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 March 31, 2022

☐ 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)

617-795-5140
(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 May 10, 2022, 335,793,167 shares of the registrant's common stock were outstanding.

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

	March 31, 2022 *(unaudited)*	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 33,467	$ 29,683
Accounts receivable, net	3,462	1,666
Deferred rents receivable	1,586	1,678
Notes receivable, current portion	129	127
Inventory	12,238	9,768
Investments	1,253	251
Other current assets	2,179	1,440
Total current assets	54,314	44,613
Property and equipment, net	65,482	62,150
Intangibles, net	2,395	2,230
Investments	100	-
Notes receivable, less current portion	9,104	8,987
Right-of-use assets under operating leases	4,913	5,081
Right-of-use assets under finance leases	576	46
Other assets	98	98
Total assets	$ 136,982	$ 123,205
Liabilities, mezzanine equity, and stockholders' equity		
Current liabilities:		
Accounts payable	$ 8,311	$ 5,099
Accrued expenses	1,728	1,349
Income taxes payable	20,059	16,467
Sales and excise taxes payable	1,355	1,798
Notes payable, current portion	10	10
Mortgages payable, current portion	1,416	1,400
Operating lease liabilities, current portion	1,128	1,071
Finance lease liabilities, current portion	178	27
Other current liabilities	-	2
Total current liabilities	34,185	27,223
Notes payable, less current portion	46	448
Mortgages payable, less current portion	16,624	16,814
Operating lease liabilities, less current portion	4,343	4,574
Finance lease liabilities, less current portion	372	22
Other liabilities	100	100
Total liabilities	55,670	49,181
Mezzanine equity:		
Series B convertible preferred stock, $0.001 par value; 4,908,333 shares authorized, issued and outstanding at March 31, 2022 and December 31, 2021	14,725	14,725
Series C convertible preferred stock, $0.001 par value; 12,432,432 shares authorized at March 31, 2022 and December 31, 2021; 6,216,216 shares issued and outstanding at March 31, 2022 and December 31, 2021	23,000	23,000
Total mezzanine equity	37,725	37,725
Stockholders' equity:		
Undesignated preferred stock, $0.001 par value; 38,875,451 shares authorized at March 31, 2022 and December 31, 2021; zero shares issued and outstanding at March 31, 2022 and December 31, 2021	-	-
Common stock, $0.001 par value; 700,000,000 shares authorized at March 31, 2022 and December 31, 2021; 335,558,206 and 334,030,348 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	336	334
Common stock subscribed but not issued; 2,717 and zero shares at March 31, 2022 and December 31, 2021, respectively	2	-
Additional paid-in capital	138,064	134,920
Accumulated deficit	(93,204)	(97,392)
Noncontrolling interests	(1,611)	(1,563)
Total stockholders' equity	43,587	36,299
Total liabilities, mezzanine equity, and stockholders' equity	$ 136,982	$ 123,205

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	2021
Revenues	$ 31,282	$ 24,643
Cost of revenues	14,306	11,457
Gross profit	16,976	13,186
Operating expenses:		
Personnel	3,042	1,727
Marketing and promotion	643	225
General and administrative	6,228	3,171
Bad debts	14	1,025
Total operating expenses	9,927	6,148
Operating income	7,049	7,038
Non-operating income (expenses):		
Interest expense	(313)	(1,512)
Interest income	163	34
Loss on obligations settled with equity	-	(1)
Gain (loss) on change in fair value of investment	48	(45)
Other investment income	954	-
Total non-operating income (expenses), net	852	(1,524)
Income before income taxes	7,901	5,514
Provision for income taxes	3,660	1,204
Net income	$ 4,241	$ 4,310
Net income attributable to noncontrolling interests	$ 53	$ 90
Net income attributable to MariMed Inc.	$ 4,188	$ 4,220
Net income per share		
Basic	$ 0.01	$ 0.01
Diluted	$ 0.01	$ 0.01
Weighted average common shares outstanding		
Basic	334,762,825	305,212,269
Diluted	378,890,365	340,825,940

See accompanying notes to condensed consolidated financial statements.

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

	Common Stock		Common Stock Subscribed But Not Issued		Additional Paid-In	Accumulated	Non-Controlling	Total Stockholders'
	Shares	Par Value	Shares	Amount	Capital	Deficit	Interests	Equity
Balances at December 31, 2020	314,418,812	$ 314	11,413	$ 5	$ 112,974	$ (104,615)	$ (577)	8,101
Issuance of subscribed shares	11,413	-	(11,413)	(5)	5	-	-	-
Stock grants	-	-	6,877	5	-	-	-	5
Exercise of warrants	50,000	-	-	-	8	-	-	8
Amortization of option grants	-	-	-	-	295	-	-	295
Issuance of stand-alone warrants	-	-	-	-	56	-	-	56
Conversion of debentures payable	4,610,645	5	-	-	1,351	-	-	1,356
Conversion of promissory notes	3,365,972	3	-	-	1,007	-	-	1,010
Common stock issued to settle obligations	42,857	-	-	-	31	-	-	31
Equity issuance costs	-	-	-	-	(387)	-	-	(387)
Distributions	-	-	-	-	-	-	(83)	(83)
Net income (loss)	-	-	-	-	-	4,220	90	4,310
Balances at March 31, 2021	322,499,699	$ 322	6,877	$ 5	$ 115,340	$ (100,395)	$ (570)	$ 14,702

	Common Stock		Common Stock Subscribed But Not Issued		Additional Paid-In	Accumulated	Non-Controlling	Total Stockholders'
	Shares	Par Value	Shares	Amount	Capital	Deficit	Interests	Equity
Balances at December 31, 2021	334,030,348	$ 334	-	$ -	$ 134,920	$ (97,392)	$ (1,563)	$ 36,299
Stock grants	-	-	2,717	2	-	-	-	2
Exercise of options	10,000	-	-	-	3	-	-	3
Amortization of option grants	-	-	-	-	2,469	-	-	2,469
Conversion of promissory notes	1,142,858	1	-	-	399	-	-	400
Fees paid with stock	375,000	1	-	-	273	-	-	274
Distributions	-	-	-	-	-	-	(101)	(101)
Net income	-	-	-	-	-	4,188	53	4,241
Balances at March 31, 2022	335,558,206	336	2,717	2	138,064	(93,204)	(1,611)	43,587

The above statements do not show columns for the shares and par value of Undesignated Preferred Stock as the balances were zero and there was no activity in the reported periods.

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash flows from operating activities:		
Net income attributable to MariMed Inc.	$ 4,188	$ 4,220
Net income attributable to noncontrolling interests	53	90
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	702	462
Amortization of intangibles	140	177
Amortization of stock grants	2	5
Amortization of option grants	2,469	295
Amortization of stand-alone warrant issuances	-	56
Amortization of warrants attached to debt	-	539
Amortization of beneficial conversion feature	-	177
Amortization of original issue discount	-	52
Bad debt expense	14	1,025
Fees paid with stock	274	-
Loss on obligations settled with equity	-	1
Gain (loss) on change in fair value of investment	(48)	45
Other investment income	(954)	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,810)	(1,691)
Deferred rents receivable	92	64
Inventory	(2,470)	(624)
Other current assets	(739)	(434)
Other assets	-	(17)
Accounts payable	3,212	1,035
Accrued expenses	217	(129)
Income taxes payable	3,592	1,204
Sales and excise taxes payable	(443)	233
Operating lease payments, net	(6)	(4)
Finance lease interest payments	7	2
Other current liabilities	(2)	(24)
Net cash provided by operating activities	8,490	6,759
Cash flows from investing activities:		
Purchase of property and equipment	(4,015)	(2,308)
Purchase of cannabis licenses	(305)	(638)
Investment in Green Growth Group, Inc.	(100)	-
Interest on notes receivable	43	69
Net cash used in investing activities	(4,377)	(2,877)
Cash flows from financing activities:		
Proceeds from issuance of preferred stock	-	23,000
Equity issuance costs	-	(387)
Repayments of promissory notes	(2)	(15,801)
Payments on mortgages	(174)	(1,157)
Proceeds from exercise of options	3	-
Proceeds from exercise of warrants	-	8
Due to related parties	-	(132)
Finance lease principal payments	(55)	(10)
Distributions	(101)	(83)
Net cash (used in) provided by financing activities	(329)	5,438
Net change to cash and cash equivalents	3,784	9,320
Cash and cash equivalents at beginning of period	29,683	2,999
Cash and cash equivalents at end of period	$ 33,467	$ 12,319
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 302	$ 1,092
Cash paid for income taxes	$ 68	$ 14
Non-cash activities:		
Finance lease right-of-use assets and liabilities	$ 514	$ -
Conversion of promissory notes	$ 400	$ 1,010
Conversions of debentures payable	$ -	$ 1,356
Operating lease right-of-use assets and liabilities	$ -	$ 466
Common stock issued to settle obligations	$ -	$ 30
Issuance of common stock associated with subscriptions	$ -	$ 5

See accompanying notes to condensed consolidated financial statements.

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

MariMed Inc. (the "Company") is a multi-state operator in the United States cannabis industry. The Company develops, operates, manages, and optimizes over 300,000 square feet of state-of-the-art, regulatory-compliant facilities for the cultivation, production and dispensing of medicinal and recreational cannabis. The Company also licenses its proprietary brands of cannabis and hemp-infused products, along with other top brands, in several domestic markets and overseas.

Upon its entry into the cannabis industry in 2014, the Company was an advisory firm that procured state-issued cannabis licenses on behalf of its clients, developed cannabis facilities which it leased to these newly-licensed companies, and provided industry-leading expertise and oversight in all aspects of their cannabis operations. The Company also provided its clients with ongoing regulatory, accounting, real estate, human resources, and administrative services.

Over the last few years, the Company made the strategic decision to transition from a consulting business to a direct owner and operator of cannabis licenses in high-growth states. Core to this transition is the acquisition and consolidation of the Company's clients (the "Consolidation Plan"). Among several benefits, the Consolidation Plan would present a simpler, more transparent financial picture of the full breadth of the Company's efforts, with a clearer representation of the revenues, earnings, and other financial metrics the Company has generated for its clients. The Company has played a key role in the successes of these entities, from the securing of their cannabis licenses, to the development of facilities that are models of excellence, to funding their operations, and to providing operational and corporate guidance. Accordingly, the Company believes it is well suited to own these businesses and manage the continuing growth of their operations.

To date, the Company's acquisition and consolidation of its cannabis-licensed clients' retail businesses in Illinois and retail and wholesale businesses in Massachusetts have been completed. In April 2022, the acquisition of its client's wholesale business in Maryland, and a third-party wholesale business in Illinois were consummated. The acquisitions of clients' retail and wholesale businesses in Nevada and Delaware are at various stages of completion and subject to each state's laws governing the ownership transfer of cannabis licenses and other closing conditions. Delaware will require a modification of current cannabis ownership laws to permit for-profit ownership, which is expected to occur when the state legalizes recreational adult-use cannabis. Until the law changes and the acquisition is approved, the Company continues to generate revenue from rental income, management fees, and licensing royalties.

In addition to the aforementioned acquisitions of its cannabis-licensed clients, in February 2022, the Company was notified that it was awarded a cannabis dispensary license from the state of Ohio, for which it had previously applied. The Company is awaiting the final verification process to be completed by the state before commencing cannabis operations in this state.

The Company's transition to a fully integrated muti-state cannabis operator ("MSO") is part of a strategic growth plan (the "Strategic Growth Plan") it is implementing to drive its revenues and profitability. The Strategic Growth Plan has four components: (i) complete the Consolidation Plan, (ii) increase revenues in existing states, by spending capital to increase the Company's cultivation and production capacity, and develop additional assets within those states, (iii) expand the Company's footprint in additional legal cannabis states through new applications and acquisitions of existing cannabis businesses, and (iv) optimize the Company's brand portfolio and licensing revenue by expanding into additional states with legal cannabis programs.

The Company has created its own brands of cannabis flower, concentrates, and precision-dosed products utilizing proprietary strains and formulations. These products are developed by the Company in cooperation with state-licensed operators who meet the Company's strict quality standards, including all natural—not artificial or synthetic—ingredients. The Company licenses its brands and product formulations only to certified manufacturing professionals who follow state cannabis laws and adhere to the Company's precise scientific formulations and product recipes.

The Company markets its high-quality cannabis flowers and concentrates under the award-winning[1] Nature's Heritage brand; chewable tablets under the brand names Kalm Fusion and K Fusion; all natural fruit chews under the award-winning[1] Betty's Eddies brand; brownies, cookies, and other social sweets under the Bubby's Baked brand; and powder drink mixes under the Vibations: High + Energy brand. The Company's brands have been top-selling products in Maryland and Massachusetts.[2] The Company intends to introduce additional product lines under these brands in the foreseeable future.

The Company also has strategic alliances with prominent brands. The Company has partnered with renowned ice cream maker Emack & Bolio's® to create a line-up of cannabis-infused vegan and dairy ice cream. Additionally, the Company has secured distribution rights for the Binske® line of cannabis products crafted from premium artisan ingredients, the Healer line of medical full-spectrum cannabis tinctures, and the clinically-tested medicinal cannabis strains developed in Israel by global medical cannabis research pioneer Tikun Olam.

The Company was incorporated in Delaware in January 2011 under the name Worlds Online Inc. The Company's stock is quoted on the OTCQX market under the ticker symbol MRMD. In April 2022, the Company applied to list its shares of common stock on the Canadian Securities Exchange, which application is currently pending.

