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

FORM 10-K

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from _____ to _____

001-38875
(Commission file number)

Greenlane Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	83-0806637
State or other jurisdiction of incorporation or organization	**(I.R.S. Employer Identification No.)**
4800 N Federal Hwy, Suite B200 Boca Raton, FL	33431
(Address of principal executive offices)	**(Zip Code)**

(877) 292-7660
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	GNLN	Nasdaq Capital Market

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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, 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

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

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

The aggregate market value of the common equity held by non-affiliates of the registrant as of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $1.0 million based upon the closing price reported for such date on the Nasdaq Capital Market.

As of March 27, 2026, Greenlane Holdings, Inc. had 5,039,563 shares of Class A common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts of the registrant's proxy statement for the registrant's 2026 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2025; provided that if such proxy statement is not filed within such period, such information will be included in an amendment to this Form 10-K to be filed within such 120-day period.

Greenlane Holdings, Inc.
Form 10-K
For the Fiscal Year Ended December 31, 2025

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Form 10-K") contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could" and similar expressions. Examples of forward-looking statements include, without limitation:

- our possible or assumed future results of operations;
- our business strategies;
- The success of our new digital asset treasury policy;
- The volatile and unpredictable changes in the price of BERA;
- The expected growth of the BERA ecosystem;
- The effects of future regulation;
- our compliance with Nasdaq listing requirements;
- our competitive position;
- our industry environment;
- our potential growth opportunities;
- the effects of competition;
- our cash needs and financing plans;
- the effect of unfavorable macroeconomic conditions or market volatility resulting from national or global economic conditions or geopolitical developments, including high global conflicts, inflation, capital market disruptions, and cryptocurrency volatility;
- new or additional governmental regulation; and
- the other factors in described in the "Risk Factors" section of this annual report on Form 10-K.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, those discussed in Part I, Item 1A of this Form 10-K under the heading "Risk Factors" and in other documents that we file from time to time with the Securities and Exchange Commission (the "SEC").

Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances, or achievements expressed or implied by the forward-looking statements. These risks include, but are not limited to, those listed in the Summary Risk Factors below and those discussed in greater detail in Part I, Item 1A of this Form 10-K under the heading "Risk Factors."

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results.

The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Consequently, you should not place undue reliance on forward-looking statements.

Summary Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may materially and adversely affect our business, financial condition, results of operations, cash flows and prospects. These risks are discussed more fully in Item 1A. Risk Factors herein. These risks include, but are not limited to, the following:

Risks Related to Our Digital Asset Trading Strategy and Cryptocurrencies

- We have adopted a digital asset treasury strategy with a focus on BERA, and we may be unable to successfully implement this strategy.
- Our shift towards a BERA-focused strategy requires substantial changes in our day-to-day operations and exposes us to significant operational risks.
- A disruption of the internet may affect the operation of blockchain networks, which may adversely affect the digital asset industry and an investment in us.
- Blockchain technologies are based on theoretical conjectures as to the impossibility of solving certain cryptographical puzzles quickly. These premises may be incorrect or may become incorrect due to technological advances.
- Technical shortcomings or defects in the BERA network, including changes to its validator structure, governance model, or core software, could diminish the utility and value of BERA and harm our business.
- If validators exit the BERA network, it could increase the likelihood of a malicious actor obtaining control.
- Berachain may not be able to compete with other blockchain networks. If Berachain is not able to compete successfully, the value of BERA would be significantly affected.
- The economic design underlying PoL may be flawed, may fail to gain adoption, or may be exploited. Any such events could undermine the growth and development of the Berachain network.
- We and other users may suffer losses due to staking or validator slashing, which could make Berachain less attractive.
- We face risks relating to the potential compromise of Berachain's and other blockchains' network security by emerging technologies, including artificial intelligence and quantum computing, which may materially and adversely impact our operations and financial condition.
- BERA is created and transmitted through the operations of the Berachain network, a decentralized network of computers running software following the Berachain protocol. If the Berachain network is disrupted or encounters any unanticipated difficulties, the value of BERA could be negatively impacted.
- We face risks relating to the custody of our BERA or other digital assets, including the loss or destruction of private keys required to access our BERA or other digital assets and cyberattacks or other data loss relating to our BERA or other digital assets.
- There is a possibility that BERA tokens may be classified as a "security" under U.S. federal securities laws. If BERA tokens are classified as a "security," that would subject us to additional regulation and could materially impact the operations of our treasury strategy and our business.
- Regulatory change reclassifying BERA as a security could lead to our falling within the definition of "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act"), and could adversely affect the market price of BERA and the market price of our Common Stock.
- Berachain provides base layer infrastructure that can be used for multiple types of applications, including applications that may be unregulated or face significant regulatory risks.
- Digital assets represent a new and rapidly evolving industry, and the value of our Common Stock may depend, in large part, on the acceptance of Berachain and applications built on the Berachain protocol.

Risks Related to Our Use of Derivatives on BERA

- We plan to engage in derivatives transactions, including call options and put options on BERA, and such transactions may expose us to material risks that could adversely impact our business, operating results and financial condition.
- Our financial results and the market price of our Common Stock may be affected by the prices of BERA.
- The trading prices of many digital assets, including BERA, have experienced extreme volatility in recent periods and may continue to do so. Extreme volatility in the future, including further declines in the trading prices of BERA, could have a material adverse effect on the value of the Common Stock.
- We have recently adopted a digital asset treasury strategy with a focus on BERA, and we may be unable to successfully implement this new strategy.

Risks Related to Our Business and Industry

- Global economic conditions, including global conflicts, inflation and supply chain disruptions, could materially and adversely our business, prospects, results of operations, financial condition, or cash flows.
- Our financial results and the market price of our Common Stock may be affected by the prices of BERA.
- The trading prices of many digital assets, including BERA, have experienced extreme volatility in recent periods and may continue to do so. Extreme volatility in the future, including further declines in the trading prices of BERA, could have a material adverse effect on the value of the Common Stock.

Risks Related to Our Organizational Structure

- The Tax Receivable Agreement (the "TRA") may require us to make cash payments to the members of the Operating Company in respect of certain tax benefits to which we may become entitled.

Risks Related to Ownership of Our Class A Common Stock

- Our failure to meet the continued listing requirements of the Nasdaq Capital Market could result in a delisting of our Class A common stock
- There are risks related to Nasdaq's proposed rule regarding minimum market value of listed securities.
- The market price of our Class A common stock has been volatile and has declined significantly since our initial public offering and may face more volatility and price declines in the future. As a result, you may not be able to resell your shares at or above the price at which you have acquired or will acquire shares of our Class A common stock.
- We are a "smaller reporting company" under federal securities laws and we cannot be certain whether the reduced reporting requirements applicable to such companies will make our Class A common stock less attractive to investors.

PART I

ITEM 1. BUSINESS

Overview

Founded in 2005, Greenlane is a public company whose primary strategic focus is a digital asset treasury strategy centered on BERA. We also continue to operate a reduced-scale wholesale and distribution business through an asset-light drop-ship model.

In October 2025, we undertook a substantial strategic transition from a traditional wholesale and distribution operating model to a digital asset treasury strategy centered on BERA, the native digital asset of the layer-1 blockchain protocol known as Berachain ("Berachain"). While we continue to operate a scaled-down wholesale / distribution business, our primary capital allocation focus has shifted to the acquisition, staking, validator participation and strategic deployment of digital assets. We are a Berachain ecosystem participant focused on supporting the development and operation of blockchain-based infrastructure, including assets and applications built on Berachain. We engage in network staking, validator participation, liquidity provisioning, and strategic initiatives intended to contribute to the long-term sustainability of decentralized protocols within its portfolio.

Our BERA Treasury Strategy

Adoption of a BERA Treasury Policy

In October 2025, we adopted a treasury policy (the "Treasury Policy") under which a significant portion of treasury assets may be on the balance sheet is allocated to digital assets, of which BERA is currently the principal digital asset holding. In October 2025, our Board of Directors (the "Board") created a Digital Assets Committee to oversee our Treasury Policy.

In addition to operating a reduced-scale legacy wholesale / distribution business through an asset-light drop-ship model, our management has focused its resources in accordance with the Treasury Policy and a significant portion of the balance sheet has been allocated to holding BERA in our digital asset treasury.

Currently, BERA is our principal digital asset holding under our Treasury Policy. As a result, our assets are highly concentrated in a single digital asset. Adverse developments specific to BERA, its protocol, or its ecosystem could have a disproportionate impact on our financial condition and results of operations. To mitigate price risk, we may from time to time hedge our BERA exposure in whole or in part using a combination of call options, put options, total return swaps, futures, or other derivative instruments executed through regulated or institutional-grade counterparties. However, there can be no assurance that such hedging strategies will be available at favorable terms, executed without market impact, or sufficient to offset adverse price movements in BERA.

Our Treasury Policy is intended to support treasury management, liquidity, and capital allocation through the following:

- utilizing capital markets issuances, including the issuance of both equity and convertible debt, where we may issue capital to support our Treasury Policy, liquidity objectives, and other corporate purposes, including acquisition of BERA;
- purchasing BERA, either through open market purchases, block trades, or other negotiated transactions, including both locked and unlocked BERA;
- actively participating in staking, validator activities, and limited decentralized finance ("DeFi") strategies, subject to risk management controls and governance oversight; and
- selling our BERA holdings, whether on the open market, through block trades, or other negotiated transactions, for liquidity management, treasury rebalancing, risk management, or other corporate purposes, when legally permissible and approved under the Company's governance framework.

Berachain and the Berachain Ecosystem

Berachain is a decentralized, open-source, EVM-compatible layer-1 blockchain engineered for high throughput, low latency, and full compatibility with Ethereum tooling, smart contracts, and infrastructure. This design enables seamless porting of Ethereum decentralized applications ("dApps") and allows Berachain to adopt major Ethereum upgrades with minimal friction, providing developers immediate access to a growing, high-performance alternative network.

Berachain utilizes a novel proof of liquidity consensus mechanism ("PoL") that integrates network security with active liquidity provisioning. The network revolves around three core participant groups:

- **validators** who are responsible for securing the network by proposing and attesting to new blocks in exchange for network rewards;
- **users** comprising of individuals and organizations that use Berachain for a variety of purposes (e.g., transferring value, interacting with dApps and participating in DeFi protocols); and
- **developers** worldwide who are contributing to the Berachain protocol by building dApps and creating new use cases for the network.

The PoL consensus model utilizes a dual-token model, each as described below:

- BERA is the native gas and staking token on the Berachain protocol. It is used to pay transaction fees and execute smart contracts. Validators stake BERA to participate in the PoL consensus mechanism, with the top 69 validators holding the highest staked amount of BERA forming the set of active validators eligible to earn block rewards.
- BGT is a non-transferable token on the Berachain protocol. It is emitted only to validators as part of block rewards and is earned solely through on-chain participation in PoL. Validators must stake BGT to specific dApps' reward vaults in order to direct the allocation of future BGT emissions by the Berachain protocol. A dApp reward vault that receives delegated BGT may distribute that BGT to users in exchange for predefined actions, such as providing liquidity, executing trades, or interacting with protocol features. Any holder of BGT may burn it on a 1:1 basis to mint an equivalent amount of BERA.

Using these two tokens, PoL is designed to create a network incentive flywheel whereby validators stake BERA to secure the blockchain and earn BGT through block production, then stake or delegate BGT to dApps to direct future emissions. dApps in turn award BGT to users for liquidity provisioning or protocol usage, and users can burn BGT 1:1 for BERA.

BERA holders may stake their BERA tokens to participate in the PoL consensus mechanism. By staking BERA, participants contribute to network security, and earn yield from PoL incentive redirections, thereby reinforcing the economic foundation of the Berachain network.

Thousands of digital assets have been developed since the inception of Bitcoin, which is currently the most developed digital asset because of the length of time it has been in existence, the investment in the infrastructure that supports it, and the network of individuals and entities that are using Bitcoin in transactions. While BERA has enjoyed some success in its limited history, the aggregate value of outstanding BERA is much smaller than that of Bitcoin and many other digital assets and may be further eclipsed by the more rapid development of other digital assets. We operate in a competitive environment and compete against other companies and other entities with similar strategies, including companies with significant holdings in other digital assets.

Custody of BERA

We currently intend to self-custody our BERA, utilizing secure multi-party computational ("MPC") wallets offered by Fireblocks, an institutional digital assets platform that allows users the ability to build custody workflows with embedded maker/checker steps, enforceable trade limits, and recovery capabilities. In light of the significant amount of BERA tokens we intend to accumulate, we expect to continually evaluate and implement self-custody best practices as well as, if deemed desirable, third-party digital asset custody solutions.

On-chain Activities

We may increase our BERA position over time through purchases, staking, validator activities, and other permitted treasury activities. Under our Treasury Policy, a portion of our BERA may be allocated to select DeFi protocols, subject to legal, compliance, and control requirements. We may also delegate a portion of our BERA to Berachain's native staking protocol, through which we may earn rewards that can be used for general corporate purposes. Further, we may from time to time operate one or more validators to help secure the network. As a validator, we will be entitled to (1) earn gas fees and priority fees; (2) collect incentives provided by dApp and protocol developers for directing BGT rewards to their respective rewards vaults; and (3) receive a base block reward anytime we successfully propose a block.

Regulations

BERA and other digital assets are relatively novel and the application of state and federal securities laws, taxes and other laws and regulations to digital assets is unclear in certain respects. Depending on the regulatory characterization of BERA, the markets for cryptocurrency in general, and our activities in particular, our business and our BERA acquisition strategy may be subject to regulation by one or more regulators in the United States and globally. The U.S. federal government, states, regulatory agencies, and foreign countries may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions related to digital assets. For example, the U.S. executive branch, the SEC, the European Union's Markets in Crypto Assets Regulation, among others, have been active in recent years, and in the U.K., the Financial Services and Markets Act 2023, or FSMA 2023, became law. Moreover, the regulatory status of digital asset treasury companies like us is currently uncertain. We will continue to monitor laws and regulations related to digital assets to determine any compliance changes that we need to make. Ongoing and future regulatory actions may alter, to a materially adverse extent, the nature of digital assets markets, the participation of industry participants, including service providers and financial institutions in these markets, and our ability to pursue our BERA strategy in line with our Treasury Policy.

Governments around the world have reacted differently to digital assets; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as the U.S., digital assets are subject to overlapping, uncertain and evolving regulatory requirements. For example, within the past few years:

- President Trump has signed an Executive Order instructing a working group comprised of representatives from key federal agencies to evaluate measures that can be taken to provide regulatory clarity and certainty built on technology-neutral regulations for individuals and firms involved in digital assets, including through well-defined jurisdictional regulatory boundaries, and this working group submitted a report with regulatory and legislative proposals on July 30, 2025;
- in January 2025, the SEC announced the formation of a "Crypto Task Force," which was created to provide clarity on the application of the federal securities laws to the crypto asset market and to recommend policy measures with respect to digital asset security status, registration and listing of digital asset-based investment vehicles, and digital asset custody, lending and staking;
- in May 2025, the SEC issued a statement providing its view that certain staking activities on blockchain networks that use protocol staking activities do not involve the offer or sale of securities under the Securities Act of 1933 or the Securities Exchange Act of 1934;

- in April and August 2024, Uniswap Labs and OpenSea, respectively, publicized that they had each received a Wells Notice from the SEC, notifying them that the SEC was planning to recommend legal action against them based on allegations that they operate as unregistered securities exchanges; however, in February 2025 each of Uniswap Labs and OpenSea announced that the SEC had closed their investigations without taking any enforcement action;
- in November 2023, Binance Holdings Ltd. and its then chief executive officer reached a settlement with the U.S. Department of Justice, the Commodity Futures Trading Commission (the "CFTC"), the U.S. Department of Treasury's Office of Foreign Asset Control, and the Financial Crimes Enforcement Network ("FinCEN") to resolve a multi-year investigation by the agencies and a civil suit brought by the CFTC, pursuant to which Binance agreed to, among other things, pay $4.3 billion in penalties across the four agencies and to discontinue its operations in the United States;
- the European Union adopted Markets in Crypto Assets Regulation, a comprehensive digital asset regulatory framework for the issuance and use of digital assets;
- in June 2023, the United Kingdom adopted and implemented the Financial Services and Markets Act 2023, which regulates market and promotional activities in "cryptoassets;" and
- in China, the People's Bank of China and the National Development and Reform Commission have outlawed cryptocurrency trading activities and declared all cryptocurrency transactions illegal within the country.

