Vernon, Illinois, which it is developing 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 U.S. 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 for working capital purposes. The current portion of the outstanding principal balance of this mortgage was approximately \$46,000 and \$61,000 at September 30, 2025 and December 31, 2024, respectively.

DuQuoin State Bank (Mt. Vernon, IL)

In February 2020, the Company entered into a loan and mortgage agreement with South Porte Bank for the purchase and development of a property in Mt. Vernon, Illinois. Beginning in August 2021, pursuant to an amendment of 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 this mortgage, which totaled approximately \$778,000. In January 2024, the Company refinanced this property and entered into a \$1.2 million loan and mortgage agreement with DSB. The mortgage has a 17-year term and bears interest at a rate of 9.50% per annum. The current portion of the outstanding principal balance of this mortgage was approximately \$27,000 and \$31,000 at September 30, 2025 and December 31, 2024, respectively.

Promissory Notes

Promissory Notes Issued as Purchase Consideration

Ermont

In connection with the March 9, 2023 acquisition of Ermont Inc., the Company issued a promissory note to the sellers in the principal amount of \$7.0 million (the "Ermont Note"). The Ermont Note matures in March 2029, and bears interest at a rate of 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 \$3.2 million and \$2.9 million at September 30, 2025 and December 31, 2024, respectively. The current portion of the outstanding principal balance of the Ermont Note was \$0.1 million and \$0.5 million at September 30, 2025 and December 31, 2024, respectively.

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 a 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. The fair value of the Greenhouse Naturals Note was \$3.5 million and \$3.8 million at September 30, 2025 and December 31, 2024, respectively. The Company estimated that the current portion of the Greenhouse Naturals Note was \$0.4 million and \$0.8 million at September 30, 2025 and December 31, 2024, respectively.

MedLeaf

In connection with the MedLeaf Acquisition, the Company issued the MedLeaf Note, totaling \$2.0 million (See Note 2). The MedLeaf Note bore interest at a rate of 8.0% per annum and was scheduled to mature on October 5, 2025. It called for six equal quarterly payments beginning on July 5, 2024. The Company made the final payment in September 2025,

satisfying the MedLeaf Note in full. The MedLeaf Note had an outstanding balance of \$1.4 million at December 31, 2024, 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 2). The Allgreens Notes bear interest at a rate of 7.5% per annum and would mature one year from the date that the dispensary was permitted to commence operations.

In April 2025, the Company and the former owners of Allgreens agreed to revise the repayment terms of the Allgreens Notes. Pursuant to that agreement, the Company made a payment of \$175,000 on April 16, 2025, with additional payments aggregating \$130,000, \$300,000 and \$400,000, respectively, every thirty days thereafter. The Company made the final payment of \$400,000 in July 2025 and accordingly, the Allgreens Notes were satisfied in full. The Allgreens Notes had an aggregate outstanding balance of \$1.0 million at December 31, 2024, all of which was recorded as current, and which was in default.

Promissory Notes Issued to Purchase Property and Equipment

The Company had six outstanding promissory notes in connection with the purchase of commercial motor vehicles at September 30, 2025 and five such outstanding promissory notes at December 31, 2024. At September 30, 2025, the outstanding notes had an aggregate outstanding balance of approximately \$196,000, of which approximately \$45,000 was current. At December 31, 2024, the outstanding notes had an aggregate outstanding balance of approximately \$168,000, of which approximately \$36,000 was current. The weighted average interest rates of the outstanding balances were 11.07% and 11.38% at September 30, 2025 and December 31, 2024, respectively. The weighted average remaining terms of these notes were 4.26 years and 4.27 years at September 30, 2025 and December 31, 2024, respectively.

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 "Middleborough Note") at both September 30, 2025 and December 31, 2024. The Middleborough Note bears interest at a rate of 4.0% per annum, with monthly interest-only payments and a balloon payment for the entire principal amount due on February 1, 2029.

In May 2025, the Company issued a promissory note in the amount of \$392,950 in connection with the purchase of certain machinery and equipment (the "M&E Note"). The M&E Note bears interest at an imputed rate of 15.7% per annum, and matures in May 2027. The current portion of the M&E Note was approximately \$163,000 at September 30, 2025.

Future Payments

The future principal amounts due under the Company's outstanding mortgages and notes payable at September 30, 2025 were as follows (in thousands):

Year ending December 31,	
Remainder of 2025	\$ 557
2026	2,451
2027	2,909
2028	2,939
2029	7,183
Thereafter	60,197
Total future principal payments	76,236
Less: discount	(3,050)
Total future principal payments, net of discount	\$ 73,186

(10) 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 both September 30, 2025 and December 31, 2024, which shares are held by three institutional shareholders. The holders of Series B Stock (the "Series B Holders") are entitled to cast a number of votes equal to the number of shares of the Company's common stock into which the shares of Series B Stock are convertible, together with the holders of the Company's 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 an 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 defined in the 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 shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B Stock in an amount calculated pursuant to the certificate of designation.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the Series B Holders 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 the Company's common stock by reason of their ownership thereof, an amount per share of Series B Stock equal to \$3.00, plus any dividends declared but unpaid thereon, with any remaining assets distributed pro-rata among the Series B Holders and the holders of the Company's 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 into shares of the Company's common stock.