[1] Awards won by the Company's Betty's Eddies brand include LeafLink 2021 Best Selling Medical Product, Reddit Sparkie 2021 Best Edible, Respect My Region 2021 Hottest Edible, LeafLink 2020 Industry Innovator, and Explore Maryland Cannabis 2020 Edible of the Year. Awards won by the Company's Nature's Heritage brand include the Cultivators Cup 2021 Silver Medal and the High Times Cannabis Cup 2021 Bronze Medal.

[2] Source: LeafLink Insights 2020.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

In accordance with GAAP, interim financial statements are not required to contain all of the disclosures normally required in annual financial statements. In addition, the results of operations of interim periods may not necessarily be indicative of the results of operations to be expected for the full year. Accordingly, these interim financial statements should be read in conjunction with the Company’s most recent audited annual financial statements and accompanying notes for the year ended December 31, 2021.

Certain reclassifications may have been made to prior periods’ presentation to conform to the current period presentation. These reclassifications had no effect on previously reported income or cash flows.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of MariMed Inc. and the following majority-owned subsidiaries at March 31, 2022:

Subsidiary:	Percentage Owned
MariMed Advisors Inc.	100.0%
Mia Development LLC	89.5%
Mari Holdings IL LLC	100.0%
Mari Holdings MD LLC	97.4%
Mari Holdings NJ LLC	100.0%
Mari Holdings NV LLC	100.0%
Mari Holdings Metropolis LLC	70.0%
Mari Holdings Mt. Vernon LLC	100.0%
Mari Mfg LLC	100.0%
Hartwell Realty Holdings LLC	100.0%
iRollie LLC	100.0%
ARL Healthcare Inc.	100.0%
KPG of Anna LLC	100.0%
KPG of Harrisburg LLC	100.0%
MariMed OH LLC	100.0%
MariMed Hemp Inc.	100.0%
Meditaurus LLC	100.0%

Intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts within the financial statements and disclosures thereof. Actual results could differ from these estimates or assumptions.

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.

At both March 31, 2022 and December 31, 2021, cash of approximately $5,101,000 was held in escrow, primarily comprised of a $5,000,000 escrow deposit in connection with the acquisition of Kind Therapeutics USA LLC as further discussed in Note 3 – *Acquisitions*.

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

Accounts Receivable

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

The Company provides credit to its clients in the form of payment terms. The Company limits its credit risk by performing credit evaluations of its clients and maintaining a reserve, if deemed necessary, for potential credit losses. Such evaluations include the review of a client’s outstanding balances with consideration towards such client’s historical collection experience, as well as prevailing economic and market conditions and other factors. Based on such evaluations, the Company maintained a reserve of approximately $41.4 million at both March 31, 2022 and December 31, 2021. For further discussion on receivable reserves, please refer to Note 18 – *Bad Debts* and the *Bankruptcy Claim* section of Note 20 – *Commitments and Contingencies.*

Inventory

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

Investments

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

Revenue Recognition

The Company recognizes revenue in accordance with the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 606, *Revenue from Contract with Customers,* as amended by subsequently issued Accounting Standards Updates. This revenue standard requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to in exchange for those goods or services. The recognition of revenue is determined by performing the following consecutive steps:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognize revenue as the performance obligation is satisfied.

Additionally, when another party is involved in providing goods or services to the Company's clients, a determination is made as to who—the Company or the other party—is acting in the capacity as the principal in the sale transaction, and who is 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. The Company may also be deemed to be the principal even if it engages another party (an agent) to satisfy some of the performance obligations on its behalf, provided the Company (i) takes on certain responsibilities, obligations, and risks, (ii) possesses certain abilities and discretion, or (iii) other relevant indicators of the sale. If deemed an agent, the Company would not recognize revenue for the performance obligations it does not satisfy.

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

- Product Sales – direct sales of cannabis and cannabis-infused products primarily by the Company's retail dispensaries and wholesale operations in Massachusetts and Illinois. This revenue is recognized when products are delivered or at retail points-of-sale.

- Real Estate – rental income and additional rental fees generated from leasing of the Company's state-of-the-art, regulatory-compliant cannabis facilities to its cannabis-licensed clients. Rental income is generally a fixed amount per month that escalates over the respective lease terms, while additional rental fees are based on a percentage of tenant revenues that exceed specified amounts.

- Management – fees for providing the Company's cannabis clients with comprehensive oversight of their cannabis cultivation, production, and dispensary operations. These fees are based on a percentage of such clients' revenue and are recognized after services have been performed.

- Supply Procurement – resale of cultivation and production resources, supplies, and equipment, acquired by the Company from top national vendors at volume discounted prices, to its clients and third-parties within the cannabis industry. The Company recognizes this revenue after the delivery and acceptance of goods by the purchaser.

- Licensing – revenue from the sale of Company's branded products including Betty's Eddies and Kalm Fusion, and from the sublicensing of contracted brands including Healer and Tikun Olam, to regulated dispensaries throughout the United States and Puerto Rico. The recognition of this revenue occurs when the products are delivered.

Research and Development Costs

Research and development costs are charged to operations as incurred.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, with depreciation recognized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term, if applicable. When assets are retired or disposed, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income. Repairs and maintenance are charged to expense in the period incurred.

The estimated useful lives of property and equipment are generally as follows: buildings and building improvements, forty years; tenant improvements, the remaining duration of the related lease; furniture and fixtures, seven to ten years; and machinery and equipment, ten years. Land is not depreciated.

The Company's property and equipment are individually reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the undiscounted future cash flows of such asset over the anticipated holding period. An impairment loss is measured by the excess of the asset's carrying amount over its estimated fair value.

Impairment analyses are based on management's current plans, asset holding periods, and currently available market information. If these criteria change, the Company's evaluation of impairment losses may be different and could have a material impact to the consolidated financial statements.

In the three months ended March 31, 2022 and 2021, based on the results of management's impairment analyses, there were no impairment losses.

Leases

The consolidated financial statements reflect the Company's adoption of ASC 842, *Leases*, as amended by subsequent accounting standards updates. Under ASC 842, 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.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of its fixed assets and other assets in accordance with ASC 360-10-15, *Impairment or Disposal of Long-Lived Assets*. Impairment of long-lived assets is recognized when the net book value of such assets exceeds their expected cash flows, in which case the assets are written down to fair value, which is determined based on discounted future cash flows or appraised values.

Fair Value of Financial Instruments

The Company follows the provisions of ASC 820, *Fair Value Measurement*, to measure the fair value of its financial instruments, and ASC 825, *Financial Instruments,* for disclosures on the fair value of its financial instruments. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by ASC 820 are:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's financial assets and liabilities, such as cash and accounts payable, approximate their fair values due to the short maturity of these instruments.

The fair value of option and warrant issuances are determined using the Black-Scholes pricing model and employing several inputs such as the expected life of instrument, the exercise price, the expected risk-free interest rate, the expected dividend yield, the value of the Company's common stock on issuance date, and the expected volatility of such common stock. The following table summarizes the range of inputs used by the Company during the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Life of instrument	*	3.0 to 5.0 years
Volatility factors	*	1.230 to 1.266
Risk-free interest rates	*	0.36% to 0.85%
Dividend yield	*	0%

* No options or warrants were issued by the Company during the three months ended March 31, 2022.

The expected life of an instrument is calculated using the simplified method pursuant to Staff Accounting Bulletin Topic 14, *Share-Based Payment*, which allows for using the mid-point between the vesting date and expiration date. The volatility factors are based on the historical two-year movement of the Company's common stock prior to an instrument's issuance date. The risk-free interest rate is based on U.S. Treasury rates with maturity periods similar to the expected instruments life on the issuance date.

The Company amortizes the fair value of option and warrant issuances on a straight-line basis over the requisite service period of each instrument.

Extinguishment of Liabilities

The Company accounts for extinguishment of liabilities in accordance with ASC 405-20, *Extinguishments of Liabilities.* When the conditions for extinguishment are met, the liabilities are written down to zero and a gain or loss is recognized.

Stock-Based Compensation

The Company accounts for stock-based compensation using the fair value method as set forth in ASC 718, *Compensation—Stock Compensation,* which requires a public entity to measure the cost of employee services received in exchange for an equity award based on the fair value of the award on the grant date, with limited exceptions. Such value will be incurred as compensation expense over the period an employee is required to provide service in exchange for the award, usually the vesting period. No compensation cost is recognized for equity awards for which employees do not render the requisite service.

Income Taxes

The Company uses the asset and liability method to account for income taxes in accordance with ASC 740, *Income Taxes*. Under this method, deferred income tax assets and liabilities are recorded for the future tax consequences of differences between the tax basis and financial reporting basis of assets and liabilities, measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of operations in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. The Company did not take any uncertain tax positions and had no adjustments to unrecognized income tax liabilities or benefits for the three months ended March 31, 2022 and 2021.

Certain of the Company's subsidiaries are subject to the provisions of Section 280E of the Internal Revenue Code, as amended, which prohibits businesses from deducting certain expenses associated with the trafficking of controlled substances within the meaning of Schedule I and II of the Controlled Substances Act. Such non-deductibility of certain ordinary business expenses results in permanent differences and can cause the Company's effective tax rate to be highly variable and not necessarily correlated with pre-tax income.

Related Party Transactions

The Company follows ASC 850, *Related Party Disclosures*, for the identification of related parties and disclosure of related party transactions.

In accordance with ASC 850, the Company's financial statements include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business, as well as transactions that are eliminated in the preparation of financial statements.

Comprehensive Income

The Company reports comprehensive income and its components following guidance set forth by ASC 220, *Comprehensive Income*, which establishes standards for the reporting and display of comprehensive income and its components in the consolidated financial statements. There were no items of comprehensive income applicable to the Company during the periods covered in the financial statements.

Earnings Per Share

Earnings per common share is computed pursuant to ASC 260, *Earnings Per Share*. Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share is computed by dividing net income by the sum of the weighted average number of shares of common stock outstanding plus the weighted average number of potentially dilutive securities during the period.

At March 31, 2022 and 2021, there were potentially dilutive securities convertible into shares of common stock comprised of (i) stock options – convertible into 39,811,671 and 11,017,750 shares, respectively, (ii) warrants – convertible into 26,351,571 and 32,282,708 shares, respectively, (iii) Series B preferred stock – convertible into 4,908,333 shares in both periods, (iv) Series C preferred stock – convertible into 31,081,080 shares in both periods, and (v) promissory notes – convertible into zero and 10,705,513 shares, respectively.

For the three months ended March 31, 2022 and 2021, the aforementioned potentially dilutive securities increased the number of weighted average common shares outstanding on a diluted basis by 44,127,540 and 35,613,671 shares, respectively. Such share amounts were reflected in the calculation of diluted net income per share for such periods.

Commitments and Contingencies

The Company follows ASC 450, *Contingencies*, which requires the Company to assess the likelihood that a loss will be incurred from the occurrence or non-occurrence of one or more future events. Such assessment inherently involves an exercise of judgment. In assessing possible loss contingencies from legal proceedings or unasserted claims, the Company evaluates the perceived merits of such proceedings or claims, and of the relief sought or expected to be sought.

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

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

Beneficial Conversion Features on Convertible Debt

Convertible instruments that are not bifurcated as a derivative pursuant to ASC 815, *Derivatives and Hedging*, and not accounted for as a separate equity component under the cash conversion guidance are evaluated to determine whether their conversion prices create an embedded beneficial conversion feature at inception, or may become beneficial in the future due to potential adjustments.

A beneficial conversion feature is a nondetachable conversion feature that is "in-the-money" at the commitment date. The in-the-money portion, also known as the intrinsic value, is recorded in equity, with an offsetting discount to the carrying amount of convertible debt to which it is attached. The discount is amortized to interest expense over the life of the debt with adjustments to amortization upon full or partial conversions of the debt.

Risk and Uncertainties

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

Noncontrolling Interests

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

Off Balance Sheet Arrangements

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

Recent Accounting Pronouncements

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

NOTE 3 – ACQUISITIONS

Kind Therapeutics USA LLC

In December 2021, the Company entered into a membership interest purchase agreement with the members of Kind Therapeutics USA LLC, the Company's client in Maryland that holds licenses for the cultivation, production, and dispensing of medical cannabis ("Kind"), to acquire 100% of the equity ownership of Kind in exchange for $13.5 million payable in cash (subject to adjustment) and $6.5 million payable by the issuance of four-year 6.0% promissory notes to the members of Kind, secured by a first priority lien on the Company's property in Hagerstown, MD. Upon execution of the membership interest purchase agreement, the Company deposited, in escrow, the sum of $5.0 million as a contract down-payment.

In April 2022, the Maryland Medical Cannabis Commission approved the Company's acquisition of Kind, and the acquisition was consummated by the parties. Accordingly, Kind will be consolidated into the financial results of the Company commencing on the closing date of the acquisition. Following the closing of the transaction, the Maryland litigation between the Company and the members of Kind was dismissed as further discussed in Note 20 – *Commitments and Contingencies*.

Simultaneous with the Kind membership purchase agreement, the Company entered into a membership interest purchase agreement with one of the members of Kind to acquire such member's entire equity ownership interest in (i) Mari Holdings MD LLC ("Mari-MD"), the Company's majority owned subsidiary that owns production and retail cannabis facilities in Hagerstown, MD and Annapolis, MD, and (ii) Mia Development LLC ("Mia"), the Company's majority owned subsidiary that owns production and retail cannabis facilities in Wilmington, DE. The purchase price of $2 million in the aggregate is expected to be paid, and the transaction consummated, upon the dismissal of the derivative claims in the DiPietro lawsuit in June 2022, as further discussed in Note 20 – *Commitments and Contingencies*. After this transaction is consummated, the Company's ownership of Mari-MD and Mia shall increase to 99.7% and 94.3%, respectively.