As digital assets have grown in both popularity and market size, there has been increasing focus on the operations of digital asset networks, digital asset users and digital asset exchanges, with particular focus on the extent to which digital assets can be used to launder the proceeds of illegal activities, fund criminal or terrorist activities, or circumvent sanctions regimes, including those sanctions imposed in response to the ongoing conflict between Russia and Ukraine. Many U.S. state, federal and international agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, federal and state agencies, and other countries have issued rules or guidance regarding the treatment of digital asset transactions and requirements for businesses engaged in activities related to digital assets. If we are found to have purchased or sold any of our BERA to or from bad actors that have used BERA to launder money or persons subject to sanctions, we may be subject to regulatory proceedings and any further transactions or dealings in BERA by us may be restricted or prohibited.

The CFTC takes the position that some digital assets fall within the definition of a "commodity" under the Commodities Exchange Act of 1936, as amended (the "CEA"). Under the CEA, the CFTC has broad enforcement authority to police market manipulation and fraud in spot digital assets markets in which we may transact. Beyond instances of fraud or manipulation, currently, the CFTC generally does not oversee cash or spot market exchanges or transactions involving digital asset commodities that do not utilize margin, leverage, or financing.

However, the U.S. Congress is contemplating multiple bills related to digital assets and the digital assets market, including by specifying the regulatory oversight authority for the applicable regulators and defining key concepts related to digital assets. In particular, the Digital Asset Market Clarity Act of 2025 ("Clarity Act"), previously passed by the U.S. House of Representatives, is expected to, if promulgated into law, define a digital asset that is intrinsically linked to and derives value from use in a blockchain system as a "digital commodity", and provide for certain exclusions or exemptions for digital commodities from being treated or regulated as a "security." Under the CLARITY Act, the CFTC will have primary regulatory oversight authority over spot digital commodities. Similarly, the Responsible Financial Innovation Act currently under discussions in the U.S. Senate would give the CFTC jurisdiction over any agreement, contract or transaction involving certain qualifying digital assets. Neither the CLARITY Act nor the Responsible Financial Innovation Act have been passed or signed into law, and will require further rules to be promulgated to implement. In addition, CFTC regulations and CFTC oversight and enforcement authority continue to apply with respect to futures, swaps, other derivative products and certain retail leveraged transactions involving digital assets.

On July 18, 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 ("GENIUS Act") was enacted, establishing a federal regulatory framework for payment stablecoins. The GENIUS Act will become effective on July 18, 2028. The GENUIS Act prohibits the issuance or use of payment stablecoins unless the issuer obtains a qualifying license and complies with a range of regulatory requirements, including reserve backing with liquid assets, redemption rights, governance standards, and operational transparency. The GENIUS Act also restricts the payment of interest on stablecoins and imposes oversight on both bank and nonbank issuers. The enactment of the GENIUS Act, or the removal or migration of prominent stablecoins from the BERA network, could reduce the willingness of market participants to engage in digital asset transactions that rely on stablecoins, diminish liquidity in the BERA market, and adversely affect the price of BERA. Any such developments could, in turn, materially and adversely impact our value.

Our activities involving BERA and other digital assets may fall within the jurisdiction of more than one financial regulator and various courts and such laws and regulations are rapidly evolving and increasing in scope.

Digital asset treasury strategy and BERA treasury policy

On October 23, 2025, the Board approved a treasury policy that designates BERA, the native digital asset of the Berachain network, as the principal digital asset within our treasury strategy. The Board formed a Digital Assets Committee, chaired by Bruce Linton and including director Billy Levy, to oversee this policy, and appointed Benjamin Isenberg as Chief Investment Officer to manage the BERA strategy and related controls. Our asset treasury strategy consists of acquiring, holding, and managing exposure to BERA as a primary treasury reserve asset.

In connection with the October 2025 PIPE transaction, we agreed to certain contractual transfer restrictions on a portion of its BERA holdings. As of December 31, 2025, while these contractual provisions were in place, no operational lockup mechanism had been implemented, and we retained the ability to utilize such BERA, including for staking activities. An operational lockup mechanism was implemented in mid-February 2026, with restrictions scheduled to expire on April 23, 2026. Management concluded that, as of December 31, 2025, these contractual provisions did not impact the fair value measurement or classification of the Company's BERA holdings.

In addition, we hold U.S. dollar-denominated stablecoins classified as cash equivalents and used for liquidity management and working capital purposes. We may deploy BERA into validator infrastructure, staking arrangements, or other ecosystem activities, subject to governance approval, risk management protocols, and market conditions. We may acquire and hold BERA as a primary digital asset as part of the treasury strategy, subject to liquidity needs, market conditions, and Board-approved risk parameters; near-term plans do not include allocating treasury assets to other digital assets, which increases concentration risk.

Governance and controls include a two-tier custody model (cold reserve with a small operational wallet), policy-based approvals with two-person release, allowlists, limits, recovery procedures, and expanded reporting aligned to public-company controls. The Audit Committee oversees related-party considerations and reviews policy compliance. The Digital Assets Committee charter authorizes, among other things: (i) review and approval of digital-asset strategy (including staking, validator, and limited decentralized-finance participation); (ii) monitoring of market and protocol developments; (iii) evaluation of partnerships and protocol changes; (iv) review of related-party matters; (v) oversight of internal controls and reporting for digital assets; (vi) risk oversight for market volatility, cybersecurity, and compliance; (vii) approval of wallet-access, segregation-of-duties, and operational thresholds; and (viii) validation of valuation methods and fair-value classifications.

To manage treasury risk, we may selectively use hedging instruments such as options, swaps, or futures with institutional-grade counterparties, subject to availability and cost. We may engage in on-chain activities in a controlled manner, including staking, limited validator operations, and measured decentralized finance participation, subject to legal, compliance, and control requirements.

Beginning in the fourth quarter of 2025, in-scope crypto assets are measured at fair value with changes recognized in earnings under Accounting Standards Update 2023-08. Fair value measurement follows Accounting Standards Codification Topic 820, including principal-market determinations, pricing controls, and fair-value hierarchy disclosures. These requirements may introduce earnings volatility.

A more detailed description of risks related to pricing volatility, custody, valuation, and regulation appears in Part II, Item 1A "Risk Factors." Additional information about post-quarter activity and policy governance is provided in Note 14, "Subsequent Events," and in our Current Report on Form 8-K filed October 20, 2025.

Legacy Business Overview and Strategic Transition

Historically, we operated a wholesale and distribution platform focused on the sale of premium accessories, vape devices, and related lifestyle products through a combination of warehouse-based fulfillment and direct-to-consumer channels.

During fiscal year 2025, we materially reduced this legacy operating footprint, substantially exited warehouse inventory as of December 31, 2025, and transitioned the remaining commerce business to an asset-light, drop-ship model. We exited our warehouse operations by the end of February 2026 and reduced headcount associated with legacy operations through March 2026. As a result, the wholesale and distribution segment continues to operate at a significantly reduced scale and is no longer the primary driver of our financial performance.

In the fourth quarter of 2025, we completed a private investment in public equity ("PIPE") financing with digital asset-focused investors and deployed the proceeds into digital assets, including BERA and U.S. dollar-denominated stablecoins.

Accordingly, our business and capital allocation strategy is focused on a digital asset treasury model focused on acquisition, staking, validator participation, and strategic deployment of digital assets.

As of December 31, 2025, a substantial majority of our assets consisted of digital assets and cash equivalents, including U.S. dollar-denominated stablecoins. Our financial condition, liquidity, and results of operations are therefore significantly influenced by digital asset market conditions and fair value remeasurement.

Our financial results primarily reflect digital asset-related activities, with legacy wholesale and distribution operations representing a reduced and non-core component of the business.

Restructuring Activities

We executed a series of restructuring initiatives during 2024 and 2025 in connection with our transition away from a warehouse-based distribution model and ultimately toward a digital asset treasury strategy. These actions were focused on eliminating working capital intensity, reducing fixed costs, and repositioning the business.

Our key initiatives include:

1. Technology Enhancements: Continued investment in e-commerce platforms to support an asset-light, drop-ship operating model.
2. Facility Footprint Rationalization: The Company exited its warehouse operations by February 28, 2026 and eliminated its physical distribution footprint.
3. Headcount Reduction: We significantly reduced headcount associated with legacy warehouse and distribution operations through March 2026.
4. Inventory Exit: We disposed of substantially all inventory and recorded reserves resulting in a net inventory balance of zero as of December 31, 2025.
5. Commercial Simplification: We streamlined our commercial organization to align with a reduced-scale, asset-light e-commerce model.
6. Product Portfolio Rationalization: We reduced focus on owned product lines and prioritized third-party fulfillment partnerships.
7. Capital Allocation: Capital was redeployed from legacy operating activities into digital asset treasury investments, including BERA and stablecoins.

We believe these actions have significantly reduced operating costs, eliminated working capital requirements associated with inventory, and repositioned the Company to execute on our digital asset treasury strategy.

During 2024 and 2025, we received capital from various sources that supported the restructuring of legacy operations and the establishment of its digital asset treasury strategy.

Fiscal year 2025 reflects a substantial strategic transition. As a result, comparisons to prior periods are affected by the reduction of legacy warehouse and inventory activity, the monetization and write-off of inventory, the reserve of certain legacy receivables, and the introduction of fair value accounting for digital assets.

Organization

Greenlane Holdings, Inc. (“Greenlane” and, collectively with the Operating Company (as defined below) and its consolidated subsidiaries, the “Company”, “we”, “us”, and “our”) was formed as a Delaware corporation on May 2, 2018. We are a holding company that was formed for the purpose of completing an underwritten initial public offering (“IPO”) of shares of our Class A common stock, $0.01 par value per share (“Class A common stock”), in order to carry on the business of Greenlane Holdings, LLC (the “Operating Company”). The Operating Company was organized under the laws of the state of Delaware on September 1, 2015, and is based in Boca Raton, Florida. Refer to “Note 1—Business Operations and Organization” within Item 8 for further information on the Company’s organization and the IPO and related transactions. We are the sole manager of the Operating Company and we own a 100% interest in the Operating Company.

Our Operating Priorities

Our near-term operating priorities are:

1. disciplined execution of the Company's digital asset treasury strategy and related governance framework,
2. preservation of liquidity and capital flexibility,
3. continued reduction and simplification of residual legacy operating activities, and
4. operation of vapor.com and related legacy commerce activities through an asset-light drop-ship model.

The Company does not currently operate a warehouse-based wholesale model and no longer maintains material inventory. Legacy commerce activities are managed for efficiency, customer continuity, and liquidity rather than growth.

The Company's remaining legacy commerce operations are conducted primarily through vapor.com and related channels using a drop-ship model. Third-party partners handle inventory, fulfillment, and shipping, while the Company retains control over customer relationships, digital marketing, and certain sales activities. This business is non-core and significantly smaller than in prior periods.

In 2025, the Company completed capital raises that supported both the restructuring of legacy operations and the establishment of its digital asset treasury strategy. Additional information regarding these financings is included in Item 7 and the notes to the consolidated financial statements.

On February 19, 2025, we consummated a private placement (the "Private Placement") pursuant to a securities purchase agreement ("Purchase Agreement") with institutional investors (the "Purchasers") for the purchase and sale of approximately $25.0 million of shares of the Company's Class A common stock (the "Common Stock") and investor warrants at a price of $892.50 per Common Unit. The entire transaction was priced at the market under Nasdaq rules. The offering consisted of the sale of Common Units (or Pre-Funded Units), each consisting of (i) one (1) share of Common Stock or one (1) Pre-Funded Warrant, (ii) one (1) Series A PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $2,231.25 (the "Series A Warrant") and (iii) one (1) Series B PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $2,231.25 (the "Series B Warrant" and together with the Series A Warrant, the "Warrants").

The initial exercise price of each Series A Warrant is $2,231.25 per share of Common Stock. The Series A Warrants are exercisable following stockholder approval and expire five (5) years thereafter. The number of securities issuable under the Series A Warrant is subject to adjustment as described in more detail in the Series A Warrant. The initial exercise price of each Series B Warrant is $2,231.25 per share of Common Stock or pursuant to an alternative cashless exercise option. The Series B Warrants are exercisable following stockholder approval and expire two and one-half (2.5) years thereafter. The number of securities issuable under the Series B Warrant is subject to adjustment as described in the Series B Warrant.

In connection with the Private Placement, we entered into a registration rights agreement with the Purchasers on February 18, 2025 (the "Registration Rights Agreement"), pursuant to which we are required to file a registration statement covering the resale of the Securities within 30 calendar days of the closing of the offering.

On October 20, 2025, we also entered into subscription agreements (the "Cryptocurrency Subscription Agreements") with certain accredited investors (the "Cryptocurrency Subscribers") pursuant to which the Company agreed to sell and issue to the Cryptocurrency Subscribers in a private placement offering (the "Cryptocurrency Offering") pre-funded warrants (the "Cryptocurrency Pre-Funded Warrants") to purchase 15,504,902 shares of Common Stock which the native digital asset of the Berachain blockchain, BERA, will be valued for purposes of the Cryptocurrency Subscription Agreements at $1.9477 for Cryptocurrency Subscribers (based on the seven day trailing VWAP using Binance 1-hour Kline data), or $0.9836 in the case of the Berachain Foundation (representing a 49.5% discount). The Pre-Funded Warrants have an exercise price of $0.01 per share. In the Cryptocurrency Offering, the Cryptocurrency Subscribers tendered either Unlocked BERA tokens or Locked BERA tokens to the Company as consideration for the Cryptocurrency Pre-Funded Warrants. Certain of the Cryptocurrency Pre-Funded Warrants are subject to lock-up agreements and become exercisable on April 18, 2026.

On October 23, 2025, we closed a $110 million private placement consisting of cash subscriptions and crypto denominated subscriptions in support of a BERA focused treasury strategy (the "BERA Private Placement"). The closing delivered approximately $24.3 million of net cash proceeds and approximately $19.0 million of stablecoin proceeds in USDT and USDC, and held approximately 54.2 million BERA at closing. As compensation to the placement agent, we paid the placement agent a commission equal to 2% of the BERA Private Placement (or 1.0% placement commission for any investors introduced by the Company, Polychain Capital LP or the Berachain Foundation (or any affiliate of any of the foregoing) to the placement agent), plus an additional $5 million. Beginning with periods after October 23, 2025, in-scope crypto assets will be measured at fair value with changes recognized in net income. Advisory warrants totaling 5,264,752 shares of common stock were also issued in connection with our transition to a digital asset treasury strategy and board service. These advisory warrants become exercisable on April 23, 2026.

We used the majority of proceeds to acquire BERA and to establish digital asset treasury operations, with approximately $3.0 million earmarked for legacy operations.

In connection with the October 2025 private placement, the Company paid customary placement agent fees and expense allowances and issued placement agent warrants to Aegis Capital Corp. or its designees.