At any time on or prior to February 28, 2026, the six-year anniversary of the 2020 issuance date of the Series B Stock, (i) the Series B Holders have the option to convert their shares of Series B Stock into shares of the Company's 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, shares of Series B Stock into shares of the Company's common stock at a conversion price of \$3.00 if the daily volume weighted average price of the Company's 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 issuance of the Series B Stock (February 28, 2026), all outstanding shares of Series B Stock (4,908,333 shares) shall automatically convert into shares of the Company's 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 the Company's common stock at a conversion price per share equal to \$3.00 per share divided by the sixty-day VWAP; or
- 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 out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series B Stock, 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 Series B Stock.

Series C Convertible Preferred Stock

In 2021, the Company issued to Hadron Healthcare Master Fund ("Hadron") 6,216,216 shares of Series C Convertible Preferred Stock (the "Series C Stock") and warrants to purchase up to an aggregate of 15,540,540 shares of its common stock in connection with a financing facility between the Company and Hadron. Each share of Series C Stock was convertible, at Hadron's option, into five shares of the Company's 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 achieved and the market value of the Company's common stock reaches certain predetermined levels.

The Series C Stock was zero coupon, non-voting, and had a liquidation preference equal to its original issuance price plus declared but unpaid dividends. Holders of Series C Stock were entitled to receive dividends on an as-converted basis.

During the three months ended March 31, 2025, the Company converted, at Hadron's request in accordance with the terms and conditions of the Series C Stock certificate of designation, a total of 1,155,274 shares of Series C Stock into 5,776,370 shares of the Company's common stock (the "Conversion"). The Conversion was 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 either a gain or loss on the Conversion as it was effected in accordance with the Series C Stock certificate of designation. As a result of the Conversion, no shares of Series C Stock were outstanding at September 30, 2025. The Company had 1,155,274 shares of Series C Stock outstanding at December 31, 2024.

(11) STOCKHOLDERS' EQUITY AND STOCK-BASED COMPENSATION**Amended and Restated 2018 Stock Award and Incentive Plan**

The Company's Amended and Restated 2018 Stock Award and Incentive Plan (the "Plan") provides for the award of options to purchase the Company's common stock ("stock options"), restricted stock units ("RSUs"), stock appreciation rights ("SARs"), restricted stock, deferred stock, dividend equivalents, performance shares or other stock-based performance awards and other stock- or cash-based awards. Awards can be granted under the Plan to the Company's employees, officers and non-employee directors, as well as consultants and advisors of the Company and its subsidiaries.

Stock Options

A summary of stock option activity during the nine months ended September 30, 2025 is below:

	Shares	Weighted average exercise price
Outstanding at January 1, 2025	34,271,921	\$ 0.79
Expired	(2,761,000)	\$ 0.64
Outstanding at September 30, 2025	31,510,921	\$ 0.80

Stock options granted under the Plan generally expire five years from the date of grant. At September 30, 2025, the stock options outstanding had a weighted average remaining life of approximately eight months. The Company did not grant any stock options during the nine months ended September 30, 2025.

Restricted Stock Units

Holders of unvested restricted stock units ("RSUs") do not have voting or 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 shares of the Company's common stock on the date of grant.

A summary of RSU activity for the nine months ended September 30, 2025 was as follows:

	RSUs	Weighted average grant date fair value
Outstanding at January 1, 2025	7,706,125	\$ 0.27
Granted	9,395,784	\$ 0.10
Vested	(7,693,754)	\$ 0.18
Forfeited	(876,365)	\$ 0.19
Outstanding at September 30, 2025	8,531,790	\$ 0.18

Of the 7,693,754 RSUs reported as vested in the table above, 520,937 shares, with an aggregate fair value of approximately \$52,000, were surrendered to the Company to satisfy the tax withholding obligations that arose in connection with the vesting of such RSUs.

Warrants

At September 30, 2025, warrants to purchase up to 21,548,936 shares of the Company's common stock were outstanding, with a weighted average exercise price of \$0.46 per share.

Other Common Stock Issuances

In addition to the activity related to stock options, RSUs and the conversion of the Company's outstanding Series C stock to common stock as described above, during the nine months ended September 30, 2025, the Company also issued 26,749 shares of restricted common stock with an aggregate fair value of approximately \$3,000, under a royalty agreement.

Stock-Based Compensation

The Company recorded stock-based compensation of \$0.4 million and \$0.3 million in the three months ended September 30, 2025 and 2024, respectively, and \$1.5 million and \$0.8 million in the nine months ended September 30, 2025 and 2024, respectively.

(12) 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 three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net loss	\$ (2,941)	\$ (990)	\$ (9,815)	\$ (4,166)
GAAP Income from operations	\$ 1,599	\$ 1,345	\$ 1,705	\$ 4,077
Depreciation and amortization of property and equipment	2,115	1,803	6,036	5,749
Amortization of acquired intangible assets	674	882	2,592	2,065
Stock-based compensation	382	280	1,478	772
Severance	224	—	224	—
Acquisition-related and other	145	371	396	805
Adjusted EBITDA	\$ 5,139	\$ 4,681	\$ 12,431	\$ 13,468

(13) REVENUE

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 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 as follows:

- 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 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 good or service before such good or service is 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) fulfills other relevant indicators of the sale. If deemed an agent, the Company does not recognize revenue for the performance obligations it does not satisfy.