The Harvest Foundation LLC

In 2019, the Company entered into a purchase agreement to acquire 100% of the ownership interests of The Harvest Foundation LLC ("Harvest"), the Company's cannabis-licensed client in the state of Nevada. The acquisition is conditioned upon state regulatory approval of the transaction and other closing conditions. Upon approval, and the fulfillment of other closing conditions, the ownership of Harvest will be transferred to the Company, and the operations of Harvest will begin to be consolidated into the Company's financial statements. There is no assurance that the closing conditions to the Company's acquisition of Harvest, including regulatory approval, will be achieved or that the acquisition will be consummated.

The purchase price is comprised of the issuance of (i) 1,000,000 shares of the Company's common stock, in the aggregate, to the two owners of Harvest, which as a good faith deposit, were issued upon execution of the purchase agreement, (ii) $1.2 million of the Company's common stock at closing, based on the closing price of the common stock on the day prior to legislative approval of the transaction, and (iii) warrants to purchase 400,000 shares of the Company's common stock at an exercise price equal to the closing price of the Company's common stock on the day prior to legislative approval of the transaction. The issued shares were recorded at par value. Such shares are restricted and will be returned to the Company in the event the transaction does not close.

Meditaurus LLC

In September 2021, the Company acquired the remaining 30.0% ownership interest of Meditaurus LLC, a developer of CBD products sold under the Florance brand name ("Meditaurus"), in exchange for 100,000 shares of the Company's common stock, valued at approximately $94,000, and $10,000 in cash. In 2019, the Company had acquired a 70.0% ownership interest in Meditaurus in exchange for $2.8 million of cash and stock.

The carrying value of the noncontrolling interest of approximately $975,000 was eliminated on the date such interest was acquired in September 2021, and since there was no change in control of Meditaurus from this transaction, the resulting gain on bargain purchase was recognized in *Additional Paid-In Capital* on the balance sheet. As part of this transaction, the initial purchase agreement was amended whereby any and all future license fees and payments to Meditaurus were eliminated.

Beverly Asset Purchase

In November 2021, the Company entered into an asset purchase agreement to acquire the cannabis license, property lease, and other assets and rights of, and to assume the liabilities and operating obligations associated with, a cannabis dispensary that is currently operating in Beverly, MA. The purchase price is comprised of 2,000,000 shares of the Company's common stock and $5.1 million in cash, with the cash amount to be paid on a monthly basis as a percentage of the business' monthly gross sales.

The purchase is contingent upon the approval of the Massachusetts Cannabis Control Commission, which is expected during the third quarter of 2022. Concurrent with the execution of this agreement, the parties entered into a consulting agreement pursuant whereby the Company shall provide certain oversight services related to the development, staffing, and operation of the business in exchange for a monthly fee.

Green Growth Group Inc.

In January 2022, the Company entered into a stock purchase agreement to acquire 100% of the equity ownership of Green Growth Group Inc., an entity that holds a wholesale cannabis license in the state of Illinois, in exchange for $1.9 million in cash and shares of the Company's common stock valued at $1.5 million. The Company made a good faith deposit of $100,000 on the agreement date, which comprises the balance of non-current *Investments* on the balance sheet.

In March 2022, the acquisition was approved by the Illinois Department of Agriculture, and in April 2022, the parties consummated the transaction.

NOTE 4 – INVESTMENTS

At March 31, 2022 and December 31, 2021, the Company's investments were comprised of the following (in thousands):

	March 31, 2022	December 31, 2021
Current investments:		
Flowr Corp. (formerly Terrace Inc.)	$ 299	$ 251
WM Technology Inc.	954	-
Total current investments	1,253	251
Non-current investments:		
Green Growth Group, Inc.	100	-
MembersRSVP LLC	-	-
Total investments	$ 1,353	$ 251

Flowr Corp. (formerly Terrace Inc.)

In December 2020, Terrace Inc., a Canadian cannabis entity in which the Company had an ownership interest of 8.95% ("Terrace"), was acquired by Flowr Corp. (TSX.V: FLWR; OTC: FLWPF), a Toronto-headquartered cannabis company with operations in Canada, Europe, and Australia ("Flowr"). Under the terms of the deal, each shareholder of Terrace received 0.4973 of a share in Flowr for each Terrace share held.

This investment is carried at fair value. The increase in fair value of approximately $48,000 during the three months ended March 31, 2022, and the decrease in fair value of approximately $45,000 during the three months ended March 31, 2021, were reflected in the *Gain (Loss) On Change In Fair Value Of Investment* on the respective statement of operations.

Green Growth Group Inc.

In January 2022, the Company made a good faith deposit of $100,000 in connection with the acquisition of Green Growth Group, Inc. as previously discussed in Note 3 – *Acquisitions*.

MembersRSVP LLC

In January 2021, the Company and MembersRSVP LLC, an entity that develops cannabis-specific software ("MRSVP"), in which the Company owned a 23.0% membership interest, entered into an agreement whereby the Company returned membership interests comprising 11% ownership in MRSVP in exchange for a release from all further obligation by the Company to make future investments, payments, and certain other non-monetary consideration.

In addition to the reduction of the Company's ownership interest to 12.0%, the Company relinquished its right to appoint a member to the board of MRSVP. In light of the Company no longer having the ability to exercise significant influence over MRSVP, the Company discontinued accounting for this investment under the equity method as of January 1, 2021.

In September 2021, MRSVP sold substantially all of its assets pursuant to an asset purchase agreement. As a result of this agreement, the Company received cash proceeds of $1,475,000, representing the Company's pro rata share of the cash consideration received by MRSVP at the closing of the transaction. The cash proceeds reduced the Company's MRSVP investment balance to zero and resulted in a gain of approximately $309,000.

As an ongoing member of MRSVP, the Company was entitled to its pro rata share of any additional consideration received by MRSVP pursuant to the asset purchase agreement, which may include securities or other forms of non-cash or in-kind consideration and holdback amounts, if and when it is received and distributed by MRSVP. In February 2022, the Company received 121,968 shares of common stock of WM Technology Inc. (Nasdaq: MAPS), a technology and software infrastructure provider to the cannabis industry, representing the Company's pro rata share of the additional consideration received by MRSVP pursuant to the asset purchase agreement. The fair value of these shares at March 31, 2022 of approximately $954,000 was reflected in current *Investments* on the balance sheet, and the corresponding gain comprised the balance of *Other Investment Income* on the statement of operations for the three months ended March 31, 2022.

NOTE 5 – DEFERRED RENTS RECEIVABLE

The Company is the lessor under operating leases which contain escalating rents over time, rent holidays, options to renew, requirements to pay property taxes, insurance and/or maintenance costs, and contingent rental payments based on a percentage of monthly tenant revenues. The Company is not the lessor under any finance leases.

The Company recognizes fixed rental receipts from such lease agreements on a straight-line basis over the expected lease term. Differences between amounts received and amounts recognized are recorded under *Deferred Rents Receivable* on the balance sheet. Contingent rentals are recognized only after tenants' revenues are finalized and if such revenues exceed certain minimum levels.

The Company leases the following owned properties:

- Delaware – a 45,000 square foot cannabis cultivation, processing, and dispensary facility which is leased to a cannabis-licensed client under a triple net lease that expires in 2035.

- Maryland – a 180,000 square foot cultivation and processing facility which is leased to a licensed cannabis client under a triple net lease that expires in 2037.

- Massachusetts – a 138,000 square foot industrial property of which approximately half of the available square footage is leased to a non-cannabis manufacturing company under a lease that expires in October 2022.

The Company subleases the following properties:

- Delaware – a 4,000 square foot cannabis dispensary which is subleased to its cannabis-licensed client under a under a sublease expiring in April 2027.

- Delaware – a 100,000 square foot warehouse, of which the Company developed 60,000 square feet into a cultivation facility that is subleased to its cannabis-licensed client. The sublease expires in March 2030, with an option to extend the term for three additional five-year periods. The Company intends to develop the remaining space into a processing facility.

- Delaware – a 12,000 square foot cannabis production facility with offices which is subleased to its cannabis-licensed client. The sublease expires in January 2026 and contains an option to negotiate an extension at the end of the lease term.

At March 31, 2022 and December 31, 2021, cumulative fixed rental receipts under such leases approximated $19.9 million and $18.7 million, respectively, compared to revenue recognized on a straight-line basis of approximately $21.5 million and $20.4 million, respectively. Accordingly, the deferred rents receivable balance approximated $1.6 million and $1.7 million at March 31, 2022 and December 31, 2021, respectively.

Future minimum rental receipts for non-cancellable leases and subleases as of March 31, 2022 were (in thousands):

2022	$	3,620
2023		4,563
2024		4,626
2025		4,695
2026		3,916
Thereafter		35,830
Total	$	57,250

NOTE 6 – NOTES RECEIVABLE

At March 31, 2022 and December 31, 2021, notes receivable, including accrued interest, consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
First State Compassion Center (initial note)	$ 385	$ 403
First State Compassion Center (secondary note)	7,982	7,845
Healer LLC	866	866
High Fidelity Inc.	-	-
Total notes receivable	9,233	9,114
Notes receivable, current portion	129	127
Notes receivable, less current portion	$ 9,104	$ 8,987

First State Compassion Center

The Company's cannabis-licensed client in Delaware, First State Compassion Center ("FSCC"), issued a 10-year promissory note to the Company in May 2016 in the amount of $700,000 bearing interest at a rate of 12.5% per annum, as amended. The monthly payments of approximately $10,000 will continue through April 2026, at which time the note will be paid in full. At March 31, 2022 and December 31, 2021, the current portion of this note approximated $77,000 and $75,000, respectively, and was included in *Notes Receivable, Current Portion* on the respective balance sheets.

In December 2021, financed trade accounts receivable balances from FSCC of approximately $7,845,000 in the aggregate were converted into notes receivable whereby FSCC issued promissory notes to the Company in the aggregate amount of approximately $7.8 million bearing interest at a rate of 6.0% per annum. The promissory notes call for the periodic payment of principal and interest throughout the term of the note which matures in December 2025. At March 31, 2022, the balance of the note included approximately $138,000 of unpaid accrued interest.

Healer LLC

In March 2021, the Company was issued a promissory note in the principal amount of approximately $894,000 from Healer LLC, an entity that provides cannabis education, dosage programs, and products developed by Dr. Dustin Sulak, an integrative medicine physician and nationally renowned cannabis practitioner ("Healer"). The principal balance of the note represents previous loans extended to Healer by the Company of $800,000 plus accrued interest through the revised promissory note issuance date of approximately $94,000. The revised promissory note bears interest at a rate of 6.0% per annum and requires quarterly payments of interest through the maturity date in April 2026.

Additionally, the Company has the right to offset any licensing fees owed to Healer by the Company in the event Healer fails to make any payment when due. In March 2021, the Company offset approximately $28,000 of licensing fees payable to Healer against the principal balance of the revised promissory note, reducing the principal amount to approximately $866,000. At both March 31, 2022 and December 31, 2021, approximately $52,000 was current.

High Fidelity

In August 2021, the Company was fully repaid on a loan to High Fidelity Inc., an entity with cannabis operations in the state of Vermont. The loan had a principal balance of $250,000 and bore interest at a rate of 10.0% per annum,

NOTE 7 – INVENTORY

At March 31, 2022 and December 31, 2021, inventory was comprised of the following (in thousands):

	March 31, 2022	December 31, 2021
Plants	$ 2,413	$ 1,015
Ingredients and other raw materials	494	262
Work-in-process	4,066	4,661
Finished goods	5,265	3,830
Total inventory	$ 12,238	$ 9,768

NOTE 8 – PROPERTY AND EQUIPMENT

At March 31, 2022 and December 31, 2021, property and equipment consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Land	$ 4,450	$ 4,450
Buildings and building improvements	37,674	35,231
Tenant improvements	16,819	9,745
Furniture and fixtures	1,909	1,888
Machinery and equipment	8,632	7,221
Construction in progress	3,635	10,569
	73,119	69,104
Less: accumulated depreciation	(7,637)	(6,954)
Property and equipment, net	$ 65,482	$ 62,150

During the three months ended March 31, 2022 and December 31, 2021, additions to property and equipment approximated $4,015,000 and $3,224,000, respectively.

The 2022 additions were primarily comprised of (i) the development of facilities in Annapolis, MD and Beverly, MA, and (ii) purchases of building improvements, machinery, and equipment at the facilities in Hagerstown, MD and New Bedford, MA. The 2021 additions consisted primarily of (i) the development of facilities in Annapolis, MD and Milford, DE, and (ii) purchases of building improvements, machinery, and equipment at the Hagerstown, MD facility and both facilities in Massachusetts.

The construction in progress balances of approximately $3,635,000 and $10,569,000 at March 31, 2022 and December 31, 2021, respectively, consisted of development of facilities in Annapolis, MD, Beverly, MA, and Milford, DE.

Depreciation expense for the three months ended March 31, 2022 and 2021 approximated $702,000 and $462,000, respectively.

NOTE 9 – INTANGIBLES

At March 31, 2022 and December 31, 2021, intangible assets were comprised of (i) the carrying value of cannabis license fees, and (ii) goodwill arising from the Company's acquisitions.

The Company's cannabis licenses are issued from the states of Illinois and Massachusetts and require the payment of annual fees. These fees, comprised of a fixed component and a variable component based on the level of operations, are capitalized and amortized over the respective twelve-month periods. At March 31, 2022 and December 31, 2021, the carrying value of these cannabis licenses approximated $327,000 and $162,000, respectively.

The goodwill associated with acquisitions is reviewed on a quarterly basis for impairment. Based on this review and other factors, the goodwill of approximately $2,068,000 at March 31, 2022 and December 31, 2021 was deemed to be unimpaired.