Human Capital Resources

As of March 17, 2026, we had eleven full-time employees. Approximately ten were employed in the U.S., and one was employed in the Bahamas. None of our employees are represented by a labor union. We have never experienced a labor-related work stoppage.

The Company has significantly reduced headcount in connection with the restructuring of its legacy wholesale and distribution operations. As of the filing date, the workforce is concentrated in treasury, finance, compliance, technology, and limited e-commerce support functions.

Trademarks

We own a number of registered trademarks and service marks, including without limitation, trademarks in the relevant classes of goods for Greenlane, Higher Standards, Aerospaced, Groove, and Pollen Gear. We also license certain trademarks and other intellectual property, most notably those associated with our Marley Natural and Keith Haring brands. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. In addition, this Annual Report contains trade names, trademarks and service marks of other companies that we do not own. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies. We believe certain of our trademarks have continuing value. The duration of trademark registrations varies from country to country. However, trademarks are generally valid and may be renewed indefinitely as long as they are in use and/or their registrations are properly maintained.

Recent Developments

Delisting Notice

On March 25, 2026, we received a notification letter from the Listing Qualifications Department of Nasdaq (the "Delisting Notice"), notifying us that we were not in compliance with the minimum bid price requirement for continued listing on The Nasdaq Capital Market and its staff has determined to delist our securities pursuant to its discretionary authority under Listing Rule 5550(a)(2). Due to having effected two reverse stock splits over the prior two-year period, we are not eligible for the 180-day period to regain compliance under Rule 4810(c)(3)(A). Pursuant to the Delisting Notice, we plan to appeal this determination before a Nasdaq Hearings Panel, staying the suspension of our common stock.

Reverse Stock Split

On March 25, 2026, our stockholders approved an amendment to our amended and restated certificate of incorporation to effect a reverse stock split of our issued and outstanding Common Stock at a ratio within a range of 1-for-5 to 1-for-15, with the final ratio and timing to be determined at the discretion of our Board of Directors. As of the date of issuance of these financial statements, the reverse stock split has not been effected. Accordingly, our financial statements, including share and per share amounts, have not been adjusted to reflect the reverse stock split.

We expect to effect the reverse stock split shortly following the issuance of these financial statements.

BERA Holdings

As of February 27, 2026, following the adoption of the new digital asset treasury strategy, we held approximately 70.4 million units of BERA pursuant to the strategic acquisition of approximately 9 million units of BERA between December 4, 2025 and February 27, 2026. At the same time, we also announced plans to deploy up to 50 million units of BERA into validator infrastructure on the Berachain network, comprising approximately 20 million units of BERA across two independently operated validators and up to 30 million units of BERA through a previously announced partnership with Infrared Finance.

Token Transaction Agreements

On February 4, 2026, Greenlane Subsidiary Inc. (the "Subsidiary"), a wholly-owned subsidiary of the Company, entered into (a) a Token Purchase and Sale Agreement (the "Purchase and Sale Agreement") and (b) a Token Lending Agreement (the "Lending Agreement," and together with the Purchase and Sale Agreement, the "Transaction Agreements") with Berachain Operations Corporation, a British Virgin Islands Business Company (the "Counterparty").

Pursuant to the Lending Agreement, the Subsidiary (as Lender) may agree to lend to the Counterparty (as Borrower) an amount of USDC and/or USDT stablecoins (the "Lent Tokens") pursuant to loan confirmation agreements to be agreed between the parties from time to time, accruing interest at a rate to be determined in such agreements. The Counterparty intends to use the Lent Tokens to acquire BERA tokens in the open market or in privately negotiated transactions from various counterparties.

Pursuant to the Purchase and Sale Agreement, the Subsidiary (as Buyer) may request to purchase tranches of BERA tokens from the Counterparty (as Seller), pursuant to tranche notices to be agreed between the parties from time to time. The purchase price for each tranche is determined through a combination of time-weighted average price and other pricing mechanics, including protective "market out" provisions. Furthermore, the Purchase and Sale Agreement permits flexible transaction sizing set within a pre-negotiated percentage range.

The Counterparty subsequently informed the Company that it may, from time to time, conduct significant transactions with BSQD Corp. ("BSQD") to source BERA to fulfill its obligations under the Purchase and Sale Agreement. BSQD is an entity that is wholly owned by Ben Isenberg, Greenlane's Chief Investment Officer. Any such transactions with BSQD would be conducted on an arm's-length basis at prevailing market prices and conditions. Mr. Isenberg is considered a related party and the transactions described herein constitute a "related party transaction" as defined by Item 404 of Regulation S-K.

Appointment of Chief Executive Officer

On February 11, 2026, the Board of Directors unanimously appointed Jason Hitchcock as Chief Executive Officer of the Company. Mr. Hitchcock brings over 15 years of experience building and scaling revenue engines across SaaS, blockchain infrastructure, and decentralized finance. He joins Greenlane as we continue to execute our Berachain-focused Digital Asset Treasury strategy.

ATM Offering

On January 7, 2026, we entered into a Sales Agreement (the "Sales Agreement") with Yorkville Securities, LLC ("Yorkville") pursuant to which we may, from time to time, offer and sell shares (the "ATM Shares") of our Common Stock through or to Yorkville, acting as sales agent or principal (the "ATM Offering"). On January 7, 2026, we filed a prospectus supplement in connection with the ATM Offering for up to $5,355,687 of shares of Common Stock (the "Prospectus Supplement").

Subject to the terms and conditions of the Sales Agreement, Yorkville will use its commercially reasonable efforts consistent with its normal trading and sales practices to sell the ATM Shares from time to time, based upon our instructions. We have provided Yorkville with customary indemnification and contribution rights, and Yorkville will be entitled to a commission of up to 3.0% of the gross proceeds from each sale of the ATM Shares pursuant to the Sales Agreement.

Corporate Information

Our executive offices are located at 4800 N Federal Hwy, Suite B200, Boca Raton, Florida 33487. Our telephone number at our executive offices is (877) 292-7660.

Available Information

Our Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are filed with the SEC. We are subject to the informational requirements of the Exchange Act and file or furnish reports, proxy statements and other information with the SEC. Such reports and other information filed by us with the SEC are available free of charge at investor.gnln.com/financial-information/sec-filings when such reports are available on the SEC's website. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. We periodically provide other information for investors on our corporate website, www.gnln.com, and our investor relations website, investor.gnln.com. This includes press releases and other information about financial performance, information on corporate governance and details related to our annual meeting of shareholders. The information contained on the websites referenced in this Form 10-K is not incorporated by reference into this filing. Further, our references to website URLs are intended to be inactive textual references only.

ITEM 1A. RISK FACTORS

Our operations and financial results are subject to various risks and uncertainties, including but not limited to those described below, which could harm our business, reputation, financial condition, and operating results. The following is a description of what we consider the key challenges and material risks to our business and an investment in our Class A common stock.

Risks Related to Our Digital Asset Trading Strategy and Cryptocurrencies

We have recently adopted a digital asset treasury strategy with a focus on BERA, and we may be unable to successfully implement this new strategy.

We have recently adopted our Treasury Policy primarily dedicated to BERA, including potential investments in BERA, including through staking, validator activities and engaging in other DeFi strategies. There is no assurance that we will be able to successfully implement our Treasury Policy or operate BERA-related activities at the scale or profitability currently anticipated. BERA operates with a proof-of-liquidity consensus mechanism, which differs significantly from other consensus mechanisms, and will require specialized employee skillsets and novel treasury management practices tailored to the Berachain network. Further, there is ongoing scrutiny and limited formal guidance from regulatory agencies, including Nasdaq and the SEC, with respect to the treatment of public company digital asset strategies. Our inability to implement the Treasury Policy for whatever reason, could have a material adverse effect on our business and financial condition.

Our shift towards a* BERA*-focused strategy requires substantial changes in our day-to-day operations and exposes us to significant operational risks.

Our shift towards a BERA-focused strategy exposes us to significant operational risks. In connection with the implementation of our Treasury Policy, we intend to operate a validator to help secure the Berachain network, and we expect to allocate a portion of our BERA holdings to other onchain activities, including staking and certain DeFi strategies. If we serve as a validator, we may suffer slashing or forfeiture of rewards due to downtime, misconfiguration, or malicious software, materially reducing the number of BERA held in our treasury. In addition, the Berachain protocol is rapidly evolving, with frequent upgrades and protocol changes that may require significant adjustments to our operational setup and allocation strategy. The upgrades and protocol changes may require that we incur unanticipated costs and could cause temporary service disruptions. We may also need to employ third-party service providers in our operations, which may introduce risks outside of our control, including significant cybersecurity risks. In connection with our proposed activities, we intend to operate a validator to secure the Berachain network. If we choose to serve as a validator, we may suffer slashing or forfeiture of rewards due to downtime, misconfiguration, or malicious software, materially reducing the number of BERA held in our treasury. Any of these operational risks could materially and adversely affect our ability to execute our Treasury Policy, prevent us from realizing positive returns and severely hurt our financial condition.

A disruption of the internet may affect the operation of blockchain networks, which may adversely affect the digital asset industry and an investment in us.

Blockchain protocols rely on the internet. A significant disruption of internet connectivity could disrupt blockchain networks' functionality until such disruption is resolved. A disruption in the internet could adversely affect an investment in us. In particular, some variants of blockchain protocols have experienced denial-of-service attacks, which have led to temporary delays in block creation and digital asset transfers.

Digital assets are also susceptible to border gateway protocol hijacking ("BGP hijacking"). Such an attack can be a very effective way for an attacker to intercept traffic en route to a legitimate destination. BGP hijacking impacts the way different nodes are connected to one another to isolate portions of them from the remainder of the network, which could lead to a risk of the network allowing double-spending and other security issues.

Any internet failures or internet connectivity-related attacks that impact the ability to transfer or secure digital assets could have a material adverse effect on the price of digital assets generally, and BERA's value specifically, and the value of an investment in us.

Blockchain technologies are based on theoretical conjectures as to the impossibility of solving certain cryptographical puzzles quickly. These premises may be incorrect or may become incorrect due to technological advances.

Blockchain technologies are premised on theoretical conjectures as to the impossibility, in practice, of solving certain mathematical problems quickly. Those conjectures remain unproven, however, and mathematical or technological advances could conceivably prove them to be incorrect. Blockchain technology companies may also be negatively affected by cryptography or other technological or mathematical advances, such as the development of quantum computers with significantly more power than computers presently available, that undermine or vitiate the cryptographic consensus mechanism underpinning Berachain and other blockchain protocols. If either of these events were to happen, markets that rely on blockchain technologies could quickly collapse, and an investment in our Common Stock may be adversely affected.

Technical shortcomings or defects in the BERA network, including changes to its validator structure, governance model, or core software, could diminish the utility and value of BERA and harm our business.

The BERA network is a public, open-source and decentralized blockchain protocol that is not under our or any single party's control. Its ongoing viability depends on the continued consensus and cooperation of independent developers, validators, tokenholders, and other ecosystem participants. The existing Berachain protocol may be subject to significant alterations, including by way of community governance votes, and any such changes may have a material adverse effect on BERA and the viability of the Berachain protocol. If Berachain experiences a successful cyber-attack, a material software bug, a "hard fork" that fragments the network, or a prolonged outage, market confidence in BERA could be severely undermined. Similarly, decisions by influential validators to adopt protocol changes, modify transaction-fee structures, or alter other existing practices or network governance could adversely affect BERA's economics and, therefore, the value of our holdings. Further, because the governance of decentralized networks, such as Berachain, is by voluntary consensus, a single party could gain majority control of the network, and enact changes or amendments to the network that are otherwise undesirable to other participants. Were this to happen, it could harm the value of BERA and therefore the value of the Common Stock.

If validators exit the BERA network, it could increase the likelihood of a malicious actor obtaining control.

Validators exiting the network could make BERA more vulnerable to a malicious actor obtaining control of a large percentage of staked BERA, which might enable them to manipulate the BERA network by censoring or manipulating specific transactions, or undermining the economic incentives underlying the Berachain ecosystem. If the BERA network suffers such an attack, the price of BERA could be negatively affected, and a loss of confidence in the BERA network could result. Any reduction in confidence in the transaction confirmation process or staking power of the BERA network may adversely affect an investment in the Common Stock.

Berachain may not be able to compete with other blockchain networks. If Berachain is not able to compete successfully, the value of BERA would be significantly affected.

Berachain faces intense competition from a large number of established layer-1 blockchains, including Ethereum, Solana, and Binance Smart Chain, layer-2 scaling solutions, and emerging protocols, many of which currently maintain significantly larger active user bases, higher total value locked ("TVL"), more extensive developer communities, broader third-party tooling and wallet support, deeper liquidity across centralized and decentralized exchanges, and more robust cross-chain interoperability frameworks. These competing networks may offer lower transaction fees, faster finality, superior virtual machine performance, more advanced smart-contract languages, or more effective incentive programs that attract users, liquidity providers, dApp developers, and other participants away from Berachain. If Berachain fails to generate sufficient user interest relative to these alternatives, the network could experience reduced protocol adoption and diminished liquidity. Such outcomes may lead to lower user and transaction volumes, reduced fee revenue, impaired ability to fund ongoing development, and a downward spiral in token valuation, ultimately jeopardizing the long-term viability of the Berachain ecosystem.

The economic design underlying PoL may be flawed, may fail to gain adoption, or may be exploited. Any such events could undermine the growth and development of the Berachain network.

Berachain's network security, incentive alignment, and ecosystem growth depend entirely on the proper functioning of its novel PoL consensus mechanism, including the recently introduced PoLv2 framework. Under this design, validators stake BERA to secure the network and earn BGT emissions through block production, then stake or delegate BGT to dApps to direct future reward allocation; dApps distribute BGT to users for providing liquidity or engaging in protocol activity; and users may burn BGT for BERA. As a new consensus mechanism, users may be reluctant or unable to understand the technical underpinnings and benefits of PoL, and may favor a more traditional consensus mechanism, such as proof of stake or proof of work. If validators delegate BGT to low-performing or malicious dApps, dApps distribute rewards inefficiently or in ways that favor short-term speculation over sustained usage, or liquidity suffers due to lack of actual or perceived alignment between different ecosystem parties, the intended incentive loop may break. Such failures could result in misaligned emissions, and if rewards are capture by a limited set of participants, or if there is insufficient liquidity in core DeFi primitives or declining BERA staking participation, the network effect intended by the PoL consensus mechanism may fail to be achieved. From time to time, the Berachain community may also make additional changes to the PoL mechanism, such as via the PoLv2 update, which introduces increased complexity through dynamic emission schedules, delegation weighting mechanisms, and customizable reward modules, any of which may contain latent design flaws, unintended economic consequences, or vulnerabilities not identified during testing or early deployment. Future iterations of PoL may introduce additional changes that disrupt existing incentives, and even a well-designed system remains susceptible to coordinated exploitation, front-running of reward signals, or sybil attacks. A breakdown in PoL functionality or adoption could lead to declining network activity, erosion of economic security, loss of developer and user confidence, and a decline of the Berachain ecosystem, any of which could have significant adverse consequences for BERA.

We and other users may suffer losses due to staking or validator slashing, which could make Berachain less attractive.

Berachain's native staking protocol is relatively new and requires users to place BERA in a smart contract that is not under anyone's control. Users who serve as validators also risk losing some or all of their BERA if they intentionally or unintentionally perform their duties poorly, for example, by double-signing a transaction or experiencing downtime, in a process known as slashing. Any cybersecurity attacks, security issues, hacks, penalties, slashing events, or other problems could damage validators' willingness to participate in validation and stakers' willingness to participate in staking, and this could further discourage existing and future validators and stakers from serving as such, thereby adversely impacting Berachain's adoption and the price of BERA. Any disruption of validation on Berachain could interfere with network operations and cause Berachain to be less attractive to users and application developers than competing blockchain networks, which could cause the price of BERA to decrease. Further, the limited liquidity during the unbonding period of the staking process could cause Berachain to be less attractive to users and application developers than competing blockchain networks, which could cause the price of BERA to decrease. Any decrease in the price of BERA could have a material adverse effect on our business and financial condition.