Revenue for the three and nine months ended September 30, 2025 and 2024 was comprised of the following (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Product sales - retail	\$ 22,573	\$ 23,388	\$ 65,637	\$ 69,151
Product sales - wholesale	18,031	16,310	51,948	46,683
Other revenue	160	897	591	2,926
Total revenue	<u>\$ 40,764</u>	<u>\$ 40,595</u>	<u>\$ 118,176</u>	<u>\$ 118,760</u>

Customer Loyalty Program – Adjustments to Correct Error in Prior Periods

The Company has a customer loyalty program (the “Loyalty Program”) under which customers earn points based on qualifying purchases that can be redeemed for discounts on future purchases. Applying Accounting Standards Codification 606, *Revenue from Contracts with Customers* (“ASC 606”), a portion of the transaction price is allocated to the loyalty points based on their relative standalone selling price, and revenue is deferred until the points are redeemed or expire.

During the third quarter of 2025, the Company determined that it was not accounting for the Loyalty Program in accordance with ASC 606 and, accordingly, calculated the amounts that should have been recorded in prior periods. These amounts were deemed immaterial to the Company’s condensed consolidated financial statements. The Company has adjusted its financial statements to reflect the impact of adjustments to prior periods, which adjustments are reflected in the condensed consolidated financial statements included herein. The Company recorded deferred revenue of \$1.7 million and \$1.3 million at September 30, 2025 and December 31, 2024, respectively. The Company recorded decreases to revenue of approximately \$83,000 and \$237,000 in the three and nine months ended September 30, 2025, respectively, an increase to revenue of approximately \$4,000 in the three months ended September 30, 2024 and a decrease to revenue of approximately \$202,000 in the nine months ended September 30, 2024. The Company recorded additional marketing and promotion expense of approximately \$16,000 and \$46,000 in the three and nine months ended September 30, 2025, respectively, a nominal credit to marketing and promotion expense in the three months ended September 30, 2024 and additional marketing and promotion expense of approximately \$38,000 in the nine months ended September 30, 2024. The Company’s deferred revenue for the Loyalty Program is reported separately in its condensed consolidated balance sheets.

(14) MAJOR CUSTOMERS

The Company did not have any customers that contributed 10% or more of total revenue in any of the three- or nine-month periods ended September 30, 2025 or 2024.

The Company did not have any customers that accounted for 10% or more of the Company’s accounts receivable balance at either September 30, 2025 or December 31, 2024. The Company performs ongoing credit evaluations of its customers and generally does not require collateral on accounts receivable. The Company maintains an allowance for doubtful accounts and historical losses have been within management’s expectations.

(15) 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 obligations are recognized at the 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.

At September 30, 2025, the Company was the lessee under nine operating leases and thirty-seven finance leases. These leases contain rent holidays and customary escalations of lease payments for the type of facilities being leased. The Company's operating leases include its corporate headquarters, dispensaries and cannabis production and processing facilities. Prior to the FSC Acquisition Date, the Company subleased three of these leased facilities to FSC and recognized rental income from these arrangements.

The Company recognizes rent expense on a straight-line basis over the expected lease term, including cancelable 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 from January 2026 through August 2038, with such terms being a major part of the economic useful life of the leased property.

The components of lease expense for the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Operating lease expense	\$ 533	\$ 515	\$ 1,600	\$ 1,552
Finance lease expenses:				
Amortization of right of use assets	\$ 369	\$ 196	\$ 1,005	\$ 589
Interest on lease liabilities	92	70	239	228
Total finance lease expense	\$ 461	\$ 266	\$ 1,244	\$ 817

The weighted average remaining lease terms and weighted average discount rates for the Company's operating leases and finance leases at September 30, 2025 and December 31, 2024 were as follows:

	September 30, 2025	December 31, 2024
Weighted average remaining lease term (years):		
Operating leases	8.92	9.26
Finance leases	2.62	2.78
Weighted average discount rate:		
Operating leases	11.3 %	11.1 %
Finance leases	10.9 %	9.6 %

Future minimum lease payments as of September 30, 2025 under all non-cancelable leases having an initial or remaining term of more than one year were (in thousands):

	Operating leases	Finance leases
Remainder of 2025	\$ 531	\$ 573
2026	1,915	2,092
2027	1,813	1,356
2028	1,757	698
2029	1,595	372
Thereafter	7,796	59
Total lease payments	15,407	5,150
Less: imputed interest	(6,592)	(752)
	\$ 8,815	\$ 4,398

(16) 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 incurred under this lease were approximately \$69,000 and \$64,000 for the three months ended September 30, 2025 and 2024, respectively, and \$213,000 and \$168,000 for the nine months ended September 30, 2025 and 2024, 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 \$1.3 million in each of the three months ended September 30, 2025 and 2024, and \$4.3 million and \$3.5 million in the nine months ended September 30, 2025 and 2024, 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 Chief Commercial Officer (the "CCO") under a royalty agreement. Under this agreement, the royalty percentage on all sales of Betty's Eddies products is 3.0% if sold directly by the Company and between 1.35% and 2.5% if licensed by the Company for sale by third parties. Future developed products 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 under this agreement were approximately \$154,000 and \$178,000 for the three months ended September 30, 2025 and 2024, respectively, and approximately \$472,000 and \$427,000 for the nine months ended September 30, 2025 and 2024, respectively.