NOTE 10 – MORTGAGES

At March 31, 2022 and December 31, 2021, mortgage balances, including accrued interest, were comprised of the following (in thousands):

	March 31, 2022	December 31, 2021
Bank of New England – New Bedford, MA and Middleboro, MA properties	$ 12,409	$ 12,499
Bank of New England – Wilmington, DE property	1,434	1,463
DuQuoin State Bank – Anna, IL and Harrisburg, IL properties	770	778
DuQuoin State Bank – Metropolis, IL property	2,607	2,658
South Porte Bank – Mt. Vernon, IL property	820	816
Total mortgages payable	18,040	18,214
Mortgages payable, current portion	1,416	1,400
Mortgages payable, less current portion	$ 16,624	$ 16,814

The Company maintains an amended and restated mortgage agreement with the Bank of New England bearing interest at a rate of 6.5% per annum that matures in August 2025. This mortgage is secured by the Company's properties in New Bedford, MA and Middleboro, MA. Proceeds from this mortgage were used to pay down a previous mortgage with the Bank of New England of approximately $4.8 million on the New Bedford property, and approximately $7.2 million of promissory notes as further discussed in Note 11 – *Promissory Notes*. At March 31, 2022 and December 31, 2021, the outstanding principal balance of this note approximated $12,409,000 and $12,499,000, respectively, of which approximately $364,000 and $358,000, respectively, was current.

The Company has a second mortgage with Bank of New England that is secured by the Company's property in Wilmington, DE. The mortgage matures in 2031 with monthly principal and interest payments at a rate of 5.25% per annum through September 2021, and thereafter the rate adjusting every five years to the then prime rate plus 1.5% with a floor of 5.25% per annum. At September 2021, the interest rate remained at 5.25%. At March 31, 2022 and December 31, 2021, the outstanding principal balance on this mortgage approximated $1,434,000 and $1,463,000, respectively, of which approximately $122,000 and $120,000, respectively, was current.

The Company maintains a mortgage agreement with DuQuoin State Bank ("DSB") for its purchase of properties in Anna, IL and Harrisburg, IL. 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 2021 at a rate of 6.75% per annum. At March 31, 2022 and December 31, 2021, the outstanding principal balance on this mortgage approximated $770,000 and $778,000 respectively, of which approximately $34,000 and $33,000, respectively, was current.

In July 2021, the Company purchased the land and building in which it operates its cannabis dispensary in Metropolis, IL. The purchase price consisted of 750,000 shares of the Company's common stock, which were valued at $705,000 on the date of the transaction, and payoff of the seller's remaining mortgage of approximately $1.6 million. In connection with this purchase, the Company entered into a second mortgage agreement with DSB in the amount of $2.7 million that matures in July 2041 and initially bears interest at a rate of 6.25% per annum which is adjusted each year based on a certain interest rate index plus a margin. As part of this transaction, the seller was provided with a 30.0% ownership interest in Mari Holdings Metropolis LLC ("Metro"), the Company's subsidiary that owns the property and related mortgage obligation, reducing the Company's ownership interest in Metro to 70.0%. At March 31, 2022 and December 31, 2021, the outstanding principal balance on this mortgage approximated $2,607,000 and $2,658,000, respectively, of which approximately $76,000 and $73,000 was current.

In February 2020, the Company entered into a mortgage agreement with South Porte Bank for the purchase and development of a property in Mt. Vernon, IL. Pursuant to the amended mortgage agreement, the mortgage shall be repaid in monthly installments of principal and interest of approximately $6,000, which began in August 2021 and continues through its maturity in June 2022, at which time all remaining principal, interest and fees shall be due.

NOTE 11 – PROMISSORY NOTES

Promissory Note Retirements

In March 2021, utilizing a portion of the proceeds from the Hadron transaction discussed in Note 13 – *Mezzanine Equity,* the Company retired approximately $15.2 million of principal and interest on promissory notes issued in previous fiscal years to accredited individual and institutional investors. Additionally, a remaining debt discount of approximately $450,000 on one of the retired promissory notes (such discount having arisen from the issuance of warrants attached to such promissory note) was fully amortized in this month.

Promissory Note Conversions

During the three months ended March 31, 2021, the noteholder of an $8.8 million promissory note issued by the Company in June 2020 converted approximately $1.0 million of principal and $10,000 of accrued interest into 3,365,972 shares of the Company's common stock. After such conversion and cash payments of $4.6 million in the second half of fiscal 2020, this $8.8 million promissory note was amended and restated into a new $3.2 million promissory note.

During 2021, in a series of transactions, the noteholder converted $2.8 million of principal into 8,033,296 shares of the Company's common stock. At December 31, 2021, the outstanding balance on this note was $400,000.

During the three months ended March 31, 2022, the noteholder converted the remaining principal balance of $400,000 into 1,142,858 shares of the Company's common stock. Upon this conversion, the $3.3 million note no longer had an outstanding balance and was retired. All of the aforementioned note conversions were effected within the terms of their respective note agreements, and the Company was not required to record a gain or loss on such conversions.

Promissory Notes Issued to Purchase Commercial Vehicles

In August 2020, the Company entered into a note agreement with First Citizens' Federal Credit Union for the purchase of a commercial vehicle. The note bears interest at a rate of 5.74% per annum and matures in July 2026. At March 31, 2022 and December 31, 2021, the balance of this note approximated $24,000 and $26,000, respectively, of which approximately $5,000 was current in both periods.

In June 2021, the Company entered into a note agreement with Ally Financial for the purchase of a second commercial vehicle. The note bears interest at the rate of 10.0% per annum and matures in May 2027. At March 31, 2022 and December 31, 2021, the balance of this note approximated $31,000 and $33,000, of which approximately $5,000 was current in both periods.

Promissory Note Issued by MariMed Hemp Inc.

In September 2020, the Company paid down $500,000 of principal on a $1.0 million promissory note issued in 2019 by MariMed Hemp Inc., the Company's wholly-owned subsidiary. In March 2021, utilizing a portion of the proceeds from the Hadron transaction discussed in Note 13 – *Mezzanine Equity,* the Company paid interest on this note of $200,000 and paid off the remaining principal of $500,000.

At March 31, 2022 and December 31, 2021, the Company was carrying an accrued interest balance of approximately $125,000 to cover interest due on this note.

Debt Maturities

At March 31, 2022, the aggregate scheduled maturities of the Company's total debt outstanding were (in thousands):

2022	$	1,267
2023		635
2024		673
2025		720
2026		764
Thereafter		14,037
Total		18,096

NOTE 12 – DEBENTURES PAYABLE

In a series of transactions from the period October 2018 through February 2020, the Company sold an aggregate of $21.0 million of convertible debentures (the "$21M Debentures") to an unaffiliated investor pursuant to an amended securities purchase agreement.

As of March 31, 2021, the holder of the $21M Debentures had converted the entire $21.0 million of principal and related accrued interest into the Company's common stock in a series of conversions, at conversion prices equal to 80.0% of a calculated average of the daily volume-weighted price preceding the date of conversion. Of these conversions, $1.3 million of principal and approximately $56,000 of accrued interest were converted into 4,610,645 shares of common stock at a conversion price of $0.29 per share during the three months ended March 31, 2021. Additionally, a remaining (i) original issue discount of approximately $52,000, (ii) debt discount of approximately $39,000 (such discount having arisen from the issuance of warrants attached to the $21M Debentures), and (iii) beneficial conversion feature of approximately $177,000 (such conversion feature having arisen from an in-the-money embedded conversion option on the commitment date), were fully amortized upon the final conversion of the $21M Debentures. All conversions were effected within the terms of the debenture agreements, and accordingly the Company was not required to record a gain or loss on such conversions.

NOTE 13 – MEZZANINE EQUITY

Series B Convertible Preferred Stock

In 2020, the Company entered into an exchange agreement with two institutional shareholders (the "Exchange Agreement") whereby the Company (i) issued $4.4 million of promissory notes to the two institutional shareholders (such notes were retired in March 2021 as part of the promissory note retirements discussed in Note 11 – *Promissory Notes*), and (ii) exchanged 4,908,333 shares of the Company's common stock previously acquired by the two institutional shareholders for an equal number of shares of newly designated Series B convertible preferred stock.

In connection with the Exchange Agreement, the Company filed (i) a certificate of designation with respect to the rights and preferences of the Series B convertible preferred stock, and (ii) a certificate of elimination to return all shares of the Series A convertible preferred stock, of which no shares were issued or outstanding at the time of filing, to the status of authorized and unissued shares of undesignated preferred stock.

The holders of Series B convertible preferred stock (the "Series B Holders") are entitled to cast the number of votes equal to the number of shares of common stock into which the shares of Series B convertible preferred stock are convertible, together with the holders of common stock as a single class, on most matters. However, the affirmative vote or consent of the Series B Holders voting separately as a class is required for certain acts taken by the Company, including the amendment or repeal of certain charter provisions, liquidation or winding up of the Company, creation of stock senior to the Series B convertible preferred stock, and/or other acts defined in the certificate of designation.

The Series B convertible preferred stock shall, with respect to dividend rights and rights on liquidation, winding up and dissolution, rank senior to the Company's common stock. The Company shall not declare, pay, or set aside any dividends on shares of any other class or series of capital stock of the Company unless the Series B Holders then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B convertible preferred 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 then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders before any payment shall be made to the holders of common stock by reason of their ownership thereof, an amount per share equal to $3.00, plus any dividends declared but unpaid thereon, with any remaining assets distributed pro-rata among the holders of the shares of Series B convertible preferred stock and common stock, based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to common stock.

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

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

- If the sixty-day VWAP is less than or equal to $0.50 per share, the Company shall have the option to (i) convert all shares of Series B convertible preferred stock into common stock at a conversion price of $1.00 per share, and pay cash to the Series B Holders equal to the difference between the 60-day VWAP and $3.00 per share, or (ii) pay cash to the Series B Holders equal to $3.00 per share.

- If the sixty-day VWAP is greater than $0.50 per share, the Company shall have the option to (i) convert all shares of Series B convertible preferred stock into common stock at a conversion price per share equal to the quotient of $3.00 per share divided by the sixty-day VWAP, or (ii) pay cash to the Series B Holders equal to $3.00 per share, or (iii) convert all shares of Series B convertible preferred stock into common stock at a conversion price per share equal to the sixty-day VWAP per share and pay cash to the Series B Holders at the difference between $3.00 per share and the sixty-day VWAP per share.

The Company shall at all times when the Series B convertible preferred 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 convertible preferred 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 convertible preferred stock.

Series C Convertible Preferred Stock

In March 2021, the Company entered into a securities purchase agreement with Hadron Healthcare Master Fund ("Hadron") with respect to a financing facility of up to $46.0 million in exchange for newly-designated Series C convertible preferred stock of the Company and warrants to purchase the Company's common stock.

At the closing of the transaction in March 2021, Hadron purchased $23.0 million of Units at a price of $3.70 per Unit. Each Unit is comprised of one share of Series C preferred stock and a four-year warrant to purchase two and one-half shares of common stock. Accordingly, the Company issued to Hadron 6,216,216 shares of Series C preferred stock and warrants to purchase up to an aggregate of 15,540,540 shares of common stock. Each share of Series C preferred stock is convertible, at Hadron's option, into five shares of common stock, and each warrant is exercisable at an exercise price of $1.087 per share. The warrants shall be subject to early termination if certain milestones are attained, and the market value of the Company's common stock reaches certain predetermined levels. The fair value of the warrants of approximately $9.5 million on the issuance date was allocated to the proceeds and recorded as additional paid-in capital. The Company incurred costs of approximately $387,000 relative to the issuance of the aforementioned shares to Hadron which was recorded as a reduction to additional paid-in capital in March 2021.

In connection with the closing of the transaction, the Company filed a certificate of designation with respect to the rights and preferences of the Series C convertible preferred stock. Such stock is zero coupon, non-voting. and has a liquidation preference equal to its investment amount plus declared but unpaid dividends. Holders of Series C convertible preferred stock are entitled to receive dividends on an as-converted basis.

Of the $23.0 million of proceeds received by the Company in March 2021, approximately (i) $7.3 million was designated to fund construction and upgrades of certain of the Company's owned and managed facilities, which was expended in 2021, and (ii) $15.7 million was used to pay down debt and related interest as discussed in Note 11 – *Promissory Notes*.

The balance of the facility was designated to fund future acquisitions, including the Kind acquisition, on the same aforementioned terms as the initial proceeds. Notwithstanding, Hadron did not fund the cash portion of the Kind purchase price, and the Company is currently in negotiations with Hadron to amend and extend the facility to be utilized for future expansion opportunities. There is no assurance that any extension will be implemented.

The transaction imposes certain covenants on the Company with respect to the incurrence of new indebtedness, the issuance of additional shares of any designation of preferred stock, and the payment of distributions.

NOTE 14 – STOCKHOLDERS' EQUITY

Stockholder Resolutions

At the Company's 2021 annual meeting of stockholders in September 2021 (the "Annual Meeting"), stockholders approved an amendment to the Company's certificate of incorporation increasing the number of authorized shares of common stock from 500 million 700 million.

Also at the Annual Meeting, stockholders approved an amendment to the Company's Amended and Restated 2018 Stock Award and Incentive Plan (the "Plan") increasing the aggregate number shares reserved for issuance under the Plan from 40 million to 70 million.

Undesignated Preferred Stock

In February 2020, the Company filed a certificate of elimination to return all shares of formerly designated Series A convertible preferred stock to the status of authorized and unissued shares of undesignated preferred stock.

Common Stock

During the three months ended March 31, 2022 and 2021, the Company granted 2,717 and 6,877 shares of common stock, respectively, to an employee for services in lieu of salary. These granted shares, with a fair value of approximately $2,000 in 2022 and $5,000 in 2021, were yet to be issued by the end of the respective quarter, and were reflected in *Common Stock Subscribed But Not Issued* on the balance sheet.