We face risks relating to the potential compromise of Berachain's and other blockchains' network security by emerging technologies, including artificial intelligence and quantum computing, which may materially and adversely impact our operations and financial condition.

The security and integrity of Berachain and other blockchains' network are fundamentally dependent on the robustness of its cryptographic algorithms. BERA and other cryptocurrencies' protocol relies heavily on public key cryptography and hashing algorithms to secure transactions, safeguard private keys, and prevent double-spending. Advances in emerging technologies, particularly artificial intelligence ("AI") and quantum computing may pose significant risks to Berachain and other blockchains' network's security and operational stability.

Quantum computing, in particular, presents a long-term threat to the cryptographic assumptions underpinning BERA and other digital assets. Should quantum computing achieve sufficient maturity, it could undermine the effectiveness of the cryptographic algorithms used to secure the blockchain. A sufficiently powerful quantum computer could potentially reverse-engineer private keys from public addresses or compromise the blockchain's consensus mechanism, leading to the theft of digital assets, double-spending, and other forms of fraud. Although current quantum computing capabilities are not yet at this level, advancements in quantum technologies could materialize more rapidly than anticipated, creating significant systemic risks for the Berachain protocol and the BERA token.

AI may also pose indirect security risks. AI-driven cyberattacks, including advanced phishing schemes, autonomous malware, and intelligent blockchain analysis tools, could increase the sophistication and success rate of attacks targeting Berachain and other blockchains' users, exchanges, custodians, and node operators. The use of AI to exploit vulnerabilities in software, hardware, or network protocols could threaten the stability and reliability of Berachain and other blockchains' ecosystems.

There can be no assurance that Berachain's and other blockchains' current cryptographic safeguards will be sufficient to protect against future technological advances. While research and development efforts are ongoing to develop quantum-resistant cryptographic protocols, Berachain's and other blockchains' networks may face challenges in adopting such technologies at scale, particularly given their decentralized governance structure. Any successful attack or perceived vulnerability arising from AI or quantum computing could materially and adversely affect the price, liquidity, and adoption of BERA and other digital assets and could negatively impact our business, financial condition and results of operations.

BERA is created and transmitted through the operations of the Berachain network, a decentralized network of computers running software following the Berachain protocol. If the Berachain network is disrupted or encounters any unanticipated difficulties, the value of BERA could be negatively impacted.

If the Berachain network is disrupted or encounters any unanticipated difficulties, then the processing of transactions on the Berachain network may be disrupted, which in turn may prevent us from depositing or withdrawing BERA from our accounts or otherwise effecting BERA transactions. Such disruptions could include, for example: the price volatility of BERA; the insolvency, business failure, interruption, default, failure to perform, security breach, or other problems of network participants, custodians or others; the closing of trading platforms on which BERA is transacted due to fraud, failures, security breaches or otherwise; or network outages or congestion, power outages, or other problems or disruptions affecting the Berachain network.

We face risks relating to the custody of our BERA or other digital assets, including the loss or destruction of private keys required to access our BERA or other digital assets and cyberattacks or other data loss relating to our BERA or other digital assets.

We expect to self-custody our BERA using, in part, the Fireblocks Vault service. If we lose access to our private keys, we may not be able to recover all or any portion of our BERA, or any value thereof. BERA is controllable only by the possessor of both the unique public key and private key(s) relating to the local or online digital wallet in which the BERA is held. While the blockchain ledger requires a public key relating to a digital wallet to be published when used in a transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the BERA held in such wallet. To the extent the private key(s) for a digital wallet are lost, destroyed, or otherwise compromised and no backup of the private key(s) is accessible, we will not be able to access the BERA held in the related digital wallet and such BERA will be irretrievably lost. While Fireblocks Vault service may be able to initiate a recovery if certain keys remain available, there can be no guarantee that not all keys will be lost or that a catastrophic error won't occur that would prevent recovery. Furthermore, we cannot provide assurance that our digital wallets will not be compromised as a result of a cyberattack. Blockchain ledgers and blockchain technologies have been, and may in the future be, subject to security breaches, cyberattacks or other malicious activities.

Exploits, including those stemming from admin key misuse, admin key compromise, or protocol flaws, have occurred in the past and may occur in the future. Certain employees or vendors may also be vulnerable to physical or psychological coercion, commonly referred to as "wrench attacks," as well as scams and social engineering tactics intended to obtain access to passwords or private cryptographic keys, in order to then effectuate the unauthorized transfer or theft of digital assets. A successful security breach or cyberattack could result in:

- a partial or total loss of our BERA;
- significant harm to our reputation and brand;
- improper disclosure of data and violations of applicable data privacy and other laws; or
- significant regulatory scrutiny, investigations, fines, penalties, and other legal, regulatory, contractual and financial exposure.
- Further, any actual or perceived data security breach or cybersecurity attack directed at other companies with digital assets or companies that operate digital asset networks, regardless of whether we are directly impacted, could lead to a general loss of users and confidence in the broader BERA ecosystem or in the use of the BERA network, which could negatively impact us.

Attacks upon systems across a variety of industries, including industries related to BERA, are increasing in frequency, persistence, and sophistication, and, in many cases, are being conducted by sophisticated, well-funded and organized groups and individuals, including state actors. The techniques used to obtain unauthorized, improper or illegal access to systems and information (including personal data and digital assets), disable or degrade services, or sabotage systems are constantly evolving, may be difficult to detect quickly, and often are not recognized or detected until after they have been launched against a target. These attacks may occur on our systems or those of our third-party service providers or partners. We may experience breaches of our security measures due to human error, malfeasance, insider threats, system errors or vulnerabilities or other irregularities. In particular, we expect that unauthorized parties will attempt to gain access to our systems and facilities, as well as those of our partners and third-party service providers, through various means, such as hacking, social engineering, phishing and fraud. Threats can come from a variety of sources, including criminal hackers, hacktivists, state-sponsored intrusions, industrial espionage, and insiders. In addition, certain types of attacks could harm us even if our systems are left undisturbed. For example, in October 2021 it was reported that hackers exploited a flaw in the account recovery process and stole from the accounts of at least 6,000 customers of the Coinbase exchange, although the flaw was subsequently fixed and Coinbase reimbursed affected customers. Similarly, in November 2022, hackers exploited weaknesses in the security architecture of the FTX Trading digital asset exchange and reportedly stole over $400 million in digital assets from customers. More recently, Bybit was hacked by the Lazarus Group, a North Korean state-sponsored organization, resulting in the loss of $1.5 billion of customer assets. Further, there has been an increase in such activities due to the increase in work-from-home arrangements. The risk of cyberattacks could also be increased by cyberwarfare in connection with the ongoing Russia-Ukraine and Israel-Hamas conflicts, or other future conflicts, including potential proliferation of malware into systems unrelated to such conflicts. Any future breach of our operations or those of others in the Berachain ecosystem, including third-party services on which we rely, could materially and adversely affect our financial condition and results of operations.

We intend to deploy our BERA into DeFi applications, which are subject to a variety of risks and vulnerabilities.

As part of our treasury management strategy, we also intend to engage in staking, validating, and other permitted activities that involve the use of "smart contracts", DeFi or dApps. DeFi protocols, wallets, and bridges have been frequent targets of sophisticated cyberattacks, including flash-loan attacks, cross-chain bridge exploits, and private key compromises. Losses from such incidents are often immediate, irreversible, and may not be covered by insurance or contractual recourse.

The use of smart contracts or dApps entails certain risks including risks stemming from the existence of an "admin key" or coding flaws that could be exploited, potentially allowing a bad actor to issue or otherwise compromise the smart contract or dApp, potentially leading to a loss of our BERA. Vulnerabilities or flaws in a smart contract could allow attackers to drain assets, prevent us from accessing our holdings, or manipulate protocol operations. Once deployed, smart contracts are difficult to amend, and in many cases cannot be modified at all without widespread validator or governance consensus.

Like all software code, smart contracts are exposed to risk that the code contains a bug or other security vulnerability, which can lead to loss of assets that are held on or transacted through the smart contract or dAPP. Smart contracts and dApps may contain bugs, security vulnerabilities or poorly designed permission structures that could result in the irreversible loss of BERA or other digital assets.

Certain DeFi protocols are also governed by decentralized communities through on-chain voting mechanisms, which may be subject to capture by a small number of participants. Protocol governance decisions could adversely affect our ability to use or recover assets. Additionally, protocols may change rules, fees, or parameters without advance notice. Moreover, the legal and regulatory treatment of DeFi remains highly uncertain. Regulators could impose restrictions or obligations on participants or on protocols themselves, which could adversely affect our ability to use, access or withdraw such platforms or the value of assets held in them.

If we lose key personnel, including our Chief Investment Officer and Strategic Advisors, or if we fail to recruit additional highly skilled personnel, our ability to operate and manage our digital asset treasury strategy will be impaired.

Our ability to operate and manage our digital asset treasury strategy depends upon our ability to attract and retain highly qualified personnel, including our Chief Investment Officer and members of our executive team, and other key personnel, including the Strategic Advisors. The loss of the services of any of our executive officers, key employees, and the Strategic Advisors, and our inability to find suitable replacements, could result in significant disruption in our operations and management of our digital assets.

Despite our efforts to retain valuable members of our management, employees and consultants, such key personnel may terminate their employment with us on short notice. Although we have agreements with our key employees and consultants, these agreements provide for at-will employment, which means that any of our employees or consultants could leave our employment at any time, with or without notice. We do not maintain "key man" insurance policies on any of our employees or consultants.

If we are unable to raise additional capital on acceptable terms, our ability to implement and sustain our Treasury Policy may be compromised.

Our strategy contemplates the discretionary purchase of BERA and related yield-generating instruments. The capital required to acquire, stake, and actively manage BERA may exceed our existing cash resources and cash flows from operations. Market conditions, our share price performance, the volatility of digital assets, and regulatory uncertainties could impair our ability to access debt or equity capital on terms acceptable to us, or at all. Failure to obtain necessary financing could force us to curtail or abandon our digital asset strategy, which could materially harm our growth prospects and the value of our securities.

Our BERA holdings are less liquid than our existing cash and cash equivalents and may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents.

Historically, the digital asset markets have been characterized by significant volatility in price, limited liquidity and trading volumes compared to sovereign currencies markets, relative anonymity, a developing regulatory landscape, potential susceptibility to market abuse and manipulation, compliance and internal control failures at exchanges, and various other risks inherent in its entirely electronic, virtual form and decentralized network. During times of market instability, we may not be able to sell our BERA at favorable prices or at all. Further, BERA we stake or otherwise deposit into dApps and DeFi protocols does not enjoy the same protections as are available to cash or securities deposited with or transacted by institutions subject to regulation by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. Further, any BERA staked or otherwise deployed in DeFi protocols could be subject to partial or total loss if any third-party developer or recipient of the staked or deployed BERA is subject to a cyberattack of any sort or is otherwise unable to repay the assets we've deployed. In addition, Berachain's native staking protocol currently requires a 7-day unbonding period for withdrawing staked BERA tokens. During this period, staked BERA will not earn rewards and will not be liquid. The unbonding period may be subject to change with or without notice to us. Moreover, we may be unable to enter into term loans or other capital raising transactions collateralized by our unencumbered BERA or otherwise generate funds using our BERA holdings, including in particular during times of market instability or when the price of BERA has declined significantly. Furthermore, a certain portion of our BERA are under a contractual lockup from the Berachain Foundation (the "Foundation"), and we may continue to acquire locked BERA at a discount to market prices of unlocked BERA in order to generate value for stockholders. These locked BERA are significantly less liquid than cash and our unlocked BERA holdings. If we are unable to sell our locked or unlocked BERA, enter into additional capital raising transactions using locked or unlocked BERA as collateral, or otherwise generate funds using our locked or unlocked BERA holdings, or if we are forced to sell our locked or unlocked BERA at a significant loss, in order to meet our working capital requirements, our business and financial condition could be negatively impacted.

We may be subject to regulatory developments related to digital assets and digital asset markets, which could adversely affect our business, financial condition, and results of operations.

As BERA and other digital assets are relatively novel and the application of state and federal securities laws and other laws and regulations to digital assets is unclear in certain respects, it is possible that regulators in the United States or foreign countries may interpret or apply existing laws and regulations in a manner that adversely affects the price of BERA, The U.S. federal government, states, regulatory agencies, and foreign countries may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions, that could materially impact the price of BERA or the ability of individuals or institutions such as us to own or transfer BERA. Increased regulatory scrutiny may result in additional costs for us and may require our management team to devote increased time and attention to regulatory matters, change aspects of our business, or result in limits on the utility of digital assets. Due to the risk of a changing regulatory environment, we may be required to comply with new laws, regulations, or interpretations, which may result in heightened regulatory and compliance related costs, litigation, regulatory investigations, and enforcement or other actions. Adverse changes to, or our failure to comply with applicable laws may have an adverse effect on our reputation, brand, our business, operating results, and financial condition. Future regulatory developments regarding the treatment of digital assets, staking rewards, or digital asset treasury strategies for U.S. federal, state, or international tax purposes could materially affect the liquidity or value of BERA, or the way we account for, recognize, and report our BERA holdings and related income. The liquidity of digital assets may also be impacted to the extent that changes in applicable laws and regulatory requirements negatively impact the ability of exchanges and trading venues to provide services for digital assets. The effect of any future regulatory change on the Company is impossible to predict, but such change could be substantial and adverse.

Moreover, the implementation of our Treasury Policy has created, and could continue to create complications due to the lack of experience that third parties have with companies engaging in such a strategy, such as increased costs of director and officer liability insurance or the potential inability to obtain such coverage on acceptable terms in the future.

The U.S. federal government, states, regulatory agencies, and foreign countries may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions, that could materially impact the price of BERA or the ability of individuals or institutions such as us to own or transfer BERA. Regulatory authorities have been evolving in their approach to digital assets. It is not possible to predict whether, or when, any of these developments will lead to U.S. Congress granting additional authorities to the SEC or other regulators, or whether any other federal, state, or foreign legislative bodies will take any similar actions. It is also not possible to predict the nature of any such additional authorities, how additional legislation or regulatory oversight might impact the ability of digital asset markets to function or the willingness of financial and other institutions to continue to provide services to the digital assets industry, nor how any new regulations or changes to existing regulations might impact the value of digital assets generally and any BERA we hold specifically. The consequences of increased regulation of digital assets and digital asset-related activities could adversely affect the market price of any BERA we hold and in turn adversely affect the market price of our common stock.

There is a possibility that BERA tokens may be classified as a "security" under U.S. federal securities laws. If BERA tokens are classified as a "security," that would subject us to additional regulation and could materially impact the operations of our treasury strategy and our business.

Neither the SEC nor any other U.S. federal or state regulator has publicly stated whether they agree that BERA tokens are a "security," and BERA tokens have not yet been classified with respect to the U.S. federal securities laws. Although we believe that BERA tokens are not a "security" within the meaning of the U.S. federal securities laws, we acknowledge the uncertainty that a regulatory body or federal court may determine otherwise in the future. If BERA is deemed a security, we may face legal or regulatory action, even if our beliefs were reasonable under the circumstances.