During the three months ended September 30, 2025 and 2024, one of the Company's majority-owned subsidiaries paid or accrued distributions of approximately \$2,000 and \$1,900, respectively, to the CEO, who owns a minority equity interest in such subsidiary. This majority-owned subsidiary made distribution payments of approximately \$5,000 to the CEO in each of the nine-month periods ended September 30, 2025 and 2024.

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 this majority-owned subsidiary held by noncontrolling interests remains unchanged. During the three months ended September 30, 2025, this majority-owned subsidiary recorded distributions of approximately \$2,500 and \$7,500 to the CEO and COO, respectively. During the nine months ended September 30, 2025, this majority-owned subsidiary recorded distributions of approximately \$7,500 and \$22,500 to the CEO and COO, respectively. During the three months ended September 30, 2024, this majority-owned subsidiary recorded distributions of \$3,250 and \$9,750 to the CEO and COO, respectively. During the nine months ended September 30, 2024, this majority-owned subsidiary recorded distributions of \$6,500 and \$19,500 to the CEO and COO, respectively.

At September 30, 2025 and December 31, 2024, the Company had an outstanding accounts payable balance of approximately \$616,000 and \$251,000, respectively, primarily in connection with fixed assets purchased from a third-party company in which the CEO has a controlling interest. The Company assumed approximately \$35,000 of accounts payable to that company as part of the FSC Acquisition. The Company also assumed an accounts payable amount of \$21,000 from FSC to a second company in which the CEO has a controlling interest. These assumed liabilities related to cash advances to FSC in periods prior to the FSC Acquisition Date.

At September 30, 2025, the Company's mortgages with Bank of New England and DSB were personally guaranteed by the CEO.

(17) INCOME TAXES

The following table summarizes the Company's income tax provision and effective tax rates for the three and nine months ended September 30, 2025 and 2024 (in thousands, except percentages):

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Loss before income taxes	\$ (182)	\$ (335)	\$ (3,534)	\$ (955)
Income tax provision	\$ 2,759	\$ 655	\$ 6,281	\$ 3,211
Effective tax rate	(1,516)%	(196)%	(178)%	(336)%

The effective tax rates for the three and nine months ended September 30, 2025 and 2024 were calculated using the discrete method based on the Company's period-to-date results adjusted for permanent and temporary differences.

Due to its cannabis operations, the Company is subject to the limitations of the U.S. Internal Revenue Code of 1986, as amended ("IRC") Section 280E under which the Company is only allowed to deduct expenses directly related to cost of goods sold of cannabis products. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E. As a result, the effective tax rate can be highly variable and may not necessarily correlate with pre-tax income and provides for effective tax rates that are well in excess of statutory tax rates.

During the nine months ended September 30, 2025, the Company effectively settled an audit with the U.S. Internal Revenue Service for the tax period ended December 31, 2022. As a result, the Company recognized a tax benefit of \$1.7 million in connection with the release of an uncertain tax position reserve.

In June 2025, the IRS filed a lien against the Company in connection with an approximate \$6 million 2023 tax liability. The Company is disputing the assessment through a Collection Due Process ("CDP") Hearing and pursuing a resolution, including potential reduction or collection alternatives. While the matter is pending, IRS enforcement is generally stayed. Although the liability is fully accrued in the accompanying condensed consolidated financial statements, an unfavorable outcome could materially impact the Company's operations and financial position.

(18) 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. On October 1, 2025, an incremental final liquidation distribution of \$50,281 was received.

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 stockholder who also beneficially owned more than 5% of the Company's 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 terminated. 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.

(19) SUBSEQUENT EVENTS

Equity Transactions

Subsequent to September 30, 2025, the Company issued an aggregate of 621,108 net shares of common stock upon the settlement of RSUs that vested prior to the filing of this report.

Disposition of Missouri Operations

On October 28, 2025, the Company announced that it had completed a strategic review of its Missouri business operations and decided to exit the market, effective immediately. Since 2024, the Company had managed the operations of a licensed cannabis operator and distributed its brands in the state pursuant to a Managed Services and Licensing Agreement, while awaiting approval from the state for a license transfer.

Following the strategic review, the Company determined that it will discontinue management of the facility and will no longer pursue the license transfer. As a result of this decision, the Company expects to recognize a loss on disposal for the related assets in the fourth quarter of 2025 approximating \$1 million. The Company is in the process of finalizing the measurement of this loss.

Item 2. Management's Discussions and Analysis of Financial Condition and Results of Operations

The following discussion of the financial condition and results of operations of MariMed Inc. should be read in conjunction with the condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 10-K"), which was filed with the U.S. Securities and Exchange Commission ("SEC") on March 6, 2025.

Forward Looking Statements

When used in this Quarterly Report on Form 10-Q 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 U.S. federal cannabis-related laws.

The following discussion should be read in conjunction with the financial statements and related notes which are included in this Quarterly Report on Form 10-Q.

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.

We completed the acquisition of First State Compassion Center ("FSC"), the leading cannabis operator in Delaware, effective March 1, 2025 (the "FSC Acquisition Date"). Prior to its acquisition by us (the "FSC Acquisition"), FSC had been our managed services client. The financial results of FSC are included in our condensed consolidated financial statements for the periods subsequent to the FSC Acquisition Date.

We completed two acquisitions in the year ended December 31, 2024, which we 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. 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 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.