In March 2022, the Company issued 375,000 shares of common stock valued at approximately $274,000 in exchange for consulting services, In February 2021, the Company issued 42,857 shares of common stock to settle a $30,000 obligation. Based on the price of the Company's common stock on the date of issuance, the Company incurred a non-cash loss of approximately $1,000 which was reflected under *Loss On Obligations Settled with Equity* on the statement of operations.

During the three months ended March 31, 2021, the Company issued 11,413 shares of common stock associated with previously issued subscriptions on common stock with a fair value of approximately $5,000. No such issuances were made during the three months ended March 31, 2022.

As previously disclosed in Note 11 – *Promissory Notes*, during the three months ended March 31, 2022 and 2021, the Company issued 1,142,858 shares common stock upon the conversion of $400,000 of principal in 2022 and 3,365,972 shares of common stock upon the conversion of approximately $1,010,000 of principal and interest in 2021 on promissory notes.

As previously disclosed in Note 12 – *Debentures Payable*, during the three months ended March 31, 2021, the Company issued 4,610,645 shares common stock upon the conversion of $1.3 million of principal and approximately $56,000 of accrued interest of the $21M Debentures.

As further disclosed in Note 15 – *Options*, during the three months ended March 31, 2022, 10,000 shares of common stock were issued in connection with the exercise of stock options. No stock options were exercised during the three months ended March 31, 2021.

As further disclosed in Note 16 – *Warrants*, during the three months ended March 31, 2021, warrants to purchase 50,000 shares of common stock were exercised. No warrants were exercised during the three months ended March 31, 2022.

Common Stock Issuance Obligations

At March 31, 2022 and 2021, the Company was obligated to issue 2,717 and 6,877 shares of common stock, valued at approximately $2,000 and $5,000, respectively, in connection with stock grants to an employee. The 2022 obligation was issued in May 2022; the 2021 obligations was issued in April 2021.

NOTE 15 – STOCK OPTIONS

During the three months ended March 31, 2021, the Company granted five-year options to purchase up to 1,262,000 shares of common stock at exercise prices ranging from $0.51 to $0.90 per share. The fair value of these options of approximately $541,000 in the aggregate is being amortized to compensation expense over their vesting periods, of which approximately $170,000 was amortized during the three months ended March 31, 2021. No stock options were granted during the three months ended March 31, 2022.

Compensation expense in the first quarter of 2022 and 2021 for options issued in previous periods, and continuing to be amortized over their respective vesting periods, approximated $2,469,000 and $124,000, respectively.

During the three months ended March 31, 2022, options to purchase 10,000 shares of common stock were exercised at an exercise price of $0.30. No stock options were exercised during the three months ended March 31, 2021.

During the three months ended March 31, 2021, options to purchase 50,000 shares of common stock expired. No stock options expired during the three months ended March 31, 2022.

Stock options outstanding and exercisable as of March 31, 2022 were:

Exercise Price	Shares Under Option		Remaining Life
per Share	Outstanding	Exercisable	in Years
$0.140	80,000	80,000	3.28
$0.149	500,000	500,000	3.76
$0.169	200,000	200,000	3.62
$0.225	2,000,000	1,625,000	3.61
$0.250	50,000	50,000	2.92
$0.250	20,000	20,000	3.17
$0.250	50,000	25,000	3.57
$0.250	800,000	800,000	3.62
$0.250	80,000	80,000	3.65
$0.300	388,000	388,000	3.00
$0.417	900,000	900,000	2.74
$0.505	100,000	100,000	3.76
$0.505	800,000	400,000	3.78
$0.590	15,000	15,000	2.69
$0.690	15,000	-	4.68
$0.693	500,000	-	4.69
$0.700	650,000	50,000	4.67
$0.740	520,000	425,625	4.08
$0.755	1,050,000	550,000	4.73
$0.770	200,000	200,000	0.75
$0.800	25,000	-	4.64
$0.830	287,000	287,000	3.98
$0.830	600,000	150,000	4.16
$0.840	878,921	878,921	4.29
$0.840	99,000	59,400	4.34
$0.850	90,000	49,375	4.21
$0.850	72,500	14,375	4.63
$0.870	250,000	-	4.76
$0.880	11,550,000	5,925,000	4.28
$0.880	15,000	7,500	4.37
$0.880	410,000	102,500	4.59
$0.890	10,000	5,000	3.81
$0.892	40,000	30,000	3.81
$0.895	25,000	25,000	3.82
$0.898	11,250,000	5,625,000	4.50
$0.900	50,000	50,000	1.11
$0.910	50,000	50,000	0.56
$0.920	300,000	37,500	4.27
$0.928	500,000	200,000	4.36
$0.950	50,000	50,000	0.75
$0.970	100,000	100,000	4.21
$0.983	145,000	61,250	4.24
$0.990	500,000	125,000	4.47
$0.992	300,000	300,000	2.49
$1.000	15,000	15,000	2.21
$1.000	125,000	125,000	2.59
$1.350	100,000	100,000	1.33
$1.950	375,000	375,000	1.25
$2.320	100,000	100,000	1.45
$2.450	2,000,000	2,000,000	0.73
$2.500	100,000	100,000	1.41
$2.650	200,000	200,000	1.48
$2.850	56,250	56,250	0.70
$2.850	100,000	100,000	1.70
$3.000	25,000	25,000	1.71
$3.725	100,000	100,000	1.69
	39,811,671	23,837,696	

NOTE 16 – WARRANTS

During the three months ended March 31, 2021, the Company issued four-year warrants to Hadron to purchase up to 15,540,540 shares of common stock at an exercise price of $1.087 per share as part of the Hadron transaction previously discussed in Note 13 – *Mezzanine Equity*. Of the $23.0 million of proceeds from the Hadron transaction, $9.5 million was allocated to the warrant (such mount representing the fair value of the warrants on the issuance date) and recorded in Additional Paid-In Capital. Also during 2021, the Company issued warrants to purchase up to 2,100,000 shares of common stock at exercise prices ranging from $0.50 to $0.83 per share, expiring three and five years from issuance. The fair value of these warrants on their issuance dates of approximately $1,487,000 in the aggregate was charged to compensation expense. No warrants were granted during the three months ended March 31, 2022.

During the three months ended March 31, 2021, warrants to purchase 50,000 shares of common stock were exercised at an exercise price of $0.15 per share. No warrants were exercised during the three months ended March 31, 2022.

During the three months ended March 31, 2021, warrants to purchase 225,000 shares of common stock with exercise prices of $0.90 and $1.15 per share expired. No warrants expired during the three months ended March 31, 2022.

At March 31, 2022 and 2021, warrants to purchase up to 26,351,571 and 32,282,708 shares of common stock, respectively, were outstanding with exercise prices ranging from $0.25 to $5.50 per share across both periods.

NOTE 17 – REVENUES

For the three months ended March 31, 2022 and 2021, the Company's revenues were comprised of the following major categories (in thousands):

	Three Months Ended March 31,	
	2022	2021
Product sales - retail	$ 21,441	$ 15,224
Product sales - wholesale	6,062	5,725
Real estate rentals	1,587	1,809
Supply procurement	1,190	520
Management fees	753	896
Licensing fees	249	469
Total revenues	$ 31,282	$ 24,643

For the three months ended March 31, 2022 and 2021, revenues from two clients represented 12% and 14%, respectively, of total revenues.

NOTE 18 – BAD DEBTS

The Company maintains two types of reserves to address uncertain collections of amounts due—an allowance against trade accounts receivable (the "AR Allowance"), and a reserve against cash advanced by the Company to its cannabis-licensed clients for working capital purposes (the WC Reserve").

During the three months ended March 31, 2022, the Company made no change to the AR Allowance, and increased the WC Reserve by approximately $14,000, to reserve the working capital balance of Harvest. During the three months ended March 31, 2021, the Company increased the AR Allowance by $850,000, and the WC Reserve by approximately $175,000. The aggregate of these two amounts of approximately $1,025,000 was charged to *Bad Debts* on the statement of operations for this period.

NOTE 19 – RELATED PARTY TRANSACTIONS

In July 2021, the Company granted five-year options to purchase up to 100,000 shares of common stock to each of the Company's three independent board members at an exercise price of $0.88 per share.

In December 2021, the CEO and CFO each exercised options to purchase 100,000 shares of common stock on a cashless basis. The exercise price of $0.63 per share was paid via the surrender by each individual of 73,256 shares of common stock.

The Company's corporate offices are leased from an entity in which the Company's CFO has an investment interest. This lease expires in October 2028 and contains a five-year extension option. During the three months ended March 31, 2022 and 2021, expenses incurred under this lease approximated $39,000 in both periods.

The Company procures nutrients, lab equipment, cultivation supplies, furniture, and tools from an entity owned by the family of the Company's COO. The aggregate purchases from this entity during the three months ended March 31, 2022 and 2021 approximated $872,000 and $825,000, respectively.

The Company pays royalties on the revenue generated from its Betty's Eddies product line to an entity owned by the Company's COO and its SVP of Sales under a royalty agreement. This agreement was amended effective January 1, 2021 whereby, among other modifications, the royalty percentage changed from 2.5% on all sales of Betty's Eddies products to (i) 3.0% and 10.0% of wholesale sales of existing products within the product line if sold directly by the Company, or licensed by the Company for sale by third-parties, respectively, and (ii) 0.5% and 1.0% of wholesale sales of future developed products within the product line if sold directly by the Company, or licensed by the Company for sale by third-parties, respectively. The aggregate royalties due to this entity in the three months ended March 31, 2022 and 2021approximated $56,000 and $83,000, respectively.

During the three months ended March 31, 2022 and 2021, one of the Company's majority-owned subsidiaries paid aggregate distributions of approximately $11,000 and $9,000, respectively, to the Company's CEO and CFO, who own minority equity interests in such subsidiary. During the three months ended March 31, 2022, another of the Company's majority owned subsidiaries paid distributions of approximately $3,000 to a current employee who owns a minority equity interest in such subsidiary.

During the three months ended March 31, 2022 and 2021, the Company purchased fixed assets and consulting services of approximately $392,000 and $265,000, respectively, in the aggregate from two entities owned by two of the Company's general managers.

During the three months ended March 31, 2022 and 2021, the Company purchased fixed assets of approximately $82,000 and $310,000 from an entity owned by an employee.

The Company's mortgages with Bank of New England, DuQuoin State Bank, and South Porte Bank are personally guaranteed by the Company's CEO and CFO.

NOTE 20 – COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company is the lessee under six operating leases and four finance leases. These leases contain rent holidays and customary escalations of lease payments for the type of facilities being leased. 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 details of the Company's operating lease agreements are as follows:

- Delaware – 4,000 square feet of retail space in a multi-use building under a five-year lease that expires in April 2027 that the Company has developed into a cannabis dispensary which is subleased to its cannabis-licensed client.

- Delaware – a 100,000 square foot warehouse, of which the Company developed 60,000 square feet into a cultivation facility that is being subleased to its cannabis-licensed client. The lease expires in March 2030, with an option to extend the term for three additional five-year periods.

- Delaware – a 12,000 square foot premises which the Company developed into a cannabis production facility with offices, and is subleases to its cannabis-licensed client. The lease expires in January 2026 and contains an option to negotiate an extension at the end of the lease term.

- Nevada – 10,000 square feet of an industrial building that the Company has built-out into a cannabis cultivation facility and plans to rent to its cannabis-licensed client under a sublease which will be coterminous with this lease expiring in 2024.

- Massachusetts – 10,000 square feet of office space which the Company utilizes as its corporate offices under a lease with a related party expiring in 2028, with an option to extend the term for an additional five-year period.

- Maryland – a 2,700 square foot two-unit apartment under a lease that expires in July 2022.

The Company leases machinery and office equipment under finance leases that expire in February 2024 through February 2026 with such terms being a major part of the economic useful life of the leased property.

The components of lease expense for the three months ended March 31, 2022 were as follows (in thousands):

Operating lease cost	$	277
Finance lease cost:		
Amortization of right-of-use assets	$	19
Interest on lease liabilities		7
Total finance lease cost	$	26

The weighted average remaining lease term for operating leases is 7.1 years, and for finance leases is 3.8 years. The weighted average discount rate used to determine the right-of-use assets and lease liabilities is between 7.5% to 12.0% for all leases.

Future minimum lease payments as of March 31, 2022 under all non-cancelable leases having an initial or remaining term of more than one year were (in thousands):

	Operating Leases		Finance Leases	
2022	$	849	$	135
2023		1,119		173
2024		1,050		153
2025		1,025		150
2026		970		21
Thereafter		2,611		-
Total lease payments		7,624	$	632
Less: imputed interest		(2,153)		(82)
	$	5,471	$	550

In November 2021, the Company entered into lease agreements for six retail properties, each with square footage between 4,000 and 6,000 square feet, in the state of Ohio (each an "Ohio Lease" and collectively the "Ohio Leases"). Each Ohio Lease has an initial lease period of eleven months, with a minimum rent of $31.00 per square foot which increases 3.0% annually. In the event the Company is awarded one or more of the six Ohio cannabis licenses for which it had previously applied, the Company can extend the term of one or more of the Ohio Leases to ten years (with two additional five-year options to extend) upon the payment of $50,000 for each extended Ohio Lease, and develop the premises of such extended lease(s) into a cannabis dispensary.

In February 2022, the Company was notified that it was awarded a cannabis dispensary license from the state of Ohio. The Company is awaiting the final verification process to be completed by the state. As of March 31, 2022, the lease terms of the Ohio Leases were all less than one year, and accordingly the Company was not required to record a right-of-use asset and corresponding lease liability on its balance sheet.