As part of our ongoing review of applicable securities laws, we take into account a number of factors, including the various definitions of "security" under such laws, including but not limited to federal court decisions interpreting the elements of these definitions, such as the U.S. Supreme Court's decisions in the Howey and Reves cases. We also consider court rulings, reports, orders, press releases, public statements, and speeches by the SEC Commissioners and SEC Staff providing guidance on when a digital asset or a transaction to which a digital asset may relate may be a security for purposes of U.S. federal securities laws. We acknowledge, however, that the SEC, a federal court or another relevant entity could take a different view. The application of securities laws to the specific facts and circumstances of digital assets is complex and subject to change. Our conclusion, even if reasonable under the circumstances, would not preclude legal or regulatory action based on a finding that BERA tokens, or any other digital asset we might hold, are a "security." Therefore, we are at risk of enforcement proceedings against us, which could result in potential injunctions, cease-and-desist orders, fines, penalties or other damages if BERA tokens were determined to be a security by a regulatory body or a court.

Further, if BERA tokens are viewed as a security, it may become more difficult to purchase and sell BERA tokens, as they could only be traded through SEC-registered broker-dealers or exchanges. This would make it more difficult for us to continue our BERA treasury strategy, or to monetize BERA tokens that we hold in the event we need to do so for working capital purposes. Such developments could adversely affect the fair value of BERA, our business, results of operations, financial condition, treasury operations and prospects.

Regulatory change reclassifying BERA as a security could lead to our falling within the definition of "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act"), and could adversely affect the market price of BERA and the market price of our Common Stock.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" for purposes of the 1940 Act if (1) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (2) it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in the 1940 Act, and are not registered as an "investment company" under the 1940 Act as of the date of this Annual Report on Form 10-K.

While the SEC has not stated a view as to whether BERA is or is not a "security" for purposes of the federal securities laws, a determination by the SEC or a court of competent jurisdiction that BERA is a security could lead to our meeting the definition of "investment company" under the 1940 Act, if the portion of our assets that consists of investments in BERA exceeds the 40% limit prescribed in the 1940 Act, which would subject us to significant additional regulatory requirements that could have a material adverse effect on our business and operations and may also require us to change the manner in which we conduct our business.

We monitor our assets and income in order to conduct our business activities in a manner such that we do not fall within the definition of "investment company" under the 1940 Act or would qualify under one of the exemptions or exclusions provided by the 1940 Act and corresponding SEC rules. If BERA is determined to be a security for purposes of the federal securities laws, we would take steps to reduce our holdings of BERA as a percentage of our total assets. These steps may include, among others, selling BERA that we might otherwise hold for the long term and deploying our cash in assets that are not considered to be investment securities under the 1940 Act, in which case we may be forced to sell our BERA at unattractive prices. We may also seek to acquire additional assets that are not considered to be investment securities under the 1940 Act, and we may need to incur debt, issue additional equity or enter into other financing arrangements that are not otherwise attractive to our business. Any of these actions could have a material adverse effect on our results of operations and financial condition. Moreover, we can make no assurance that we would successfully be able to take the necessary steps to avoid meeting the definition of "investment company" under the 1940 Act and becoming subject to its requirements. If BERA is determined to constitute a security for purposes of the federal securities laws, and if we are not able to come within an available exemption or exclusion under the 1940 Act, then we would have to register as an investment company and require us to change the manner in which we conduct our business. In addition, such a determination could adversely affect the market price of BERA and in turn adversely affect the market price of our Common Stock.

We are not subject to legal and regulatory obligations that apply to investment companies such as mutual funds and exchange-traded funds, or to obligations applicable to investment advisers.

Mutual funds, exchange-traded funds and their directors and management are subject to extensive regulation as "investment companies" and "investment advisers" under U.S. federal and state law; this regulation is intended for the benefit and protection of investors. We are not subject to, and do not otherwise voluntarily comply with, these laws and regulations. This means, among other things, that the execution of or changes to our Treasury Reserve Policy or our BERA strategy, our use of leverage, the manner in which our BERA is custodied, our ability to engage in transactions with affiliated parties and our operating and investment activities generally are not subject to the extensive legal and regulatory requirements and prohibitions that apply to investment companies and investment advisers. For example, although a significant change to our Treasury Reserve Policy would require the approval of our Board, no stockholder or regulatory approval would be necessary. Consequently, our Board has broad discretion over the investment, leverage and cash management policies it authorizes, whether in respect of our BERA holdings or other activities we may pursue, and has the power to change our current policies, including our strategy of acquiring and holding BERA, See "*Use of Proceeds*."

Changes in regulatory interpretations could require us to register as a money services business or money transmitter, leading to increased compliance costs or operational shutdowns.

The regulatory regime for digital assets in the U.S. and elsewhere is uncertain. We may be unable to effectively react to proposed legislation and regulation of digital assets, which could adversely affect our business.

FinCEN regulates providers of certain services with respect to "convertible virtual currency," including BERA tokens. Businesses engaged in the transfer of convertible virtual currencies are subject to registration and licensure requirements at the U.S. federal level and also under U.S. state laws. There is a risk that if we decide to provide validator services to third parties, FinCEN or other regulators could view such services as the provision of money transmission activities subject to regulations.

If regulatory changes or interpretations require us to register as a money services business with FinCEN under the U.S. Bank Secrecy Act, or as a money transmitter under state laws, we may be subject to extensive regulatory requirements, resulting in significant compliance costs and operational burdens. In such a case, we may incur extraordinary expenses to meet these requirements or, alternatively, may determine that continued operations are not viable. If we decide to cease certain operations in response to new regulatory obligations, such actions could occur at a time that is unfavorable to investors.

Multiple states have implemented or proposed regulatory frameworks for digital asset businesses. Compliance with such state-specific regulations may increase costs or impact our business operations. Further, if we or our service providers are unable to comply with evolving federal or state regulations, we may be forced to dissolve or liquidate certain operations, which could materially impact our investors.

Litigation, regulatory enforcement actions, or legal proceedings against key participants in the Berachain ecosystem could materially harm network activity, token demand, and the value of an investment in our Common Stock.

Key participants in the Berachain ecosystem including the Foundation, core contributors, validators, dApp developers, liquidity providers, and token holders may become subject to litigation, regulatory investigations, or enforcement actions in the United States or other jurisdictions. Such legal proceedings could arise from various allegations, including that BERA or BGT constitutes an unregistered security, that PoL incentive mechanisms are illegal, or that ecosystem activities breach anti-money laundering, know-your-customer, sanctions, or consumer protection or other regulations. If any such participant is named in a lawsuit, subpoenaed in a regulatory inquiry, or subjected to an enforcement action, whether by U.S. state, federal or foreign authorities, it may be required to expend significant resources on legal defense, modify or cease operations, restrict user access, or face monetary penalties, disgorgement, or injunctive relief. Adverse outcomes could damage the reputation of the affected participant and, by association, the broader Berachain network, leading to reduced validator participation, declining user confidence, lower transaction volume, and reduced demand for BERA, any of which could materially and adversely affect the price of BERA and the value of our Common Stock.

Berachain provides base layer infrastructure that can be used for multiple types of applications, including applications that may be unregulated or face significant regulatory risks.

Berachain operates as a general-purpose layer-1 blockchain that provides base-layer infrastructure capable of supporting a wide range of dApps, including but not limited to DeFi protocols, liquid staking platforms, decentralized exchanges, lending markets, derivatives platforms, and other smart-contract-based services. Many of these applications may operate in regulatory gray areas or involve activities that are subject to evolving, unclear, or restrictive regulatory frameworks in the United States, European Union, United Kingdom, and other jurisdictions.

For instance, regulatory treatment of liquid staking derivatives remains uncertain and varies by jurisdiction. In the United States, the SEC has taken enforcement actions against certain staking-as-a-service providers, asserting that staked assets or derivative tokens may constitute unregistered securities under the Howey test. While the SEC has recently released a statement stating that, in the views of its Division of Trading and Markets, it will not consider certain qualifying staking services to constitute an offering of securities, this statement is not a rule, regulation, guidance, or statement of the SEC and does not alter applicable law. Given the evolving regulatory framework in the United States, there can be no guarantees that the SEC will not pursue additional enforcement actions against such services in the future. Similarly, regulators in other jurisdictions have expressed concerns that liquid staking tokens could be classified as securities, collective investment schemes, or derivatives requiring licensing.

Beyond liquid staking, other DeFi applications on Berachain—such as leveraged yield farming, perpetual futures, synthetic assets, or algorithmic stablecoins—may trigger regulatory oversight under securities, commodities, stablecoin, money transmission, anti-money laundering (AML), or know-your-customer (KYC) laws. If any application is deemed to violate applicable regulations, authorities may impose fines, require registration, mandate operational changes, restrict user access (including geo-blocking), or pursue enforcement actions against the protocol's developers, governance participants, or associated entities.

Such regulatory actions could materially reduce user participation in the affected application, leading to a decline in transaction volume, TVL, and BGT reward delegation to that protocol. Since network fees and BERA demand are directly tied to on-chain activity, a significant reduction in usage of one or more major applications could decrease overall demand for BERA. This, in turn, may result in lower BERA staking participation, reduced network security under PoL, diminished validator revenue, and downward pressure on the market price of BERA, which would adversely affect the value of the Common Stock.

Additional sales, distributions, or issuances of BERA could cause the price of BERA to decline significantly

BERA was created with an initial supply of 500 million BERA, of which 16.8% was allocated to initial core contributors, 34.3% was allocated to investors, and 48.9% was allocated to community programs, including an airdrop (15.8%), future community initiatives to incentivize applications, developers, and users (13.1%), and ecosystem development (20%) to support growth initiatives and the operations of the Foundation. Unlock schedules applicable to these allocations will periodically release additional BERA into circulation, which may create sustained or concentrated selling pressure and adversely affect the market price of BERA. Further, approximately 10% new BERA is generated annually through the protocol's built-in inflation mechanism via BGT emissions, the rate of which may be adjusted from time to time by community governance. Although BERA used to pay transaction fees is currently burned and removed from circulating supply, there can be no assurance that this burn mechanism will offset inflationary issuances or vesting releases. Sales, distributions, or secondary market transfers of a substantial number of BERA by core contributors, investors, the Foundation, airdrop recipients, or any other holders—whether pursuant to scheduled unlocks, governance-approved initiatives, or otherwise—or the market perception that such transfers are occurring or imminent, could cause the price of BERA to decline significantly, resulting in a partial or complete loss of your investment.

Our BERA holdings may amplify market volatility.

As of February 27, 2026, we hold approximately 70.4 million BERA, representing more than 10% of the total initial BERA supply of 500 million tokens. A substantial portion of the Company's assets consists of BERA. As a result, the Company is exposed to concentration risk associated with a single digital asset, and changes in the market value, liquidity, utility, or regulatory treatment of BERA could materially adversely affect the Company. This significant concentration means that any future sale, transfer, staking, delegation, or other disposition of BERA by us, whether to fund operations, provide liquidity, or for any other purpose, could substantially increase the circulating supply and exert downward pressure on the market price of BERA, regardless of the underlying performance or adoption of the Berachain network. Additionally, our large holdings may create actual or perceived conflicts of interest in governance decisions, validator delegation strategies, or protocol upgrade proposals, particularly if such actions could directly or indirectly benefit our token position at the expense of other BERA holders. The market may also react negatively to the mere possibility of future dispositions by the Company, leading to increased price volatility, reduced investor confidence, and a material decline in the value of BERA, which could adversely affect our financial condition and the value of an investment in our Common Stock.

Digital asset trading platforms on which BERA trades are relatively new and largely unregulated or may not be complying with existing regulations.

Digital asset markets, including spot markets for BERA, are growing rapidly. The digital asset trading platforms through which BERA and other digital assets trade are new and largely unregulated or may not be complying with existing regulations. These markets are local, national and international and include a broadening range of digital assets and participants. Significant trading may occur on systems and platforms with minimum predictability. Spot markets may impose daily, weekly, monthly or customer-specific transaction or withdrawal limits or suspend withdrawals entirely, rendering the exchange of BERA for fiat currency difficult or impossible.

Digital asset trading platforms may not be subject to, or may not comply with, regulation in a manner similar to other regulated trading platforms, such as national securities exchanges or designated contract markets. Many digital asset trading platforms are unlicensed, are unregulated, operate without extensive supervision by governmental authorities, and do not provide the public with significant information regarding their ownership structure, management team, corporate practices, cybersecurity, and regulatory compliance. In particular, those located outside the United States may be subject to significantly less stringent regulatory and compliance requirements in their local jurisdictions. Digital asset trading platforms may be out of compliance with existing regulations.

As a result, trading activity on or reported by these digital asset trading platforms may reflect behavior that would be prohibited in regulated U.S. trading venues. Furthermore, many digital asset trading platforms lack certain oversight and safeguards put in place by more traditional exchanges to enhance the stability of trading on the platform and prevent market manipulation. As a result, the prices of digital assets such as BERA on digital asset trading platforms may be subject to larger and/or more frequent sudden declines than assets traded on more traditional exchanges. Tools to detect and deter fraudulent or manipulative trading activities (such as market manipulation, front-running of trades, and wash-trading) may not be available to or employed by digital asset trading platforms or may not exist at all. Consequently, the marketplace may lose confidence in, or may experience problems relating to, these venues.

No digital asset trading platform on which BERA trades is immune from these risks. The closure or temporary shutdown of digital asset trading platforms due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in Berachain and can slow down the mass adoption of Berachain as a base layer protocol. Further, digital asset trading platform failures or the failure of any other major component of the overall Berachain ecosystem can have an adverse effect on the price of BERA, and could therefore have a negative impact on our financial condition and the value of our Common Stock.

Negative perception, a lack of stability in the digital asset trading platforms, manipulation of BERA on trading platforms by customers and/or the closure or temporary shutdown of such trading platforms due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in digital assets generally or BERA specifically, and result in greater volatility in the market price of digital assets, including BERA, and negatively impact the price of our Common Stock.

Digital assets represent a new and rapidly evolving industry, and the value of our Common Stock may depend, in large part, on the acceptance of Berachain and applications built on the Berachain protocol.

The first digital asset, bitcoin, was launched in 2009. The Berachain protocol launched its mainnet in February 2025. In general, digital asset networks, including Berachain and other cryptographic and algorithmic protocols governing the issuance of digital assets, represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. For example, the realization of one or more of the following risks could materially adversely affect the value of our Common Stock:

● Berachain and Berachain-based applications today have limited use. As a result, the price of BERA may be influenced to a significant extent by speculators, thus contributing to price volatility.

● Users, protocol and application developers and validators may otherwise switch to or adopt certain digital assets at the expense of their engagement with other digital asset networks, which may negatively impact those networks, including Berachain.

● Digital asset networks, including networks and networks utilizing Berachain, are in the early stages of development. Given the recentness of the development of digital asset networks, digital assets may not function as intended and parties may be unwilling to use digital assets, which would dampen the growth, if any, of digital asset networks. Because BERA is a digital asset, the value of the Common Stock is subject to a number of factors relating to the fundamental investment characteristics of digital assets, including the fact that digital assets are bearer instruments and loss, theft, compromise, or destruction of the associated private keys could result in permanent loss of the asset.

● Digital asset networks are dependent upon the internet. A disruption of the internet or a digital asset network, such as Berachain, would affect the ability to transfer digital assets, including BERA, and, consequently, a disruption may impact BERA's value.

● Although unlikely, the acceptance of software patches or upgrades by a significant, but not overwhelming, percentage of the users and validators in a digital asset network, such as Berachain, could result in a "fork" in such network's blockchain, including Berachain, resulting in the operation of multiple separate networks.

● Governance of the Berachain protocol is by voluntary consensus. As a result, there may be a lack of consensus or clarity on the governance of the Berachain protocol, which may stymie Berachain's utility and ability to grow and face challenges. In particular, it may be difficult to find solutions or marshal sufficient effort to overcome any future problems on Berachain, especially long-term problems.