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

- 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.

On July 30, 2025, we entered into a Management Services Agreement ("MSA") with Standard Farms, LLC ("Standard Farms"), a wholly-owned subsidiary of TILT Holdings Inc. ("TILT"). Under the terms of the MSA, which became effective on September 1, 2025, we assumed the day-to-day management of TILT's Standard Farms cultivation and processing facility in White Haven, Pennsylvania. These management services include oversight of Standard Farms' budgeting, financial planning, compliance with applicable laws and quality management. In addition, pursuant to a licensing arrangement with us, upon regulatory approval, Standard Farms intends to produce and distribute our brands in Pennsylvania.

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, revenues, 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 a business 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 of 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.

Customer Loyalty Program – Adjustments to Correct Error in Prior Periods

We have a customer loyalty program (the “Loyalty Program”) under which customers earn points based on qualifying purchases that can be redeemed for discounts on future purchases. Applying Accounting Standards Codification 606, *Revenue from Contracts with Customers* (“ASC 606”), a portion of the transaction price is allocated to the loyalty points based on their relative standalone selling price, and revenue is deferred until the points are redeemed or expire.

During the third quarter of 2025, we determined that we were not accounting for the Loyalty Program in accordance with ASC 606 and, accordingly, calculated the amounts that should have been recorded in prior periods. These amounts were deemed immaterial to our condensed consolidated financial statements. We have adjusted our financial statements to reflect the impact of adjustments to prior periods, which adjustments are reflected in the condensed consolidated financial statements included herein. We recorded decreases to revenue of approximately \$83,000 and \$237,000 in the three and nine months ended September 30, 2025, respectively, an increase to revenue of approximately \$4,000 in the three months ended September 30, 2024 and a decrease to revenue of approximately \$202,000 in the nine months ended September 30, 2024. We recorded additional marketing and promotion expense of approximately \$16,000 and \$46,000 in the three and nine months ended September 30, 2025, respectively, a nominal credit to marketing and promotion expense in the three months ended September 30, 2024 and additional marketing and promotion expense of approximately \$38,000 in the nine months ended September 30, 2024.

OTCQX Listing

On June 10, 2025, the OTC Markets Group notified us of our non-compliance with the minimum bid price requirement, thereby triggering a discretionary cure period. To regain compliance, we must have maintained a bid price of at least \$0.10 per share for a minimum of 10 consecutive trading days by September 8, 2025, which occurred effective September 5, 2025.

Results of Operations

Three and nine months ended September 30, 2025 and 2024

Revenue

Our main sources of revenue are comprised of the following:

- *Product sales (retail and wholesale).* Our product sales are derived from direct sales of cannabis and cannabis-infused products primarily by our retail dispensaries and wholesale operations in multiple states. We recognize revenue when products are delivered to third parties or at our retail points-of-sale.
- *Other revenue.* Our 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 our branded products to wholesalers and regulated dispensaries.

We recognize revenue in amounts that represent the consideration that we expect to receive in exchange for goods or services provided to customers as follows:

- 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 our clients, a determination is made as to who - us or the other party - is acting in the capacity as the principal in the sale transaction, and who is the agent arranging for goods or services to be provided by the other party.

We are typically considered the principal if we control the specified good or service before such good or service is transferred to our client, and typically considered the agent if we do not exert such control. We may also be deemed to be the principal even if we engage another party (an agent) to satisfy some of the performance obligations on our behalf, provided we (i) take on certain responsibilities, obligations and risks, (ii) possess certain abilities and discretion, or (iii) fulfill other relevant indicators of the sale. If deemed an agent, we do not recognize revenue for the performance obligations we do not satisfy.

Revenue for the three and nine months ended September 30, 2025 and 2024 was comprised of the following (in thousands):

	2025	2024	Increase (decrease) from prior year	
			\$	%
Three months ended September 30,				
Product sales - retail	\$ 22,573	\$ 23,388	\$ (815)	(3.5)%
Product sales - wholesale	18,031	16,310	1,721	10.6 %
Other revenue	160	897	(737)	(82.2)%
Total revenue	<u>\$ 40,764</u>	<u>\$ 40,595</u>	<u>\$ 169</u>	<u>0.4 %</u>
Nine months ended September 30,				
Product sales - retail	\$ 65,637	\$ 69,151	\$ (3,514)	(5.1)%
Product sales - wholesale	51,948	46,683	5,265	11.3 %
Total other revenue	591	2,926	(2,335)	(79.8)%
Total revenue	<u>\$ 118,176</u>	<u>\$ 118,760</u>	<u>\$ (584)</u>	<u>(0.5)%</u>

Our product sales increased by \$0.9 million and \$1.8 million, respectively, in the three and nine months ended September 30, 2025, compared to the three and nine months ended September 30, 2024. Decreases in retail sales were more than offset by increases in wholesale sales in each of the three and nine month ended September 30, 2025, compared to the same prior year periods. The decreases in retail sales in both current periods were primarily attributable to lower sales in our Metropolis, Illinois dispensary and, to a lesser extent, certain of our dispensaries in Massachusetts, Maryland and our other Illinois dispensaries. These decreases were partially offset by higher sales in our other dispensaries in Delaware, Maryland, Ohio and Massachusetts, as well as the inclusion of retail revenue from FSC for the period since the FSC Acquisition Date. The increases in our wholesale revenue were primarily attributable to higher wholesale revenue in Delaware, Illinois and Massachusetts. These increases were partially offset by a decline in wholesale revenue in Maryland. The decreases in total other revenue in the three and nine months ended September 30, 2025 compared to the same prior year periods were primarily attributable to the cessation of revenue recognition from management fees, rental income and other components of other income, effective as of the FSC Acquisition Date.