In April 2022, the Company extended the term of one of the Ohio Leases, and the remaining five Ohio Leases were terminated.

Terminated Employment Agreement

An employment agreement which commenced in 2012 with Thomas Kidrin, the former CEO of the Company, was terminated by the Company in 2017. Since the termination date, the Company had maintained an accrual of approximately $1,043,000 for any amounts that may be owed under this agreement.

In July 2019, Mr. Kidrin, also a former director of the Company, filed a complaint in the Massachusetts Superior Court, which alleged the Company failed to pay all wages owed to him and breached the employment agreement, and requested multiple damages, attorney fees, costs, and interest. The Company moved to dismiss certain counts of the complaint and asserted counterclaims against Mr. Kidrin alleging breach of contract, breach of fiduciary duty, money had and received, and unjust enrichment.

In August 2021, the parties entered into a settlement agreement and general release pursuant to which (i) Mr. Kidrin's complaint was dismissed with prejudice, (ii) the Company issued to Mr. Kidrin five-year warrants to purchase up to 1,000,000 shares of the Company's common stock at an exercise price of $0.50 per share, (iii) the Company irrevocably transferred intangible assets relating to the online virtual worlds business the Company had conducted in early 2014, prior to its pivot into the legal cannabis industry (such assets had zero carrying value on the Company's balance sheet), and (iv) each party released and discharged the other from all claims, losses, and liabilities.

In August 2021, the fair value of the warrants of approximately $776,000 was charged to compensation expense, and the Company reversed its accrual of approximately $1,043,000

Maryland Litigation

Following the consummation of the Kind acquisition previously discussed in Note 3 – *Acquisitions*, in April 2022, the Maryland litigation between the Company and the members of Kind was dismissed in its entirety with prejudice, and the parties have released one another of any and all claims between them.

DiPietro Lawsuit

In April 2022, the parties agreed to dismiss all direct claims and counterclaims asserted in this litigation, as set forth below. In addition to their direct claims, the parties also asserted derivative claims, which may be dismissed only with the court's approval. On April 12, 2022, the court approved the form of notice to be delivered to unit holders of Mia Development LLC ("Mia") and Mari Holdings MD LLC ("Mari-MD"), majority-owned subsidiaries of the Company, and scheduled a hearing to approve dismissal of all derivative claims for June 8, 2022.

In this action, Jennifer DiPietro, one of the former members of Kind, directly and derivatively on behalf of Mari-MD and Mia, commenced a suit in August 2020 against the Company's CEO, CFO, and wholly-owned subsidiary MariMed Advisors Inc. ("MMA"), in Suffolk Superior Court, Massachusetts. DiPietro brought claims for breach of fiduciary duty, breach of contract, fraud in the inducement, aiding and abetting the alleged breach of fiduciary duty, and also sought access to books and records and an accounting related to her investments in Mari-MD and Mia. DiPietro sought unspecified money damages and rescission of her interest in Mari-MD, but not of her investment in Mia, which had provided substantial returns to her as a member.

The Company answered the complaint and MMA filed counterclaims against DiPietro on its own behalf and derivatively on behalf of Mari-MD for breach of her fiduciary duties to each of those entities, and for tortious interference with Mari-MD's lease and MMA's management services agreement with Kind.

In December 2021, the parties entered into a global confidential settlement and release agreement, along with the parties to the aforementioned Maryland litigation. As of the same date, MMA and Jennifer DiPietro entered into a membership interest purchase agreement pursuant to which the Company will purchase DiPietro's interests in Mia and Mari-MD, as previously discussed in Note 3 – *Acquisitions*. Upon the court's approval on the parties' joint motion for approval on June 8, 2022, the purchase DiPietro's interests shall be consummated, the parties shall release all direct and derivative claims against one another, and the parties shall file stipulations dismissing all claims and counterclaims with prejudice within three days of that ruling.

Bankruptcy Claim

During 2019, the Company's MMH subsidiary sold and delivered hemp seed inventory to GenCanna Global Inc., a Kentucky-based cultivator, producer, and distributor of hemp ("GenCanna"). At the time of sale, the Company owned a 33.5% ownership interest in GenCanna. The Company recorded a related party receivable of approximately $29.0 million from the sale, which was fully reserved on December 31, 2019.

In February 2020, GenCanna USA, GenCanna's wholly-owned operating subsidiary, under pressure from certain of its creditors including MGG Investment Group LP, GenCanna's senior lender ("MGG"), agreed to convert a previously-filed involuntary bankruptcy proceeding with the U.S. Bankruptcy Court in the Eastern District of Kentucky (the "Bankruptcy Court") into a voluntary Chapter 11 proceeding. In addition, GenCanna and GenCanna USA's subsidiary, Hemp Kentucky LLC (collectively with GenCanna and GenCanna USA, the "GenCanna Debtors"), filed voluntary petitions under Chapter 11 in the Bankruptcy Court.

In May 2020, after an abbreviated solicitation/bid/sale process, the Bankruptcy Court, over numerous objections by creditors and shareholders of the GenCanna Debtors which included the Company, entered an order authorizing the sale of all or substantially all of the assets of the GenCanna Debtors to MGG. After the consummation of the sale of all or substantially all of their assets and business, the GenCanna Debtors n/k/a OGGUSA, Inc. and OGG, Inc. (the "OGGUSA Debtors") filed their liquidating plan of reorganization (the "Liquidating Plan") to collect various prepetition payments and commercial claims against third parties, liquidate the remaining assets of the ODDUSA Debtors, and make payments to creditors. The Company and the unsecured creditors committee filed objections to such Liquidating Plan, including opposition to the release of litigation against the OGGUSA Debtors' senior lender, MGG, for lender liability, equitable subordination, and return of preference. As a part of such plan confirmation process, the OGGUSA Debtors filed various objections to proofs of claims filed by various creditors, including the proof of claim in the amount of approximately $33.6 million filed by the Company. Through intense and lengthy negotiations with the OGGUSA Debtors and the unsecured creditors committee regarding the objections to the Liquidating Plan, the Company reached an agreement with the OGGUSA Debtors to withdraw the objections to the Company's claim and to have it approved by the Bankruptcy Court as a general unsecured claim in the amount of $31.0 million.

Since the approval of the Liquidating Plan, the OGGUSA Debtors have been in the process of liquidating the remaining assets, negotiating and prosecuting objections to other creditors' claims, and pursuing the collection of accounts receivable and Chapter 5 bankruptcy avoidance claims.

In January 2022, the Company, at the request of the Liquidating Plan administrator for the OGGUSA Debtors, executed a written release of claims, if any, of the Company against Huron Consulting Group ("Huron"), a financial consulting and management company retained by the senior lender of the OGGUSA Debtors to perform loan management services for the lender and OGGUSA Debtors prior to and during their Chapter 11 bankruptcy cases. Such release was executed in connection with a comprehensive settlement agreement between the OGGUSA Debtors and Huron. In consideration for the Company's execution of the release, Huron paid an additional $40,000 to the bankruptcy estates of the OGGUSA Debtors to be included in the funds to be distributed to creditors, including the Company.

As of the date of this filing, there is still insufficient information as to what portion, if any, of the Company's allowed claim will be paid upon the completion of the liquidation of the remaining assets of the OGGUSA Debtors.

NOTE 21 – SUBSEQUENT EVENTS

Consummation of Kind Acquisition and Dismissal of Litigation

In April 2022, the Maryland Medical Cannabis Commission approved the Company's acquisition of Kind as previously discussed in Note 3 – *Acquisitions*, and the acquisition was consummated by the parties. Accordingly, Kind will be consolidated into the financial results of the Company commencing on the closing date of the acquisition. The cash portion of the purchase price, $13.5 million, was funded out of available working capital. Additionally, following the consummation of the acquisition, the Maryland litigation between the Company and the former members of Kind was dismissed in its entirety with prejudice, and the parties released one another of any and all claims between them.

In April 2022, the Company and DiPietro agreed to dismiss all direct claims and counterclaims asserted in a separate litigation between them, as previously discussed in Note 20 – *Commitments and Contingencies*. In addition to their direct claims, the parties also asserted derivative claims, which may be dismissed only with the court's approval. On April 12, 2022, the court approved the form of notice to be delivered to unit holders of Mia and Mari-MD, and scheduled a hearing to approve dismissal of all derivative claims for June 8, 2022. After such approval, the Company shall purchase DiPietro's interests in Mia and Mari-MD, the parties shall release all direct and derivative claims against one another, and the parties shall file stipulations dismissing all claims and counterclaims with prejudice within three days of that ruling.

Consummation of Green Growth Group Acquisition

In April 2022, the acquisition of Green Growth Group previously discussed in Note 3 – *Acquisitions* was consummated by the parties.

Lease Agreements

In April 2022, the Company extended the term of one of the Ohio Leases previously discussed in Note 20 – *Commitments and Contingencies*, and the remaining five Ohio Leases were terminated.

Equity Transactions

In April 2022, warrants to purchase 750,000 shares of common stock were exercised on a cashless basis. The exercise price of $0.50 per share was paid via the surrender of 515,039 shares of common stock, resulting in the issuance of 234,961 shares of common stock.

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

Forward Looking Statements

When used in this form 10-Q and in future filings by the Company with the Commission, the words or phrases such as "anticipate," "believe," "could," "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 we can charge for our services or which we pay to our suppliers and business partners; changes in political, social and economic conditions in the jurisdictions in which we operate; changes to laws and regulations that pertain to our products and operations; and increased competition.

The following discussion should be read in conjunction with the unaudited financial statements and related notes which are included under Item 1 of this report.

We do not undertake to update our forward-looking statements or risk factors to reflect future events or circumstances.

Overview

General

MariMed Inc. (the "Company") is a multi-state operator in the United States cannabis industry. The Company develops, operates, manages, and optimizes over 300,000 square feet of state-of-the-art, regulatory-compliant facilities for the cultivation, production and dispensing of medicinal and recreational cannabis. The Company also licenses its proprietary brands of cannabis and hemp-infused products, along with other top brands, in several domestic markets and overseas.

Upon its entry into the cannabis industry in 2014, the Company was an advisory firm that procured state-issued cannabis licenses on behalf of its clients, developed cannabis facilities which it leased to these newly-licensed companies, and provided industry-leading expertise and oversight in all aspects of their cannabis operations. The Company also provided its clients with ongoing regulatory, accounting, real estate, human resources, and administrative services.

Over the last few years, the Company made the strategic decision to transition from a consulting business to a direct owner and operator of cannabis licenses in high-growth states. Core to this transition is the acquisition and consolidation of the Company's clients (the "Consolidation Plan"). Among several benefits, the Consolidation Plan would present a simpler, more transparent financial picture of the full breadth of the Company's efforts, with a clearer representation of the revenues, earnings, and other financial metrics the Company has generated for its clients. The Company has played a key role in the successes of these entities, from the securing of their cannabis licenses, to the development of facilities that are models of excellence, to funding their operations, and to providing operational and corporate guidance. Accordingly, the Company believes it is well suited to own these businesses and manage the continuing growth of their operations.

To date, the Company's acquisition and consolidation of its cannabis-licensed clients' retail businesses in Illinois and retail and wholesale businesses in Massachusetts have been completed. In April 2022, the acquisition of its client's wholesale business in Maryland, and a third-party wholesale business in Illinois were consummated. The acquisitions of clients' retail and wholesale businesses in Nevada and Delaware are at various stages of completion and subject to each state's laws governing the ownership transfer of cannabis licenses and other closing conditions. Delaware will require a modification of current cannabis ownership laws to permit for-profit ownership, which is expected to occur when the state legalizes recreational adult-use cannabis. Until the law changes and the acquisition is approved, the Company continues to generate revenue from rental income, management fees, and licensing royalties.

In addition to the aforementioned acquisitions of its cannabis-licensed clients, in February 2022, the Company was notified that it was awarded a cannabis dispensary license from the state of Ohio, for which it had previously applied. The Company is awaiting the final verification process to be completed by the state before commencing cannabis operations in this state.

The Company's transition to a fully integrated muti-state cannabis operator ("MSO") is part of a strategic growth plan (the "Strategic Growth Plan") it is implementing to drive its revenues and profitability. The Strategic Growth Plan has four components: (i) complete the Consolidation Plan, (ii) increase revenues in existing states, by spending capital to increase the Company's cultivation and production capacity, and develop additional assets within those states, (iii) expand the Company's footprint in additional legal cannabis states through new applications and acquisitions of existing cannabis businesses, and (iv) optimize the Company's brand portfolio and licensing revenue by expanding into additional states with legal cannabis programs.

The Company has created its own brands of cannabis flower, concentrates, and precision-dosed products utilizing proprietary strains and formulations. These products are developed by the Company in cooperation with state-licensed operators who meet the Company's strict quality standards, including all natural—not artificial or synthetic—ingredients. The Company licenses its brands and product formulations only to certified manufacturing professionals who follow state cannabis laws and adhere to the Company's precise scientific formulations and product recipes.

The Company markets its high-quality cannabis flowers and concentrates under the award-winning[1] Nature's Heritage brand; chewable tablets under the brand names Kalm Fusion and K Fusion; all natural fruit chews under the award-winning[1] Betty's Eddies brand; brownies, cookies, and other social sweets under the Bubby's Baked brand; and powder drink mixes under the Vibations: High + Energy brand. The Company's brands have been top-selling products in Maryland and Massachusetts.[2] The Company intends to introduce additional product lines under these brands in the foreseeable future.