● In the past, flaws in the source code for digital assets have been exposed and exploited, including flaws that disabled some functionality for users, exposed users' personal information and/or resulted in the theft of users' digital assets. The cryptography underlying Berachain or other blockchain networks could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to compromise the security of Berachain or take our BERA, which would adversely affect the value of the Common Stock. Moreover, functionality of Berachain may be negatively affected such that it is no longer attractive to users, thereby dampening demand for BERA. Even if another digital asset other than BERA were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively affect the demand for digital assets and therefore adversely affect the value of the Common Stock.

Moreover, because digital assets, including BERA, have been in existence for a relatively short period of time and are continuing to develop, there may be additional risks in the future that are impossible to predict as of the date of this Annual Report on Form 10-K.

Berachain is a relatively new technological innovation with a limited operating history.

Berachain has a limited history of existence and operations. The Berachain protocol launched in early 2025, with BERA first becoming tradable on major global cryptocurrency exchanges in February 2025. As a result, there is only a brief performance record regarding the technical stability, security, scalability, and economic behavior of the Berachain protocol under real-world conditions. The network has not yet been tested through prolonged periods of high transaction volume, sustained validator participation, adverse market conditions, or significant stress on the PoL incentive system, including PoLv2 mechanics such as dynamic emissions, delegation weighting, and reward module execution. As such, there is only limited historical data to assess the resilience of core Berachain protocol components—such as BERA staking dynamics, BGT governance efficiency, or dApp reward distribution—during network congestion, token price volatility, or coordinated economic attacks. Although past performance is not necessarily indicative of future results, a longer operational track record might provide greater insight into the protocol's ability to maintain PoL consensus stability, sustain liquidity in key markets, or adapt to evolving user and validator behavior. The absence of such history increases uncertainty regarding the long-term viability of the Berachain network and the value of an investment in our Common Stock.

If we or our counterparties suffer losses as a result of DeFi protocol failures, hacks, or exploits, we may be unable to recover some or all of our assets. Such an event could materially and adversely affect our business, financial condition, and the market price of our Common Stock.

As of the date of this Annual Report on Form 10-K we have not engaged a significant portion of our assets with DeFi protocols yet.

We face other risks related to our BERA treasury reserve business model.

Our BERA treasury reserve business model exposes us to various risks, including the following:

- BERA and other digital assets are subject to significant legal, commercial, regulatory, and technical uncertainty, and our BERA strategy subjects us to enhanced regulatory oversight;

- regulatory changes could impact our ability to interact with DeFi protocols, stake our digital assets, act as a validator or receive rewards;
- regulatory scrutiny of our activities may increase potentially limiting our operations;
- potential litigation risks exist related to smart contract vulnerabilities, or our business activities;
- uncertainty around BERA's regulatory status may impact our ability to maintain our listing;
- changes in political administration may not guarantee a favorable regulatory environment for BERA;
- future SEC actions or court decisions could retroactively classify BERA as a security, potentially leading to penalties or forced unwinding of transactions;
- increased regulatory focus on Layer-1 blockchains beyond Bitcoin and Ethereum could result in new compliance requirements;
- our use of call and put options on BERA exposes us to derivative-specific risks, including potential leverage effects, counterparty default risk, valuation and liquidity challenges, and the possibility that option strategies may not effectively hedge downside risk or may limit upside participation;
- concentration of influence by the Foundation or core contributors could impact protocol governance in ways that are adverse to us;
- market instability or liquidity freezes could prevent us from liquidating BERA or using it as collateral when needed.

Blockchain technology may expose us to sanctioned or blocked persons or may result in unintentional or inadvertent violations of economic sanctions and anti-money laundering laws and regulations.

We are subject to the rules enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), including prohibitions on conducting direct or indirect business with persons named on, or owned by persons named on, OFAC's various sanctions lists, including the Specially Designated Nationals and Blocked Persons list ("SDN List"). We are also prohibited from direct or indirect dealings with persons located, organized, or resident in jurisdictions subject to comprehensive U.S. economic sanctions (as of today, Cuba, Iran, North Korea, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, and the Crimea region of Ukraine), and may be prohibited from dealing with persons in other jurisdictions subject to targeted U.S. sanctions such as Venezuela, Russia, and Belarus.

U.S. sanctions compliance obligations apply to all U.S. persons and cover transactions in digital assets. U.S. sanctions authorities and law enforcement have, in recent years, directed significant attention to sanctions compliance among the digital assets industry. For example, OFAC has issued updated advisories regarding the use of virtual currencies, added a number of digital asset exchanges and service providers to the SDN List, and engaged in several enforcement actions, including a series of enforcement actions that have either shut down or significantly curtailed the operations of several smaller digital asset exchanges associated with Russian and/or North Korean nationals.

Because of the pseudonymous nature of blockchain transactions and decentralized applications, we may inadvertently and without knowledge, directly or indirectly engage in transactions with or for the benefit of prohibited persons under U.S. sanctions regulations, especially when engaging in DeFi activities where it may be impossible for us to determine the identity of our counterparties. OFAC may impose civil penalties for sanctions violations on a "strict liability" basis, meaning we may be held responsible for transacting with prohibited parties even if we have no knowledge that a particular counterparty is a prohibited person under U.S. sanctions regulations. In addition, we may be subject to non-U.S. economic sanctions laws and regulations to the extent we conduct activity within the jurisdiction of other sanctions regimes, including those of the European Union and United Kingdom.

OFAC and other governmental authorities have significant discretion in the interpretation and enforcement of U.S. economic sanctions laws and regulations. Moreover, economic sanctions laws and regulations continue to evolve, often with little or no notice, which could raise operational or compliance challenges. If it is determined that we have transacted with prohibited persons under U.S. sanctions regulations, even inadvertently, this could result in substantial reputational harm, fines or penalties, and costs associated with governmental inquiries and investigations. Despite our compliance efforts and activities we cannot assure compliance by our employees or representatives for which we may be held responsible, and any or all of the foregoing could have a material adverse effect on our business, prospects, operations or financial condition.

In addition, there has been increasing focus on the extent to which digital assets can be used to launder the proceeds of illegal activities or fund criminal or terrorist activities. This misuse, or the perception of such misuse, could lead to greater regulatory oversight of BERA and BERA platforms, and there is the possibility that law enforcement agencies could close or blacklist BERA platforms or other BERA-related infrastructure with little or no notice and prevent users from accessing or retrieving BERA held via such platforms or infrastructure.

BERA held by us are not subject to FDIC or SIPC protections.

We will not hold our BERA with a banking institution or a member of the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC"), and, therefore, our BERA holdings are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. As a result, we may suffer a loss with respect to our BERA that is not covered by insurance, and we may not be able to recover any of our carried value in our BERA holdings if they are lost or stolen or suffer significant and sustained reduction in conversion spot price. If we are not otherwise able to recover damages from a malicious actor in connection with these losses, our business and results of operations may suffer, which may have a material negative impact on our stock price.

Risks Related to Our Use of Derivatives on BERA

We plan to engage in derivatives transactions, including call options and put options on BERA, and such transactions may expose us to material risks that could adversely impact our business, operating results and financial condition.

We may from time to time utilize call options and put options on BERA as part of our treasury reserve strategy. These derivatives are intended to (i) hedge downside exposure to BERA price volatility and (ii) accelerate our accumulation of BERA in a capital-efficient manner. While these option strategies may enhance our risk-adjusted returns, they expose us to additional risks, including the following:

- Most BERA options are traded over-the-counter or on non-qualified crypto venues. If a counterparty fails to perform on its obligations, we may be unable to realize gains, recover premiums, or receive delivery of BERA, potentially resulting in a total loss of value associated with the position.

- Options can introduce effective leverage, amplifying gains but also magnifying losses. We may be required to post collateral or margin, which could reduce liquidity available for our operations. Option contracts may also be illiquid, particularly during periods of market stress, making it difficult to exit or adjust positions.

- While put options may provide downside protection and call options may accelerate accumulation, there is no guarantee these strategies will be effective. Options may expire worthless, may not move in correlation with BERA spot prices, or may limit upside gains.

- Option valuations are sensitive to assumptions about implied volatility, time to maturity, and counterparty pricing. These variables may fluctuate significantly, resulting in mark-to-market losses or earnings volatility.

- The regulatory treatment of BERA derivatives remains uncertain. Future guidance could limit our ability to continue using derivatives or require us to account for them in a manner that increases earnings volatility.

Any of these risks could materially and adversely affect the value of our BERA treasury, our financial condition, and the market price of our Common Stock.

We face market, liquidity, and concentration risks.

Prices of digital assets, including BERA and stablecoins, can be volatile and may experience rapid declines, thin liquidity, trading halts, forks, or network outages. If active markets deteriorate or become unavailable, we may be unable to liquidate positions or may be required to use less observable inputs to measure fair value, which would increase earnings volatility and valuation uncertainty. Beginning with periods after October 2025, in-scope crypto assets are measured at fair value with changes recognized in earnings, which may significantly increase quarterly volatility.

We face custody, security, and operational risks.

Self-custody and third-party custody arrangements expose us to loss from cyberattacks, key compromise, operational error, or vendor failure. Our controls include dual-authorization wallet policies and Board-level oversight through a Digital Assets Committee. Crypto assets are not legal tender, are not backed by any government, and are not insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. Custody arrangements, whether self-custody or with a third-party custodian, are not bank deposits. Losses may occur due to cyberattack, key compromise, protocol failure, operational error, or custodian insolvency. In an insolvency of a third-party custodian, we could be treated as a general unsecured creditor and may not recover all assets.

We face legal, regulatory, and sanctions risks.

Digital-asset activities are subject to uncertain and evolving United States and foreign legal requirements, including securities, commodities, money transmission, and sanctions laws. The Securities and Exchange Commission has emphasized clear disclosure of crypto exposures, counterparties, liquidity impacts, and regulatory developments. Failure to comply with sanctions screening, including screening of counterparties and addresses, may result in penalties under strict-liability regimes. New rules, enforcement actions, or interpretations could restrict activities, require changes to controls, or increase compliance costs.

We face financial reporting and valuation risks.

New fair-value accounting requires daily pricing controls, principal-market assessments, fair-value hierarchy classification, and expanded disclosures. Weaknesses in new processes could lead to control deficiencies or a material weakness. We will measure in-scope crypto assets at fair value with changes recognized in earnings beginning in the fourth quarter of 2025. Market price swings could cause material variability in reported results in periods when we hold crypto assets.

We face counterparty, stablecoin, and protocol risks.

Stablecoins may lose their pegs, face redemption stress, or be subject to issuer or reserve-asset risk. On-chain protocols and bridges can fail or be exploited, causing loss of value or inaccessibility of assets. Dependencies on exchanges, market-makers, analytics vendors, or custodians introduce additional counterparty risk that may not be diversifiable. Our ability to hedge these risks is limited and may be costly or unavailable during market stress.

We face governance, controls, and key-person risks.

The digital-asset strategy relies on specialized expertise and new governance, including dual-authorization wallet policies and Board-level oversight. If key personnel are unavailable or if controls are not designed and operated effectively, we could experience losses, reporting errors, or control deficiencies and may incur increased audit and compliance costs.

We face related-party and conflicts risks.

The Chief Investment Officer has industry relationships in the digital-asset ecosystem, including with Berachain-affiliated entities. Transactions or arrangements with related parties could create actual or perceived conflicts of interest. We may determine that certain transactions require disclosure under accounting standards or the federal securities laws, and any failure to identify, approve, and disclose such transactions could result in regulatory scrutiny or reputational harm.

We face stablecoin classification risks.

The classification of U.S. dollar-pegged stablecoins as cash equivalents involves judgment and may be subject to challenge.

The Company classifies certain U.S. dollar-denominated stablecoins as cash equivalents for financial reporting purposes based on management's assessment that such instruments are readily convertible to known amounts of U.S. dollars and present an insignificant risk of changes in value. Stablecoins are not legal tender and may be subject to issuer credit risk, reserve adequacy risk, redemption limitations, de-pegging events, cybersecurity incidents, or regulatory restrictions and are issued by private entities. Regulatory, accounting, or market developments could result in stablecoins being deemed not to meet the definition of cash equivalents. If such classification were required to change, the Company's reported liquidity metrics, working capital, and presentation of financial position could be materially affected.

We Face Stablecoin Liquidity and DeFi Deployment Risk.

Stablecoins deployed into decentralized finance protocols may not be immediately liquid and may be subject to additional risks. To the extent the Company deploys stablecoins into DeFi protocols for yield generation, such assets may be subject to smart contract risk, liquidity risk, withdrawal restrictions, or protocol governance changes. Stablecoins deposited into such protocols may not be immediately redeemable at par value and could experience losses in the event of a protocol exploit, de-pegging event, or counterparty failure. To the extent the Company deploys stablecoins or digital assets into decentralized finance protocols, such assets may become subject to smart contract risk, withdrawal restrictions, liquidity constraints, counterparty risk, or protocol-level losses. Such risks could materially affect liquidity and financial condition.

Risks Related to Our Business and Industry

Global economic conditions, including global conflicts, inflation and supply chain disruptions, could materially and adversely our business, prospects, results of operations, financial condition, or cash flows.

Our business and operations are sensitive to global economic conditions. General global economic downturns and macroeconomic trends, including heightened inflation, volatility in the capital markets, interest rate and currency rate fluctuations, the ongoing war in Ukraine, recent and ongoing military conflicts between the U.S.-Israel alliance and Iran and its proxies, and economic slowdown or recession, may result in unfavorable conditions that could negatively affect demand for our products and exacerbate some of the other risks that affect our business, financial condition and results of operations. Both domestic and international markets experienced significant inflationary pressures in 2025 and inflation rates in the U.S. are currently expected to continue at elevated levels for the near-term. In addition, the Federal Reserve has raised, and is expected to continue to raise, interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to reduce inflation could also result in an economic recession.

The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, increases in inflation rates and uncertainty about economic stability. Global conflicts, such as those described above, have created extreme volatility in the global capital markets and may continue to have further global economic consequences, including disruptions of the global supply chain and energy markets. Any such volatility and disruptions may have adverse consequences on us or the third parties on whom we rely. If the equity and credit markets deteriorate, including as a result of geopolitical unrest or war, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, more costly or more dilutive. As such, changes in the political environment and other factors beyond our control could result in a material adverse effect on our business, results of operations and financial condition.

We have incurred significant operating and net losses and anticipate that we will continue to incur significant losses for the foreseeable future.

The Company has incurred net losses of $85.6 million and $17.7 million for the years ended December 31, 2025 and 2024, and the Company used $16.3 million and $6.8 million in operating activities, respectively.

Our ability to continue as a going concern is contingent upon successful execution of management's intended plan over the next twelve months to improve our liquidity and profitability, which includes, without limitation:

- Further reducing operating costs expense by taking additional restructuring actions to align cost with revenue,
- Increasing revenue by introducing new products and acquiring new customers,
- Execute on strategic partnerships accretive to margins and operating cash, and
- Seeking additional capital through the issuance of equity securities or obtaining debt financing.

There can be no assurance that any such measures will be successful. If we are not successful in improving our liquidity position and the profitability of our operations, we may need to consider all strategic alternatives, including seeking additional debt or equity capital, reducing or delaying our business activities and strategic initiatives, or selling assets, other strategic transactions and/or other measures, including receivership or, to the extent available, bankruptcy protection. In addition, the perception that we may not be able to continue as a going concern may cause vendors and customers to choose not to do business with us due to concerns about our ability to meet our contractual obligations. If we seek additional financing to fund our operations and there remains substantial doubt about our ability to continue as a going concern, our financing sources may be unwilling to provide additional funding to us on commercially reasonable terms or at all. The consolidated financial statements do not include any adjustments that may result from the outcome of this going concern uncertainty. Such adjustments could be material.