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 the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands, except percentages):

			Increase (decrease) from prior year	
	2025	2024	\$	%
Three months ended September 30,				
Cost of revenue	\$ 24,401	\$ 23,813	\$ 588	2.5 %
Gross profit	\$ 16,363	\$ 16,782	\$ (419)	(2.5)%
Gross margin	40.1 %	41.3 %		
Nine months ended September 30,				
Cost of revenue	\$ 70,797	\$ 68,803	\$ 1,994	2.9 %
Gross profit	\$ 47,379	\$ 49,957	\$ (2,578)	(5.2)%
Gross margin	40.1 %	42.1 %		

The increases in our cost of revenue in both the three and nine months ended September 30, 2025 compared to the same prior year periods were primarily due to higher employee-related, facilities and related expenses, partially offset by lower inventory-related expenses. The increases in employee-related, facilities and related expenses were primarily due to our increased headcount in connection with our recent acquisitions and expanded footprint.

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 the three and nine months ended September 30, 2025 and 2024 were as follows (in thousands, except percentages):

			Increase (decrease) from prior year	
	2025	2024	\$	%
Three months ended September 30,				
Personnel	\$ 7,028	\$ 7,255	\$ (227)	(3.1) %
Marketing and promotion	1,121	1,827	(706)	(38.6) %
General and administrative	6,592	6,100	492	8.1 %
Acquisition-related and other	145	371	(226)	(60.9) %
Bad debt	(122)	(116)	(6)	5.2%
	<u>\$ 14,764</u>	<u>\$ 15,437</u>	<u>\$ (673)</u>	<u>(4.4) %</u>
Nine months ended September 30,				
Personnel	\$ 21,761	\$ 20,678	\$ 1,083	5.2 %
Marketing and promotion	2,810	5,484	(2,674)	(48.8) %
General and administrative	19,185	19,044	141	0.7 %
Acquisition-related and other	396	805	(409)	(50.8) %
Bad debt	1,522	(131)	1,653	(1,261.8)%
	<u>\$ 45,674</u>	<u>\$ 45,880</u>	<u>\$ (206)</u>	<u>(0.4) %</u>

The decrease in our personnel expenses in the three months ended September 30, 2025 compared to the three months ended September 30, 2024 was primarily related to the strategic elimination and consolidation of certain positions, coupled with lower expense in connection with certain employee benefits. These decreases were partially offset by increased headcount in connection with our acquisitions and expanded presence. The increase in our personnel expenses in the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 was primarily attributable to increased headcount in connection with our acquisitions and expanded presence, partially offset by lower expense in connection with certain employee benefits. Personnel costs decreased to approximately 17% of revenue in the three months ended September 30, 2025, from approximately 18% in the three months ended September 30, 2024. Personnel costs increased to approximately 18% of revenue in the nine months ended September 30, 2025, compared to approximately 17% in the same prior year period.

The decreases in our marketing and promotion expenses in each of the three and nine months ended September 30, 2025 compared to the three and nine months ended September 30, 2024 were primarily attributable to our planned reductions to these expenditures; however, we continue to focus on judicious marketing initiatives that expand the branding and distribution of our licensed products.

The increases in our general and administrative expenses in each of the three and nine months ended September 30, 2025 compared to the three and nine months ended September 30, 2024 were primarily attributable to higher facilities, stock-based compensation and insurance expenses. These increases were largely offset by decreases in certain other general and administrative expenses, such as professional fees, travel and entertainment.

Acquisition-related and other expenses include those expenses related to acquisitive activities 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. Our acquisition-related and other expense in each of the three and nine months ended September 30, 2025 primarily related to the FSC Acquisition and other acquisitive activities. Our acquisition-related and other expense in the three and nine months ended September 30, 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 funding and acquisitive transactions.

We recorded \$0.1 million of credits to bad debt expense and \$1.5 million of bad debt expense in the three and nine months ended September 30, 2025, respectively. The nine-month amount included \$1.5 million of expense to fully reserve amounts due from two credit card service providers (the "Service Provider Receivables"). Of the \$1.5 million of Service Provider Receivables, \$1.3 million and the related reserve were included as components of Other assets and \$0.2 million and the related reserve were included as components of Accounts Receivable in the condensed consolidated balance sheet at September 30, 2025. At December 31, 2024, the Service Provider Receivables were included as components of Cash. We recorded \$0.1 million of credits to bad debt expense in each of the three and nine months ended September 30, 2024.

Interest

Interest expense primarily relates to interest on mortgages and notes payable, as well as the CREM Loan (described below). Interest income primarily relates to our notes receivable.

Our net interest expense increased by \$0.1 million in the three months ended September 30, 2025 compared to the three months ended September 30, 2024, and increased by \$0.3 million in the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024. These increases were primarily due to the interest on additional finance leases and the refinancing of one of our mortgages.