The Company also has strategic alliances with prominent brands. The Company has partnered with renowned ice cream maker Emack & Bolio's® to create a line-up of cannabis-infused vegan and dairy ice cream. Additionally, the Company has secured distribution rights for the Binske® line of cannabis products crafted from premium artisan ingredients, the Healer line of medical full-spectrum cannabis tinctures, and the clinically-tested medicinal cannabis strains developed in Israel by global medical cannabis research pioneer Tikun Olam.

The Company was incorporated in Delaware in January 2011 under the name Worlds Online Inc. The Company's stock is quoted on the OTCQX market under the ticker symbol MRMD. In April 2022, the Company applied to list its shares of common stock on the Canadian Securities Exchange, which application is currently pending.

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[1] Awards won by the Company's Betty's Eddies brand include LeafLink 2021 Best Selling Medical Product, Reddit Sparkie 2021 Best Edible, Respect My Region 2021 Hottest Edible, LeafLink 2020 Industry Innovator, and Explore Maryland Cannabis 2020 Edible of the Year. Awards won by the Company's Nature's Heritage brand include the Cultivators Cup 2021 Silver Medal and the

High Times Cannabis Cup 2021 Bronze Medal.

[2] Source: LeafLink Insights 2020.

Revenues

The Company's revenues are primarily comprised of the following categories:

- Product Sales – direct sales of cannabis and cannabis-infused products primarily by the Company's retail dispensaries and wholesale operations in Massachusetts and Illinois.

- Real Estate – rental income and additional rental fees generated from leasing of the Company's state-of-the-art, regulatory-compliant cannabis facilities to its cannabis-licensed clients.

- Management – fees for providing the Company's cannabis clients with comprehensive oversight of their cannabis cultivation, production, and dispensary operations. Along with this oversight, the Company provides human resources, regulatory, marketing, and other corporate services.

- Supply Procurement – resale of cultivation and production resources, supplies, and equipment, acquired by the Company from top national vendors at volume discounted prices, to its clients and third-parties within the cannabis industry.

- Licensing – revenue from the sale of the Company's branded products, including Betty's Eddies and Kalm Fusion, and from the sublicensing of contracted brands including Healer and Tikun Olam, to regulated dispensaries throughout the United States and Puerto Rico.

Expenses

The Company classifies its expenses into three general categories:

- Cost of Revenues – the direct costs associated with the generation of the Company's revenues.

- Operating Expenses – comprised of the sub-categories of personnel, marketing and promotion, general and administrative, and bad debts.

- Non-operating Income and Expenses – comprised of the sub-categories of interest expense, interest income, loss on obligations settled with equity, gain (loss) on changes in fair value of investment, and other investment income.

Liquidity and Capital Resources

The Company produced the following improvements to its liquidity in the reported periods:

- Cash and cash equivalents increased 13% to $33.5 million at March 31, 2022, from $29.7 million at December 31, 2021.
- Working capital increased 16% to $20.1 million at March 31, 2022 from $17.4 million at December 31, 2021.
- Cash flow provided by operating activities increased 26% to $8.5 million in the three months ended March 31, 2022 from $6.8 million in the same period in 2021.
- Net income before income taxes increased 43% to $7.9 million in the three months ended March 31, 2022 from $5.5 million in the same period in 2021.

The aforementioned improvements to the Company's liquidity were primarily the result of increases in revenues and profitability generated by the Company's cannabis operations in the states of Illinois and Massachusetts. These operations launched as part of the Company's aforementioned Consolidation Plan to transition from a consulting business to a direct owner of cannabis licenses and operator of seed-to-sale operations.

Additionally, the section below entitled *Non-GAAP Measurement* discusses an additional financial measure not defined by GAAP which the Company's management uses to evaluate liquidity.

Operating Activities

Net cash provided by operating activities in the three months ended March 31, 2022 was $8.5 million, compared to $6.8 million in the same period in 2021. The year-over-year improvement was primarily attributable to the increase in cannabis-derived profits generated by the Company's four active retail dispensaries in Illinois, and its retail and wholesale operations in Massachusetts.

Investing Activities

Net cash used in investing activities in the three months ended March 31, 2022 was $4.4 million, compared to $2.9 million in the same period in 2021. The increase was attributable to an increase in property and equipment expenditures in 2022 for the Company's facilities in Delaware, Illinois, Maryland, and Massachusetts.

Financing Activities

Net cash used in financing activities in the three months ended March 31, 2022 was $329,000, compared with net cash provided by financing activities of $5.4 million in the same period in 2021. In early 2021, the Company entered into a securities purchase agreement with Hadron Healthcare Master Fund ("Hadron") whereby Hadron agreed to provide funding of up to $46.0 million to repay debt, to fund expansion plans of existing operations, and to finance planned acquisitions. The fluctuation in cash from financing activities was attributable to the receipt of $23.0 million under this facility, offset by issuance costs and debt repayments in March 2021. No financing was raised by the Company in 2022.

The balance of Hadron's committed funding of $23.0 million was designated to fund future acquisitions, including the Kind acquisition, on the same aforementioned terms as the initial proceeds. Notwithstanding, Hadron did not fund the cash portion of the Kind purchase price and the Company is currently in negotiations with Hadron to amend and extend the facility to be utilized for future expansion opportunities. There is no assurance that any extension will be implemented.

Results of Operations

Three months ended March 31, 2022 compared to three months ended March 31, 2021

Revenues grew to $31.3 million in the first quarter of 2022, an increase of $6.6 million or 27%, compared to $24.6 million in the same period in 2021. The increase was primarily attributable to the growth of the Company's (i) retail dispensary cannabis sales in Illinois, where one new dispensary commenced operations in May 2021, and (ii) supply procurement revenue generated primarily from the Company's cannabis clients in Delaware and Maryland.

Cost of revenues were $14.3 million in the first quarter of 2022 compared to $11.5 million in the same period in 2021, an increase of $2.8 million or 25%. The variance was primarily due to the higher level of revenues as these costs are largely variable in nature and fluctuate in-step with revenues. As a percentage of revenues, these costs decreased slightly to 45.7% in 2022 from 46.5% in the same period in 2021 due to increased operating efficiencies.

As a result of the foregoing, gross profit grew to $17.0 million in the first quarter of 2022 from $13.2 million in the same period in 2021.

Personnel expenses increased to $3.0 million in the first quarter of 2022 from $1.7 million in the same period in 2021. The increase was primarily due to the hiring of additional staff to support higher levels of projected revenue from existing operations as well as from the Kind acquisition. As a percentage of revenues, personnel expenses increased to 9.7% in the first quarter of 2022 from to 7.0% in the same period in 2021.

Marketing and promotion costs increased to $643,000 in the first quarter of 2022 from $225,000 in the same period in 2021. The increase is attributable to the Company's focused efforts to upgrade its marketing initiatives and personnel in order to expand branding and distribution of its licensed products. As a percentage of revenues, these costs increased to 2.1% in the first quarter of 2022 from 0.9% in the same period in 2021.

General and administrative costs increased to $6.2 million in the first quarter of 2022 from $3.2 million in the same period in 2021. This change is primarily due to increases of (i) $2.1 million in non-cash equity compensation expense from option grants in fiscal 2021 that continued vest in the first quarter of 2022, and (ii) $275,000 in net professional fees primarily due to the hiring of consultants, offset by a reduction in legal costs. The increase is also due to smaller increases in insurance, facility costs, insurance, and depreciation that are in line with the growth of the Company.

Bad debt expense decreased to $14,000 in the first quarter of 2022 from $1,025,000 in the same period in 2021, due to higher reserve balances required on aged trade receivable balances in 2021.

As a result of the foregoing, the Company generated operating income of $7.0 million in both the first quarter of 2022 and the same period in 2021.

Net non-operating income was $852,000 in the first quarter of 2022 compared to net non-operating expenses of $1,524,000 in the same period in 2021. The change is due to a $1,199,000 reduction of interest expense from lower levels of outstanding debt, non-cash income of $954,000 in 2022 from a nonconsolidated investment, and a $93,000 year-over-year increase in the fair value of a second nonconsolidated investment.

As a result of the foregoing, the Company generated income before income taxes of $7.9 million in the first quarter of 2022, compared to $5.5 million in the same period in 2021. After a tax provision of $3.7 million in 2022 and $1.2 million in 2021, net income was $4.2 million in the first quarter of 2022, compared to $4.3 million in the same period in 2021.

Non-GAAP Measurement

In addition to the financial information reflected in this report, which is prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), the Company is providing a non-GAAP financial measurement of profitability – *Adjusted EBITDA* – as a supplement to the preceding discussion of the Company's financial results.

Management defines Adjusted EBITDA as net income, determined in accordance with GAAP, excluding the following:

- interest income and interest expense;
- income taxes;
- depreciation of fixed assets and amortization of intangibles;
- non-cash expenses on debt and equity issuances;
- impairment or write-downs of intangible assets;
- unrealized gains and losses on investments and currency translations;
- legal settlements;
- gains or losses from the extinguishment of debt via the issuance of equity;
- discontinued operations; and
- merger- and acquisition-related transaction expenses.

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

Management believes that investors and analysts benefit from considering Adjusted EBITDA in assessing the Company's financial results and its 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, the Company's calculations may differ from those used by analysts, investors, and other companies, even those within the cannabis industry, and therefore may not be directly comparable to similarly titled measures used by others.

Reconciliation of Net Income to Adjusted EBITDA (a Non-GAAP Measurement)

The table below reconciles Net Income to Adjusted EBITDA for the three months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended March 31,	
	2022	2021
	(unaudited)	
Net income	$ 4,241	$ 4,310
Interest expense, net	150	1,478
Income taxes	3,660	1,204
Depreciation and amortization	842	639
Earnings before interest, taxes, depreciation, and amortization	8,893	7,631
Amortization of stock grants	2	5
Amortization of option grants	2,469	295
Amortization of stand-alone warrant issuances	-	56
Loss on equity issued to settle obligations	-	1
Gain (loss) on change in fair value of investment	(48)	45
Other investment income	(954)	-
Adjusted EBITDA	$ 10,362	$ 8,033

2022 Plans

For the balance of 2022 and into 2023, the Company's focus will be to continue to execute its Strategic Growth Plan. The Company's priority activities will include the following:

1) Continue to consolidate the cannabis businesses that the Company has developed and manages.

2) Expand revenue, assets, and its footprint in the states in which the Company is operating.

   - In Massachusetts, the Company intends to open two additional dispensaries and significantly expand the capacity and capability of its manufacturing facility.
   - In Delaware, the Company intends to develop an additional 40,000 square feet of cultivation and production at its facility in Milford.
   - In Maryland, the Company intends to expand its manufacturing facility by 40,000 square feet and open a dispensary in Annapolis.
   - In Illinois, the Company intends to go vertical by acquiring one or more craft licenses and to potentially add up to six more dispensaries up to the statutory limit of ten.

3) Expand into other legal states through M&A and filing new applications in states where new licensing opportunities arise.

4) Expand revenues by producing and distributing its award-winning brands to qualified strategic partners or acquiring production and distribution licenses.

No assurances can be given that any of these plans will come to fruition or that if implemented will necessarily yield positive results.

Subsequent Events

Please refer to Note 21 – *Subsequent Events* of the Company's financial statements included in this report for a discussion of material events that occurred after the balance sheet date.

The issuance of the shares of common stock described in Note 21 – *Subsequent Events* of the Company's financial statements 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. In accordance with Rule 144(d)(3)(ii) of the Securities Act, no legend restricting the sale, transfer, or other disposition of these shares was required.

Off-Balance Sheet Arrangements

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

Inflation

In the opinion of management, inflation has not had a material effect on the Company's financial condition or results of its operations.

Seasonality

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

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 CEO and 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) as of March 31, 2022 (the "Evaluation Date"). Based upon that evaluation, the CEO and CFO 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

Over the past several years, the Company implemented significant measures to remediate past instances of ineffectiveness of the Company's internal control over financial reporting, The remediation measures consisted of the engagement of accounting consultants as needed to provide expertise on specific areas of the accounting guidance, the hiring of individuals with appropriate experience in internal controls over financial reporting, and the modification to the Company's accounting processes and enhancement to the Company's financial control. Further, the Company expanded its board of directors to include a majority of independent disinterested directors; established an audit, compensation, and corporate governance committee of the board of directors; and adopted a formal policy with respect to related party transactions.

Other than as described above, 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) that occurred during the fiscal quarter ended March 31, 2022 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.

In April 2022, the Maryland litigation between the Company and the members of Kind was dismissed in its entirety with prejudice, and the parties released one another of any and all claims between them.

In April 2022, the Company and DiPietro agreed to dismiss all direct claims and counterclaims asserted in a separate litigation between them. In addition to their direct claims, the parties also asserted derivative claims, which may be dismissed only with the court's approval. On April 12, 2022, the court approved the form of notice to be delivered to unit holders of Mia Development LLC and Mari Holdings MD LLC, majority-owned subsidiaries of the Company, and scheduled a hearing to approve dismissal of all derivative claims for June 8, 2022.

Other than the above, there has been no material change to the status of the Company's legal proceedings.

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, 2021. 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.

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

During the three months ended March 31, 2022, the Company issued (i) 1,142,858 shares of common stock upon the conversion of $400,000 of promissory notes, (ii) 10,000 shares of common stock in connection with the exercise of stock options at an exercise price of $0.30 per share, and (iii) 375,000 shares of common stock valued at $274,000 in exchange for consulting services.