If we are required to seek additional financing sources, they may not be available to us on attractive terms if at all and could restrict our ability to engage in certain business activities.

Due to limited access to the debt markets, we have been required to issue equity at prices that are dilutive to stockholders. We may be forced to continue to seek equity capital at dilutive prices through other means if other financing is not available to us to fund our working capital needs. In the past, because of the nature of our industry, we have had difficulties establishing relationships with certain financial institutions and may continue to face such difficulties. As a result, indebtedness or other forms of financing may not be available to us on attractive terms or at all. Furthermore, we may have to seek financing from non-traditional sources such as private equity and hedge funds, which may require us to give up significant governance or other rights or agree to economic and other terms that are not favorable.

In addition, future financing agreements we may enter into in the future may contain customary negative covenants and other financial and operating covenants that, among other things:

- restrict our ability to incur additional indebtedness;
- restrict our ability to incur additional liens;
- restrict our ability to make certain investments (including capital expenditures);
- restrict our ability to merge with another company;
- restrict our ability to sell or dispose of assets;
- restrict our ability to make distributions to stockholders; and
- require us to satisfy minimum financial coverage ratios, minimum net worth requirements, maximum leverage ratios, or other financial covenants.

We had cash and cash equivalents available as of December 31, 2025, of $32.5 million. In addition, our revenue for the year ended December 31, 2025, was down from prior years and has declined in recent quarters. If we are unable to access additional liquidity through successful execution of our cost cutting strategic initiatives and revenue goals, we may have significant cash constraints, which would have a material adverse impact on our business, results of operations and ability to pay our debts as they come due.

Our financial results and the market price of our Common Stock may be affected by the prices of BERA.

As part of our capital allocation strategy for assets that are not required to provide working capital for our ongoing operations, we have invested and will continue to invest in BERA. As of February 27, 2026, we hold approximately 70.4 million BERA. The price of BERA has historically been subject to dramatic price fluctuations and is highly volatile. In addition, because our Treasury Policy is currently primarily concentrated in BERA, adverse developments specific to BERA, including protocol-level failures, governance decisions, validator network instability, or ecosystem contraction, could disproportionately impact our financial condition.

Any decrease in the fair value of BERA below our carrying value for such assets could require us to incur a loss due to the decrease in fair market value, and such charge could be material to our financial results for the applicable reporting period, which may create significant volatility in our reported earnings. Any decrease in reported earnings or increased volatility of such earnings could have a material adverse effect on the market price of our Common Stock. In addition, the application of generally accepted accounting principles in the United States, with respect to BERA, may change in the future and could have a material adverse effect on our financial results and the market price of our Common Stock.

In addition, if investors view the value of our Common Stock as dependent upon or linked to the value or change in the value of our BERA holdings, the price of BERA may significantly influence the market price of our Common Stock.

Our Common Stock may trade at a substantial premium or discount to the value of the BERA tokens we hold, and our stock price may be more volatile than the price of BERA.

The market price of our Common Stock reflects many factors that do not affect the spot price of BERA and may therefore diverge materially — positively or negatively — from the per-share value of our BERA token holdings (net of cash, other assets and liabilities). These factors include, among others: our corporate-level expenses; taxes; the timing, size and pricing of equity or debt financings (including at-the-market offerings, equity line financings or convertible securities), equity awards and other sources of dilution; expectations about our future purchases or sales of BERA tokens or our onchain activities, including staking, validator or other DeFi initiatives; our liquidity and public float; differences in trading hours and market microstructure between our Common Stock and spot markets for BERA tokens; changes in index inclusion, analyst coverage or investor sentiment toward us as an operating company; our corporate governance, financial reporting, and any actual or perceived operational, custody, technology or regulatory risks specific to us; and broader equity-market conditions independent of digital asset markets. As a result, our Common Stock may trade at a premium or discount to the value of our BERA token holdings for extended periods, and may be more volatile than the price of BERA tokens. Accordingly, investors could lose all or a substantial part of their investment even if the market price of BERA does not decline, and may not benefit commensurately from increases in the market price of BERA tokens.

Our historical financial statements do not reflect the potential variability in earnings that we may experience in the future relating to our BERA token holdings.

Our historical financial statements do not reflect the potential variability in earnings that we may experience in the future from holding or selling significant amounts of BERA tokens.

The price of BERA tokens is subject to dramatic price fluctuations and is highly volatile. For example, from February 6, 2025 (the date BERA tokens first became available on digital asset trading platforms) through March 28, 2026, the price of BERA tokens, as reported by CoinGecko.com, ranged from a high of approximately $14.99to a low of $0.34. We are required to measure our BERA token holdings at fair value in our statement of financial position, and to recognize gains and losses from changes in the fair value of our BERA tokens in net income each reporting period, which may create significant volatility in our reported earnings and decrease the carrying value of our digital assets, which in turn could have a material adverse effect on the market price of our common stock. Conversely, any sale of BERA tokens at prices above our carrying value for such assets creates a gain for financial reporting purposes even if we would otherwise incur an economic or tax loss with respect to such transaction, which also may result in significant volatility in our reported earnings.

Because we intend to purchase additional BERA tokens in future periods and increase our overall holdings of BERA tokens, we expect that the proportion of our total assets represented by our BERA token holdings will increase in the future. As a result, volatility in our earnings may be significantly more than what we experienced in prior periods.

For many reasons, including those described below, our operating results, revenues, and expenses may vary significantly in the future from quarter to quarter. These fluctuations could have an adverse effect on the market price of our Common Stock.

The trading prices of many digital assets, including BERA, have experienced extreme volatility in recent periods and may continue to do so. Extreme volatility in the future, including further declines in the trading prices of BERA, could have a material adverse effect on the value of the Common Stock.

The trading prices of many digital assets, including BERA, have experienced extreme volatility in recent periods and may continue to do so, including as a result of shifts in market sentiment, speculative trading, macroeconomic trends, technology-related disruptions, and regulatory announcements. Digital asset trading markets, including the BERA network, are relatively new, largely unregulated, and, at times, subject to limited liquidity. As a result, trading activity on or reported by these digital asset trading platforms, including BERA, is generally significantly less regulated than trading in regulated U.S. securities and commodities markets and may reflect behavior that would be prohibited in regulated U.S. trading venues. Furthermore, many digital asset trading platforms lack certain safeguards put in place by more traditional exchanges to enhance the stability of trading on the platform. The digital asset markets may also be experiencing a bubble or may experience a bubble in the future, which may undermine confidence and affect liquidity of the digital asset markets. A rapid decrease in the price of BERA —whether as a result of negative perception, a lack of stability in the digital asset trading platforms, market manipulation of cryptocurrency trading platforms by customers, a cyber-security incident, regulatory action, or other factors—could materially reduce the value of any BERA we hold, force us to recognize impairment charges, trigger defaults or covenant breaches in any future financing arrangements, and could have a material adverse effect on the value of our Common Stock that may result in the loss of all or substantially all of its value.

If we fail to manage our business and growth effectively, we may be unable to execute our business plan, maintain high levels of service or address competitive challenges adequately.

Our success will depend, in part, on our ability to manage our business and its growth, both domestically and internationally. Any growth in, expansion of, or shift in the focus of our business, is likely to continue to place a strain on our management and administrative resources, infrastructure and systems. As with other businesses, we expect that we will need to further refine and expand our business development capabilities, our systems and processes and our access to financing sources. We will also need to hire, train, supervise, and manage new employees. These processes are time consuming and expensive and will increase management responsibilities and divert management attention. We cannot assure that we will be able to:

- optimize our product offerings effectively or efficiently or in a timely manner, if at all;
- achieve expected synergies or other anticipated benefits;
- allocate our human resources optimally;
- meet our capital needs;
- identify and hire qualified employees or retain valued employees;
- effectively incorporate the components of any business or product line that we may acquire in our effort to achieve growth; or
- continue to grow our business.

Our inability or failure to manage our business and its growth effectively could harm our business and materially adversely affect our operating results and financial condition. In addition, we believe that an important contributor to our success has been and will continue to be our corporate culture, which we believe fosters innovation, teamwork and a passion for our products and customers. As a result of our rapid growth, we may find it difficult to build and maintain our strong corporate culture, which could limit our ability to innovate and operate effectively. Any failure to preserve our culture could also negatively affect our ability to retain current and recruit new personnel, continue to perform at current levels or execute on our business strategy.

Management and employee turnover creates uncertainties and could harm our business.

We have experienced significant turnover in our executive leadership in recent years. Changes to strategic or operating goals, which oftentimes occur with the appointment of new executives and board members, can create uncertainty, may negatively impact our ability to execute quickly and effectively, and may ultimately be unsuccessful. In addition, executive leadership transition periods are often difficult as the new executives gain detailed knowledge of our operations, and friction can result from changes in strategy and management style. Management turnover inherently causes some loss of institutional knowledge, which can negatively affect strategy and execution. Until we integrate new personnel, and unless they are able to succeed in their positions, we may be unable to successfully manage and grow our business, and our financial condition and profitability may suffer.

Further, to the extent we experience additional management turnover, competition for top management is high and it may take months to find a candidate that meets our requirements. If we are unable to attract and retain qualified management personnel, our business could suffer. Our future success will also depend on our ability to identify, recruit and retain additional qualified technical and managerial personnel. We operate in several geographic locations where labor markets are particularly competitive, where demand for personnel with these skills is extremely high and is likely to remain high. As a result, competition for qualified personnel is intense, particularly in the areas of general management, finance, engineering and science, and the process of hiring suitably qualified personnel is often lengthy and expensive and may become more expensive in the future. If we are unable to hire and retain a sufficient number of qualified employees, our ability to conduct and expand our business could be seriously reduced.

The market for vaporizer products and related items is a niche market, subject to a great deal of uncertainty and is still evolving.

Vaporizer products comprise a significant portion of our product portfolio. Many of these products have only recently been introduced to the market and are at an early stage of development. These products represent core components of a niche market that is evolving rapidly, is characterized by a number of market participants and is subject to regulatory oversight and a potentially fluctuating regulatory framework. Rapid growth in the use of, and interest in, vaporizer products is recent and may not continue on a lasting basis. The demand and market acceptance for these products is subject to a high level of uncertainty, including, but not limited to, changes in governmental regulation, developments in product technology, perceived safety and efficacy of our products, perceived advantages of competing products and sale and use of materials that can be vaporized, including in the expanding legal state cannabis markets. Therefore, we are subject to many of the business risks associated with a new enterprise in a niche market. Continued technical evolution, market uncertainty, evolving regulation and the resulting risk of failure of our new and existing product offerings in this market could have a material adverse effect on our ability to build and maintain market share and on our business, results of operations and financial condition. Further, there can be no assurance that we will be able to continue to compete effectively in this marketplace.

We depend on third-party suppliers for our products and may experience supply shortages which could have a material adverse effect on our business.

We depend on third-party suppliers for our vaporization products and consumption accessories product offerings. Our customers associate certain characteristics of our products, including the weight, feel, draw, flavor, packaging and other unique attributes, to the brands we market, distribute and sell. In the future, we may have difficulty obtaining the products we need from our suppliers as a result of unexpected demand or production difficulties that might extended lead times, as well as due to constraints relating to our low cash position. Also, products may not be available to us in quantities sufficient to meet our customer demand. Any interruption in supply and/or consistency of these products may adversely impact our ability to deliver products to our customers, may harm our relationships and reputation with our customers, and may have a material adverse effect on our business, results of operations and financial condition. Interruptions in supply or consistency of products could arise for a number of reasons, including but not limited to economic and civil unrest, public health crises, embargoes, and sanctions.

There is uncertainty related to the regulation of vaporization products and certain other consumption accessories. Increased regulatory compliance burdens, no matter how they arise, could have a material adverse impact on our business development efforts and our operations.

United States

There is uncertainty regarding whether, in what circumstances, how and when the FDA will seek to enforce the tobacco-related provisions of the Federal Food, Drug, and Cosmetic Act ("FFDCA") relative to vaporizer hardware and accessories that can be used to vaporize cannabis and other material, including electronic cigarettes, rolling papers and glassware, in light of the potential for dual use with tobacco.

Through amendments to the FFDCA, the Tobacco Control Act established, by statute, that the FDA has oversight over specific types of tobacco products (cigarettes, cigarette tobacco, roll-your-own ("RYO") tobacco, and smokeless tobacco) and granted the FDA the authority to "deem" other types of tobacco products as subject to the statutory requirements. In addition to establishing authority, defining key terminology, and setting adulteration and misbranding standards, the Tobacco Control Act established FDA's authority over tobacco products in a number of areas such as: submission of health information to the FDA; registration with the FDA; premarket authorization requirements; good manufacturing practice requirements; tobacco product standards; notification, recall, corrections, and removals; records and reports; marketing considerations and restrictions; post-market surveillance and studies; labeling and warnings; and recordkeeping and tracking. Although the vast majority of our vaporizer products are not subject to these regulations because they are not intended for use with tobacco or nicotine, changes in law, regulation, or policy that subject a greater portion of our products to these regulations could occur.

In a final rule effective August 8, 2016 ("Deeming Rule"), the FDA deemed all products that meet the Tobacco Control Act's definition of "tobacco product," including components and parts but excluding accessories, to be subject to the tobacco control requirements of the FFDCA and the FDA's implementing regulations. Accordingly, as of the Deeming Rule's effective date, deemed tobacco products that are "new" (i.e., those that were not commercially marketed in the United States as of February 15, 2007) are subject to the premarket authorization requirements. Deemed new tobacco products that remain on the market without authorization are marketed unlawfully.

Deemed new tobacco products include, among other things: products such as electronic cigarettes, electronic cigars, electronic hookahs, vape pens, certain vaporizers and e-liquids and their components or parts (such as tanks, coils and batteries) ("ENDS"). The FDA's interpretation of components and parts of a tobacco product includes any assembly of materials intended or reasonably expected to be used with or for the human consumption of a tobacco product. In a 2017 decision of the D.C. Circuit court, the court upheld the FDA's authority to regulate ENDS even though they do not actually contain tobacco, and even if the products could be used with nicotine-free e-liquids.

The Tobacco Control Act and FDA's implementation of regulations require regulatory approvals before certain products may be sold and restrict the way tobacco product manufacturers, retailers, and distributors can advertise and promote tobacco products, including a prohibition against free samples or the use of vending machines, requirements for presentation of warning information, and age verification of purchasers.

Newly-deemed tobacco products are also subject to the other requirements of the Tobacco Control Act, such as that they not be adulterated or misbranded. The FDA has been directed under the Tobacco Control Act to establish specific good manufacturing practice ("GMP") regulations for tobacco products, and could do so in the future, which could have a material adverse impact on the ability of some of our suppliers to manufacture, and the cost to manufacture, certain of our products. Even in the absence of specific GMP regulations, a facility's failure to maintain sanitary conditions or to prevent contamination of products could result in the FDA deeming the products produced there adulterated.

The FDA has announced its intention to take enforcement measures related to ENDS products offered for sale after September 9, 2020, for which the manufacturers had not submitted a PMTA. Following that date, the FDA did in fact take actions against certain manufacturers of ENDS products for which a PMTA had not been submitted. Accordingly, and in light of the laws noted above, premarket authorizations will be necessary for us to continue our distribution of any vaporizer hardware and accessories that meet the FDA's definition of ENDS. While we do not believe vaporizers intended for use with non-tobacco substances meet the FDA's definition of ENDS, it is possible that the FDA could require premarket authorization for such products.

Our suppliers who make vaporizers that are currently, or in the future become, subject to FDA regulation must timely file applications for the appropriate authorizations so that we may continue selling their products in the United States. We have no control over the content of those applications, and we have no assurances that the outcome of the FDA's review will result in authorization of the marketing of these products. If the FDA establishes or applies review standards or processes that our suppliers are unable or unwilling to comply with, our business, results of operations, financial condition and prospects would be adversely affected.