Other Income (Expense), Net

We recorded net other income of approximately \$19,000 and \$36,000 in the three and nine months ended September 30, 2025, respectively. We recorded net other expense of approximately \$50,000 in the nine months ended September 30, 2024, primarily related to changes in the fair value of investments. We did not record other income or expense in the three months ended September 30, 2024.

Income Tax Provision

We recorded income tax provisions of \$2.8 million and \$6.3 million in the three and nine months ended September 30, 2025, respectively, and \$0.7 million and \$3.2 million in the three and nine months ended September 30, 2024, respectively.

We are subject to income taxes in the jurisdictions in which we operate, and consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. As we operate in the federally illegal cannabis industry, we are subject to the limitations of the U.S. Internal Revenue Code of 1986, as amended ("IRC") Section 280E, under which taxpayers are only allowed to deduct expenses directly related to cost of goods sold of cannabis products. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E and a higher effective tax rate than most industries. As a result, our effective tax rate can be highly variable and may not necessarily correlate to pre-tax income or loss.

In June 2025, the IRS filed a lien against us in connection with an approximate \$6 million 2023 tax liability. We are disputing the assessment through a Collection Due Process (“CDP”) Hearing and pursuing a resolution, including potential reduction or collection alternatives. While the matter is pending, IRS enforcement is generally stayed. Although the liability is fully accrued in the accompanying condensed consolidated financial statements, an unfavorable outcome could materially impact our operations and financial position.

Liquidity and Capital Resources

We had cash and cash equivalents of \$6.6 million and \$7.3 million at September 30, 2025 and December 31, 2024, 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.

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 is for a term of 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%. 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”), with the remaining proceeds of \$5.9 million placed into in escrow to complete the expansion of our Hagerstown, Maryland cultivation facility (the “Hagerstown Facility”). Any unused proceeds would 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 obligations. These payments were comprised of \$32.7 million to repay the previous term loan with Chicago Atlantic Admin, LLC, \$11.9 million to repay the mortgage with Bank of New England for our New Bedford, MA and Middleborough, MA properties (the “BNE Mortgage”), and \$2.2 million to reduce the outstanding balance of the note we issued in connection with the 2023 acquisition of Ermont, Inc. in Quincy, Massachusetts. 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 the CREM Lender, which mortgage matures in 2033 and which outstanding amount is included as a component of the CREM Loan amount in our consolidated balance sheets at September 30, 2025 and December 31, 2024.

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.

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 \$4.3 million and \$7.2 million of cash in the nine months ended September 30, 2025 and 2024, respectively. The change in cash from operating activities in the current year period compared to the prior year was primarily attributable to higher personnel costs and operating expenses arising from expanding our geographic presence. These higher costs primarily relate to personnel, cultivation/manufacturing and facility expenses.

Cash Flows from Investing Activities

Our investing activities used \$1.2 million and \$15.9 million of cash in the nine months ended September 30, 2025 and 2024, respectively. During the nine months ended September 30, 2025, we used \$1.1 million of cash for capital expenditures and an aggregate of \$0.4 million for advances toward future business acquisitions and purchases and renewals of cannabis licenses. These amounts were partially offset by \$0.2 million of cash acquired in connection with the FSC Acquisition, approximately \$45,000 of cash proceeds from the disposal of assets and approximately \$26,000 of proceeds from notes receivable. During the nine months ended September 30, 2024, we used \$10.9 million of cash for capital expenditures, an aggregate of \$4.3 million for purchase consideration in connection with the MedLeaf Acquisition and Allgreens Acquisition, and \$0.7 million for purchases and renewals of cannabis licenses.

Cash Flows from Financing Activities

Our financing activities used \$3.8 million of cash in the nine months ended September 30, 2025 and provided \$3.9 million of cash in the nine months ended September 30, 2024. During the nine months ended September 30, 2025, we made \$5.6 million of aggregate principal payments on our outstanding mortgages, promissory notes and finance leases and made approximately \$115,000 of distribution payments. We received \$2.0 million from the refinancing of the mortgage on one of our facilities in Illinois, of which we used \$0.7 million of proceeds to retire the previous mortgage on this facility, which amount is included in the aggregate principal payments discussed above. During the nine months ended September 30, 2024, we received \$5.1 million of additional proceeds from the CREM Loan (described above) and \$1.2 million of proceeds from the refinancing of our retail facility in Mt. Vernon, Illinois. We made \$2.2 million of aggregate principal payments on our outstanding mortgages, promissory notes and finance leases, and approximately \$120,000 of distribution payments.

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 September 30, 2025, and our ability to raise additional cash through financing activities. Our contractual obligations at September 30, 2025 were primarily comprised of our outstanding CREM Loan, mortgages, promissory notes, and operating and finance leases. Our CREM Loan, mortgage and promissory note obligations totaled approximately \$73 million at September 30, 2025.

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.

Our 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.

Our 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 they 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 three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
GAAP Income from operations	\$ 1,599	\$ 1,345	\$ 1,705	\$ 4,077
Depreciation and amortization of property and equipment	2,115	1,803	6,036	5,749
Amortization of acquired intangible assets	674	882	2,592	2,065
Stock-based compensation	382	280	1,478	772
Severance	224	—	224	—
Acquisition-related and other	145	371	396	805
Adjusted EBITDA	<u>\$ 5,139</u>	<u>\$ 4,681</u>	<u>\$ 12,431</u>	<u>\$ 13,468</u>

Off-Balance Sheet Arrangements

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

Inflation

In the opinion of management, inflation has impacted us through increased costs of ingredients, nutrients and packaging. We 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, our financial condition and results of its operations are not materially impacted by seasonal sales.