The issuance of the shares of common stock described above were deemed to be exempt from registration under 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 these securities other than in compliance with the Securities Act was placed on the securities 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 (a)
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 (b)
3.1.2	Series B Convertible Preferred Stock Certificate of Designation as filed with the Secretary of State of Delaware on February 27, 2020 (h)
3.1.3	Certificate Eliminating the Series A Preferred Stock as filed with the Secretary of State of Delaware on February 27, 2020 (h)
3.1.4	Series C Convertible Preferred Stock Certificate of Designation as filed with the Secretary of State of Delaware on March 1, 2021 (p)
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 (q)
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 (q)
3.2	By-Laws – Restated as Amended (a)
4.1	Amended and Restated Promissory Note, dated February 10, 2020, in the principal amount of $11,500,000, issued by MariMed Hemp Inc. and MariMed Inc. (f)
4.1.1	Promissory Note, dated February 27, 2020, in the principal amount of $3,742,500, issued by MariMed Inc. to Navy Capital Green Fund, LP (h)
4.1.2	Promissory Note, dated February 27, 2020, in the principal amount of $675,000, issued by MariMed Inc. to Navy Capital Green Co-Invest Fund, LLC (h)
4.1.3	12% Convertible Promissory Note, dated April 23, 2020, in the principal amount of $900,000, issued by MariMed Inc. to Best Buds Funding LLC (i)
4.2	Second Amended and Restated Promissory Note, dated June 24, 2020, in the principal amount of $8,811,653.84, issued by MariMed Hemp Inc. and MariMed Inc. to SYYM LLC (j)
4.3	Common Stock Purchase Warrant, dated June 24, 2020, issued by MariMed Inc.to SYYM LLC (k)
4.4	Amended and Restated Senior Secured Commercial Promissory Note, dated October 19, 2020, in the principal amount of $5,845,000, issued by MariMed Advisors, Inc. to Best Buds Funding LLC (m)
4.5	Amended and Restated Senior Secured Commercial Promissory Note, dated October 19, 2020, in the principal amount of $3,000,000, issued by MariMed Advisors, Inc. to Best Buds Funding LLC (m)
4.6	Common Stock Purchase Warrant, dated September 30, 2020, issued by MariMed Inc.to Best Buds Funding, LLC. and/or its designees (m)
4.7	Amended and Restated Common Stock Purchase Warrant, dated March 18, 2021, issued by MariMed Inc. to Hadron Healthcare Master Fund (q)
4.8	Third Amended and Restated Promissory Note, dated April 1, 2021, in the principal amount of $3,211,653.84, issued by MariMed Hemp Inc. and MariMed Inc. to SYYM LLC (r)
10.1	Amended and Restated 2018 Stock Award and Incentive Plan (d)
10.1.1	Amendment to the Amended and Restated 2018 Stock Award and Incentive Plan, effective as of September 23, 2021 (q)
10.2	Form of Stock Option Agreement, dated September 27, 2019, with each of David R. Allen, Eva Selhub, M.D., and Edward J. Gildea (e)

10.3	Amendment Agreement, dated as of February 10, 2020, between SYYM LLC, as noteholder and collateral agent, and MariMed Inc. and MariMed Hemp Inc., as co-borrowers (g)
10.4	Exchange Agreement, dated as of February 27, 2020, among MariMed Inc., Navy Capital Green Management, LLC, a Delaware limited liability company, as discretionary investment manager of Navy Capital Green Fund, LP, and Navy Capital Green Co-Invest Fund, LLC. (h)
10.5	Amendment Agreement dated June 24, 2020, between SYYM LLC, as noteholder and collateral agent, and MariMed Inc. and MariMed Hemp Inc., as co-borrowers (l)
10.6	Note Extension Agreement, effective as of September 30, 2020, among Best Buds Funding LLC, as lender, and each of MariMed Inc., Mari Holdings MD LLC, and MariMed Advisors Inc., as the borrower parties (n)
10.7	Securities Purchase Agreement, dated March 1, 2021, between MariMed Inc. and Hadron Healthcare Master Fund (q)
10.8	First Amendment to Securities Purchase Agreement, dated March 18, 2021, between MariMed Inc. and Hadron Healthcare Master Fund (q)
10.9	Amendment Agreement dated April 1, 2021, between SYYM LLC, as noteholder and collateral agent, and MariMed, Inc. and MariMed Hemp, Inc., as co-borrowers (r)
10.10 ***	Employment Agreement between MariMed Inc. and Robert Fireman, dated July 9, 2021 (s)
10.11 ***	Employment Agreement between MariMed Inc. and Jon R. Levine, dated July 9, 2021 (s)
10.12 ***	Employment Agreement between MariMed Inc. and Timothy Shaw, dated July 9, 2021 (s)
10.13 ***	Form of the First Amendment to the Employment Agreement, effective as of September 22, 2021, between MariMed Inc. and each of Robert Fireman, Jon R. Levine, and Timothy Shaw (q)
10.14 ***	Form of Stock Option Agreement, dated July 9, 2021, with each of Robert Fireman, Jon R. Levine, and Timothy Shaw (q)
10.15 ***	Form of Stock Option Agreement, dated October 1, 2021, with each of Robert Fireman, Jon R. Levine, and Timothy Shaw (q)
10.16	Settlement Agreement and General Release, dated August 19, 2021, between MariMed Inc. and Thomas Kidrin (q)
10.17	Membership Interest Purchase Agreement, dated December 31, 2021, between MariMed Inc. and Jennifer DiPietro, Susan Zimmerman and Sophia Leonard-Burns (c)
10.18	Membership Interest Purchase Agreement, dated December 31, 2021, between MariMed Advisors Inc. and Jennifer DiPietro (c)
31.1.	Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer *
31.2.	Rule 13a-14(a)/15d-14(a) Certifications of Chief Financial Officer *
32.1.	Section 1350 Certifications of Chief Executive Officer **
32.2.	Section 1350 Certifications 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.
*** This exhibit is a management contract or compensatory plan or arrangement.

(a) Previously filed as an exhibit to the Registration Statement on Form 10-12G (File No. 000-54433) filed on June 9, 2011 and incorporated herein by reference.

(b) Previously filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2016, filed on April 17, 2017 and incorporated herein by reference.

(c) Previously filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2021, filed on March 16, 2022 and incorporated herein by reference.

(d) Previously filed as Appendix A of the Company's Definitive Proxy Statement on Schedule 14A, filed on August 26, 2019 and incorporated herein by reference.

(e) Previously filed as an exhibit to the Quarterly Report on Form 10-Q for the period ended September 30, 2019, filed on November 29, 2019 and incorporated herein by reference.

(f) Previously filed as an exhibit to the Current Report on Form 8-K filed on February 12, 2020 and incorporated herein by reference.

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(o) Previously filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 29, 2013 and incorporated herein by reference.

(p) Previously filed as an exhibit to the Current Report on Form 8-K filed on March 2, 2021 and incorporated herein by reference.

(q) Previously filed as an exhibit to the Quarterly Report on Form 10-Q for the period ended September 30, 2021 filed on November 15, 2021 and incorporated herein by reference.

(r) Previously filed as an exhibit to the Current Report on Form 8-K filed on March 23, 2021 and incorporated herein by reference.

(s) Previously filed as an exhibit to the Current Report on Form 8-K filed on July 9, 2021 and incorporated herein by reference.

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 thereto duly authorized.

Date: May 10, 2022

MARIMED INC.

By: */s/ Robert Fireman*
Robert Fireman
President and Chief Executive Officer
(Principal Executive Officer)

By: */s/ Jon R. Levine*
Jon R. Levine
Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

Exhibit No.	Description
3.1	Certificate of Incorporation of the Company (a)
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 (b)
3.1.2	Series B Convertible Preferred Stock Certificate of Designation as filed with the Secretary of State of Delaware on February 27, 2020 (h)
3.1.3	Certificate Eliminating the Series A Preferred Stock as filed with the Secretary of State of Delaware on February 27, 2020 (h)
3.1.4	Series C Convertible Preferred Stock Certificate of Designation as filed with the Secretary of State of Delaware on March 1, 2021 (p)
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 (q)
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 (q)
3.2	By-Laws – Restated as Amended (a)
4.1	Amended and Restated Promissory Note, dated February 10, 2020, in the principal amount of $11,500,000, issued by MariMed Hemp Inc. and MariMed Inc. (f)
4.1.1	Promissory Note, dated February 27, 2020, in the principal amount of $3,742,500, issued by MariMed Inc. to Navy Capital Green Fund, LP (h)
4.1.2	Promissory Note, dated February 27, 2020, in the principal amount of $675,000, issued by MariMed Inc. to Navy Capital Green Co-Invest Fund, LLC (h)
4.1.3	12% Convertible Promissory Note, dated April 23, 2020, in the principal amount of $900,000, issued by MariMed Inc. to Best Buds Funding LLC (i)
4.2	Second Amended and Restated Promissory Note, dated June 24, 2020, in the principal amount of $8,811,653.84, issued by MariMed Hemp Inc. and MariMed Inc. to SYYM LLC (j)
4.3	Common Stock Purchase Warrant, dated June 24, 2020, issued by MariMed Inc.to SYYM LLC (k)
4.4	Amended and Restated Senior Secured Commercial Promissory Note, dated October 19, 2020, in the principal amount of $5,845,000, issued by MariMed Advisors, Inc. to Best Buds Funding LLC (m)
4.5	Amended and Restated Senior Secured Commercial Promissory Note, dated October 19, 2020, in the principal amount of $3,000,000, issued by MariMed Advisors, Inc. to Best Buds Funding LLC (m)
4.6	Common Stock Purchase Warrant, dated September 30, 2020, issued by MariMed Inc.to Best Buds Funding, LLC. and/or its designees (m)
4.7	Amended and Restated Common Stock Purchase Warrant, dated March 18, 2021, issued by MariMed Inc. to Hadron Healthcare Master Fund (q)
4.8	Third Amended and Restated Promissory Note, dated April 1, 2021, in the principal amount of $3,211,653.84, issued by MariMed Hemp Inc. and MariMed Inc. to SYYM LLC (r)
10.1	Amended and Restated 2018 Stock Award and Incentive Plan (d)
10.1.1	Amendment to the Amended and Restated 2018 Stock Award and Incentive Plan, effective as of September 23, 2021 (q)
10.2	Form of Stock Option Agreement, dated September 27, 2019, with each of David R. Allen, Eva Selhub, M.D., and Edward J. Gildea (e)

10.3	Amendment Agreement, dated as of February 10, 2020, between SYYM LLC, as noteholder and collateral agent, and MariMed Inc. and MariMed Hemp Inc., as co-borrowers (g)
10.4	Exchange Agreement, dated as of February 27, 2020, among MariMed Inc., Navy Capital Green Management, LLC, a Delaware limited liability company, as discretionary investment manager of Navy Capital Green Fund, LP, and Navy Capital Green Co-Invest Fund, LLC. (h)
10.5	Amendment Agreement dated June 24, 2020, between SYYM LLC, as noteholder and collateral agent, and MariMed Inc. and MariMed Hemp Inc., as co-borrowers (l)
10.6	Note Extension Agreement, effective as of September 30, 2020, among Best Buds Funding LLC, as lender, and each of MariMed Inc., Mari Holdings MD LLC, and MariMed Advisors Inc., as the borrower parties (n)
10.7	Securities Purchase Agreement, dated March 1, 2021, between MariMed Inc. and Hadron Healthcare Master Fund (q)
10.8	First Amendment to Securities Purchase Agreement, dated March 18, 2021, between MariMed Inc. and Hadron Healthcare Master Fund (q)
10.9	Amendment Agreement dated April 1, 2021, between SYYM LLC, as noteholder and collateral agent, and MariMed, Inc. and MariMed Hemp, Inc., as co-borrowers (r)
10.10 ***	Employment Agreement between MariMed Inc. and Robert Fireman, dated July 9, 2021 (s)
10.11 ***	Employment Agreement between MariMed Inc. and Jon R. Levine, dated July 9, 2021 (s)
10.12 ***	Employment Agreement between MariMed Inc. and Timothy Shaw, dated July 9, 2021 (s)
10.13 ***	Form of the First Amendment to the Employment Agreement, effective as of September 22, 2021, between MariMed Inc. and each of Robert Fireman, Jon R. Levine, and Timothy Shaw (q)
10.14 ***	Form of Stock Option Agreement, dated July 9, 2021, with each of Robert Fireman, Jon R. Levine, and Timothy Shaw (q)
10.15 ***	Form of Stock Option Agreement, dated October 1, 2021, with each of Robert Fireman, Jon R. Levine, and Timothy Shaw (q)
10.16	Settlement Agreement and General Release, dated August 19, 2021, between MariMed Inc. and Thomas Kidrin (q)
10.17	Membership Interest Purchase Agreement, dated December 31, 2021, between MariMed Inc. and Jennifer DiPietro, Susan Zimmerman and Sophia Leonard-Burns (c)
10.18	Membership Interest Purchase Agreement, dated December 31, 2021, between MariMed Advisors Inc. and Jennifer DiPietro(c)
31.1.	Rule 13a-14(a)/15d-14(a) Certifications of Chief Executive Officer *
31.2.	Rule 13a-14(a)/15d-14(a) Certifications of Chief Financial Officer *
32.1.	Section 1350 Certifications of Chief Executive Officer **
32.2.	Section 1350 Certifications 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.
*** This exhibit is a management contract or compensatory plan or arrangement.

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(s) Previously filed as an exhibit to the Current Report on Form 8-K filed on July 9, 2021 and incorporated herein by reference.

EXHIBIT 31.1

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

I, Robert Fireman, 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: May 10, 2022

/s/ Robert Fireman

Robert Fireman
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

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: May 10, 2022

/s/ Jon R. Levine

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

Exhibit 32.1

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 March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Fireman, 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: May 10, 2022

/s/ Robert Fireman
Robert Fireman
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.

Exhibit 32.2

**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 March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jon R. Levine, 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: May 10, 2022

/s/ Jon R. Levine
Jon R. Levine
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.