Recent Accounting Pronouncements

We have reviewed all recently issued, but not yet effective, accounting pronouncements, and we do not believe the future adoption of any such pronouncements will have a material impact on our financial condition or results of operations.

Item 3. Quantitative and Qualitative Disclosure 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 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company’s management, with the participation of its Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), evaluated the effectiveness of the Company’s 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 September 30, 2025 (the “Evaluation Date”). Based upon that evaluation, the Company’s management concluded that, as of the Evaluation Date, the Company’s disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits 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 the Company’s management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There was no change to the Company’s 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) under the Exchange Act that occurred during the fiscal quarter ended September 30, 2025 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

There has been no material change to the status of the Company’s previously reported legal proceedings.

From time to time, the Company may become involved in litigation or regulatory proceedings in the ordinary course of its business, including litigation or regulatory proceedings that could become more material to the Company’s business. The cannabis industry is highly regulated, and many aspects of the Company’s business involve substantial risk of liability. Further, in past years, there has been an increasing incidence of litigation involving the cannabis industry including class action suits that generally seek substantial damages, and in some cases, punitive damages. Compliance problems that are reported to federal/state regulatory authorities, by dissatisfied customers are often investigated by such regulatory bodies, and, if pursued by a regulatory body or customer, may rise to the level of litigation or disciplinary action.

Item 1A. Risk Factors

As a smaller reporting company, the Company is not required to provide the information contained in this item pursuant to Regulation S-K. However, information regarding the Company’s risk factors appears in Part I, Item 1A. of its Annual Report on Form 10-K for the year ended December 31, 2024 (the “Annual Report”) and Part II, Item 1A. of the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2025 (the “10-Q”). These risk factors describe some of the assumptions, risks, uncertainties, and other factors that could adversely affect the Company’s business or that could otherwise result in changes that differ materially from management’s expectations. There have been no material changes to the risk factors contained in the Annual Report and the 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended September 30, 2025, the Company issued unregistered securities as described below:

- 7,048 shares of restricted common stock with an aggregate fair value of approximately \$1,000 issued under a 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 (the "Securities Act") 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 the shares of restricted common stock other than in compliance with the Securities Act was placed on the shares of restricted common stock issued in the foregoing transactions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
3.1	Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 10-12G, File No. 000-54433, filed on June 9, 2011 with the SEC).
3.1.1	Certificate of Amendment to the Certificate of Incorporation of the Company as filed with the Secretary of State of Delaware on March 9, 2017 (incorporated by reference to Exhibit 3.1.1 to the Company's Annual Report on Form 10-K filed on April 17, 2017 with the SEC).
3.1.2	Series B Convertible Preferred Stock Certificate of Designation as filed with the Secretary of State of Delaware on February 27, 2020 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on February 28, 2020 with the SEC).
3.1.3	Certificate Eliminating the Series A Preferred Stock as filed with the Secretary of State of Delaware on February 27, 2020 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed on February 28, 2020 with the SEC).
3.1.4	Series C Convertible Preferred Stock Certificate of Designation as filed with the Secretary of State of Delaware on March 1, 2021 (incorporated by reference to Exhibit 3.1.4 to the Company's Current Report on Form 8-K, filed on March 2, 2021 with the SEC).
3.1.5	Certificate of Amendment to the Certificate of Incorporation of the Company as filed with the Secretary of State of Delaware on April 25, 2017, effective as of May 1, 2017 (incorporated by reference to Exhibit 3.1.5 to the Company's Quarterly Report on Form 10-Q, filed on November 15, 2021 with the SEC).
3.1.6	Certificate of Amendment to the Certificate of Incorporation of the Company as filed with the Secretary of State of Delaware on September 24, 2021 (incorporated by reference to Exhibit 3.1.6 to the Company's Quarterly Report on Form 10-Q, filed on November 15, 2021 with the SEC).
3.2	Amended and Restated By-Laws, effective as of August 5, 2024 (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q, filed on August 8, 2024 with the SEC).
31.1 *	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2 *	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32.1 **	Section 1350 Certification of Chief Executive Officer
32.2 **	Section 1350 Certification of Chief Financial Officer
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.

SIGNATURES

Pursuant to the requirements 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.

Date: November 6, 2025

MARIMED INC.

By: /s/ Mario Pinho
Mario Pinho
Chief Financial Officer
(Principal Financial Officer)

Rule 13a-14(a)/15d-14(a) Certification

I, Jon R. Levine, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: November 6, 2025

/s/ Jon R. Levine

Jon R. Levine

Chief Executive Officer

(Principal Executive Officer)

Rule 13a-14(a)/15d-14(a) Certification

I, Mario Pinho, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: November 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 the Quarterly Report of MariMed Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025 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, the financial condition and result of operations of the Company.

Date: November 6, 2025

/s/ Jon R. Levine

Jon R. Levine
Chief Executive Officer
(Principal Executive Officer)

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**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 the Quarterly Report of MariMed Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025 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, the financial condition and result of operations of the Company.

Date: November 6, 2025

/s/ Mario Pinho

Mario Pinho

Chief Financial Officer
(Principal Financial Officer)

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.