The anticipated costs to our suppliers of complying with future FDA regulations will be dependent on the rules issued by the FDA, the timing and clarity of any new rules or guidance documents accompanying these rules, the reliability and simplicity (or complexity) of the electronic systems utilized by the FDA for information and reports to be submitted, and the details required by the FDA for such information and reports with respect to each regulated product. Any failure to comply with existing or new FDA regulatory requirements could result in significant financial penalties to us or our suppliers, which could ultimately have a material adverse effect on our business, results of operations, financial condition and ability to market and sell our products. Compliance and related costs could be substantial and could significantly increase the costs of operating in the vaporization products and certain other consumption accessories markets.

In addition, failure to comply with the Tobacco Control Act and with FDA regulatory requirements could result in litigation, criminal convictions or significant financial penalties and could impair our ability to market and sell some of our vaporizer products. At present, we are not able to predict whether the Tobacco Control Act will impact our business to a greater degree than competitors in the industry, thus affecting our competitive position.

As discussed elsewhere in these Risk Factors and under the heading Regulatory Developments, a number of states and cities have implemented bans or restrictions on the sale of vaporizers and accessories, as well as flavored tobacco products, including vaping liquids and menthol cigarettes. There may, in the future, also be increased regulation of additives in smokeless products and internet sales of vaporization products and certain other consumption accessories. The application of either or both of current federal, state, and local, laws, and of any new laws or regulations which may be adopted in the future at the federal, state, or local level, to vaporization products, consumption accessories or such additives could result in additional expenses and require us to change our advertising and labeling, and methods of marketing and distribution of our products, any of which could have a material adverse effect on our business, results of operations and financial condition.

Canada

On May 23, 2018, the Tobacco and Vaping Products Act ("TVPA") became effective, and now governs the manufacture, sale, labeling and promotion of vaping products sold in Canada. The TVPA replaced the former Tobacco Act (Canada) and established a legislative framework that applies to vaping products, whether or not they contain nicotine. The TVPA prescribes high-level requirements in relation to vaping products, with regulations governing specific topics such as nicotine concentration and the promotion of vaping products. Other regulations remain forthcoming and there remains a high degree of uncertainty with respect to the compliance landscape for vaping products. As such, there can be no assurance that we will initially be in total compliance, remain competitive, or financially able to meet future requirements administered pursuant to the TVPA. Prior to the TVPA becoming effective, Health Canada had taken the position that electronic smoking products (i.e., electronic products for the vaporization and administration of inhaled doses of nicotine, including electronic cigarettes, cigars, cigarillos and pipes, as well as cartridges of nicotine solutions and related products) fell within the scope of the Food and Drugs Act (Canada) ("Food and Drugs Act"). Vaping products with therapeutic or health-related claims are subject to the Food and Drugs Act and related regulations. Finally, the TVPA provides the authority to make regulations to collect information from industry about vaping products, their emissions and any research and development (e.g., sales data and information on market research, product composition, ingredients, materials, health effects, hazardous properties and brand elements). Health Canada is currently developing proposed regulations in this area.

On December 21, 2019, Health Canada issued a Regulatory Impact Analysis Statement titled "Vaping Products Promotion Regulations." The Impact Analysis addressed two proposed new regulations that would place stricter limits on the advertising and promotion of nicotine vaping products and make health warnings on nicotine vaping products mandatory (the "Proposed Regulations"). The Proposed Regulations would: (1) prohibit the promotion of nicotine vaping products and nicotine vaping product-related brand elements by means of advertising that is done in a manner that can be seen or heard by youth, including the display of nicotine vaping products a points of sale where can be seen by youth; and (2) require that all nicotine vaping advertising convey a health warning about the health hazards of nicotine vaping product use.

On July 1, 2020, Health Canada's "Vaping Products Labeling and Packaging Regulations" (the "VPLPR") came into effect; requiring (1) all vaping products containing nicotine to display a standardized nicotine concentration statement and health warning about the addictiveness of nicotine; (2) products containing nicotine to be packaged in child-resistant containers and display a toxicity warning and first aid treatment statement; and (3) the display of a list of ingredients contained in the vaping substances, regardless of nicotine content. On July 14, 2020, Health Canada issued a guidance document on vaping products titled, "Industry Guide to vaping products subject to the Canada Consumer Product Safety Act" (the "CCPA Guidance"). The CCPA Guidance provided clarity on requirements under the Canada Consumer Product Safety Act ("CCPSA") for vaping products that are manufactured, imported, advertised, or sold in Canada. The CCPA Guidance provided clarity on the requirements of the VPLPR and the authority of the CCPSA to address safety issues posed by a vaping product not marketed for therapeutic use or by a cannabis accessory (such as a vaporizer represented to be used in the consumption of cannabis) not marketed for a therapeutic use.

In addition to federal regulations, several provinces, including Alberta, British Columbia, Nova Scotia, Ontario, Prince Edward Island ("PEI"), Quebec, and Saskatchewan, have passed regulations fully restricting or limiting the advertising and sales of certain types of nicotine vaping products. Many provinces have focused their tobacco and vaping control efforts on retail access and have taken action to go beyond the minimum requirements in the TVPA. For example, Nova Scotia, Newfoundland and Labrador, and the Northwest Territories, have increased the minimum age of sale to 19. Notably, in Prince Edward Island, as of March 1, 2020, the minimum age for purchasing nicotine products increased to age 21. In 2019. British Columbia, Saskatchewan, and Ontario limited the sales of flavored vaping products with exceptions for some flavors to specialty stores, whereas some provinces have banned flavored vaping products, with the exception of tobacco flavor (Nova Scotia and Prince Edward Island). By way of example, on August 11, 2020, PEI adopted a regulation to ban the sale of all flavored vaping products, effective March 1, 2021. Quebec is currently considering a ban on flavored products and effective as of March 25, 2022, the sale of flavored vapor products was banned in the Northwest Territories.

Moreover, certain provinces (British Columbia, Newfoundland and Labrador, Saskatchewan, Quebec, Nova Scotia) have implemented an e-cigarette retail licensing system or have guidelines for retailers in order to prevent sales to minors (Alberta, British Columbia, Newfoundland and Labrador, Prince Edward Island, Saskatchewan).

Finally, with respect to the taxation of vaping products, the Canadian government introduced amendments to the Excise Act, 2001 to implement a new excise duty framework on vaping products. These amendments became law on June 23, 2022. The new framework applies to vaping products that are manufactured in Canada or imported, and that are intended for use in a vaping device in Canada. Manufacturers of vaping products are required to get a vaping product license from the Canada Revenue Agency ("CRA"). Importers are required to apply for registration from the CRA. Manufacturers and importers are also required to register for the vaping stamping regime. All vaping products entering the Canadian duty-paid market are required to be packaged with an excise stamp affixed to the product. The excise stamps shows that duties have been paid.

These developments, together with the passed and proposed federal and provincial regulations may have a material adverse effect on our business, results of operations, and financial condition.

We may be unable to identify or contract with new suppliers in the event of a disruption to our supply.

In the event of a disruption to our supply of products, we would have to identify new suppliers that can meet our needs. Only a limited number of suppliers may have the ability to produce certain products we sell at the volumes we need, and it could be costly or time-consuming to locate and approve such alternative sources. Moreover, it may be difficult or costly to find suppliers to produce small volumes of products in the event we are looking only to supplement our current supply as suppliers may impose minimum order requirements. In addition, we may be unable to negotiate pricing or other terms with our existing or new suppliers as favorable as those we currently enjoy. We cannot guarantee that a failure to adequately replace or supplement our existing suppliers would not have a material adverse effect on our business, results of operations and financial condition.

Demand for the products we distribute could decrease if the trend of our suppliers selling products directly to consumers or retailers continues or accelerates.

Retailers and consumers of vaporization products and consumption accessories have historically purchased certain amounts of these products directly from suppliers. Recently, direct to consumer sales of vaporization products and consumption accessories have accelerated, consistent with broader sales trends. If our customers were to increase their purchases of products directly from suppliers, or if suppliers further increase their efforts to sell such products directly to consumers or retailers, we could experience a significant decrease in our business, results of operations and financial condition. These, or other developments that remove us from, or limit our role in, the distribution chain, may harm our competitive position in the marketplace and reduce our sales and earnings and adversely affect our business.

We are vulnerable to third-party transportation risks, including governmental laws and common carriers' policies that prevent the shipment of the types of products we sell.

We depend on fast and efficient shipping services to distribute our products. Any prolonged disruption of these services may have a material adverse effect on our business, financial condition and results of operations. Rising costs associated with transportation services used by us to receive or deliver our products, including tariffs, as well as delays as a results of factors outside of our control have had and may continue to have a material adverse effect on our business, financial condition and results of operations.

The Consolidated Appropriations Act, 2021, which was signed into law on December 27, 2020, contains provisions that prohibit the mailing of ENDS through the United States Postal Service ("USPS") and place certain regulatory requirements on shipment of ENDS through other carriers. Certain private carriers, including UPS and FedEx, also have policies restricting or prohibiting the shipment of certain vaporization products we sell, requiring us to occasionally rely upon smaller carriers that are more expensive and serve fewer geographic areas. Although we received USPS approval in December 2021 for a business and regulatory exception to the PACT Act (the "PACT Act Exception") permitting us to ship ENDS to other PACT Act compliant businesses, there can be no assurances that we will be able to maintain the PACT Act Exception or that the USPS will not elect to rescind the PACT Act Exception. Additional legal or policy changes concerning the shipment of vaporizers could increase our costs materially and deprive us of our ability to timely deliver certain products to certain types of customers. Additionally, rising costs associated with transportation services used by us to receive or deliver our products (including tariffs) and prohibitions on the use of certain shipping services for specified products, may have a material adverse effect on our business, financial condition and results of operations.

We do not have long-term agreements or guaranteed price or delivery arrangements with most of our suppliers. The loss of a significant supplier would require us to rely more heavily on our other existing suppliers or to develop relationships with new suppliers. Such a loss may have an adverse effect on our product offerings and our business.

While we have long-term distribution agreements with certain of our suppliers, consistent with industry practice, we do not have guaranteed price or delivery arrangements with most of our suppliers. We generally make our purchases through purchase orders. As a result, we have experienced and may in the future experience inventory shortages or price increases on certain products. Furthermore, our industry occasionally experiences significant product supply shortages, and we sometimes experience customer order backlogs due to the inability of certain suppliers to make available to us certain products as needed. We cannot provide assurances that suppliers will maintain an adequate inventory of products to fulfill our orders on a timely basis, or at all, or that we will be able to obtain particular products on favorable terms, or at all. Additionally, we cannot provide assurances that product lines currently offered by suppliers will continue to be available to us. A decline in the supply or continued availability of the products of our suppliers, or a significant increase in the price of those products, could reduce our sales and negatively affect our operating results.

In addition, some of our suppliers have the ability to terminate their relationships with us at any time, or to decide to sell, or increase their sales of, their products through other resellers or channels. Although we believe there are numerous suppliers with the capacity to supply the products we distribute, the loss of one or more of our major suppliers could have an adverse effect on our product offerings and our business. Such a loss would require us to rely more heavily on our other existing suppliers, develop relationships with new suppliers or undertake our own manufacturing, which may cause us to pay higher prices for products due to, among other things, a loss of volume discount benefits currently obtained from our major suppliers. Any termination, interruption or adverse modification of our relationship with a key supplier or a significant number of other suppliers would likely adversely affect our operating income, cash flow and future prospects.

If we fail to maintain proper inventory levels, our business could be harmed.

We often purchase key products from suppliers prior to the time we receive purchase orders from customers. We do this to minimize purchasing costs, the time necessary to fill customer orders, and the risk of non-delivery. However, we may be unable to sell the products we have purchased in advance. Inventory levels in excess of customer demand have previously and may in the future, result in inventory write-downs, and the sale of excess inventory at discounted prices could significantly impair our brand image and have a material adverse effect on our business, results of operations and financial condition. Conversely, if we underestimate demand for our products or if we fail to acquire the products that we require at the time we need them, we may experience inventory shortages. Inventory shortages might delay shipments to customers, reduce revenue, negatively impact customer relationships and diminish brand loyalty, which in turn could have a material adverse effect on our business, results of operations and financial condition.

Our success is dependent in part upon our ability to distribute popular products from new suppliers, as well as the ability of our existing suppliers to develop and market products that meet changes in market demand or regulatory requirements.

Many of the products we sell are generally subject to rapid changes in marketplace demand and regulatory requirements. For example, recent laws and regulations have prohibited the sale of certain types of ENDS products that we previously sold. Our success is dependent, in part, upon the ability of our suppliers to develop and market products that meet these changes. Our success is also dependent on our ability to develop relationships with and sell products from new suppliers that address these changes in market demand or regulatory requirements. To the extent products that address recent changes are not available to us, or are not available to us in sufficient quantities or on acceptable terms, we could encounter increased competition, which would likely adversely affect our business, results of operations and financial condition.

We do not have long-term contracts with many of our customers. The agreements that we do have generally do not commit our customers to any minimum purchase volume. The loss of a significant customer may have a material adverse effect on us.

Our customers generally place orders on an as-needed basis. Consistent with industry practice, we do not have long-term contracts with most of our customers, other than certain retail chains or distributors in Canada and abroad and certain state-licensed cannabis businesses in the United States. In addition, our agreements generally do not commit our customers to any minimum purchase volume. Accordingly, we are exposed to risks from potential adverse financial conditions in the vaporization products and consumption accessories industry, a potentially shifting legal landscape, the general economy, a competitive landscape, a changing technological landscape or changing customer needs or any other change that may affect the demand for our products. We cannot assure you that our customers will continue to place orders with us in similar volumes, on the same terms, or at all. Our customers may terminate their relationships with us or reduce their purchasing volume at any time. Our ten largest customers, in the aggregate, represented approximately 22.1% and 51.1% of our net sales for the years ended December 31, 2025 and 2024, respectively. The loss of a significant number of customers, or a substantial decrease in a significant customer's orders, may have an adverse effect on our revenue.

Changes in our customer, product or competition mix could cause our product margin and results of operations to fluctuate.

From time to time, we may experience changes in our customer mix, our product mix or our competition mix. Changes in our customer mix may result from geographic expansion or contractions, mergers and acquisitions among our customer base, legislative, regulatory or enforcement priority changes affecting the products we distribute, selling activities within current geographic markets and targeted selling activities to new customer sectors. For example, our merger with Kushco has shifted our customer mix to include a greater concentration of customers who engage in the cultivation, processing, and/or sale of cannabis. Changes in our product mix may result from marketing activities to existing customers, the needs of existing and prospective customers and from regulatory and legislative changes. Changes in our competition mix may result from new competitors entering into our business segment or existing competitors growing their operations. If customer demand for lower-margin products increases and demand for higher-margin products decreases, our business, results of operations and financial condition may suffer.

Because a material portion of our revenues are derived from sales to consumers indirectly through third-party retailers who operate traditional brick-and-mortar locations, the shift of sales to more online retail business could harm our market share and our revenues in certain sectors.

Our current model for consumer goods includes selling our products through third-party retailers. These third-party retailers operate physical brick-and-mortar locations to sell our product to consumers. The current shift in purchasing demographics due to many factors and the changing preferences of consumers who are moving from in-store purchases to online purchases creates the additional risks of our current revenue streams being impacted negatively and an overall decrease of market share.

We have experienced and may continue to experience difficulty collecting receivables.

If our customers begin or continue to experience financial challenges, they may not have sufficient funds to pay all amounts owed to us. Additionally, laws in some jurisdictions in which we operate make collection of receivables difficult, time consuming or expensive. We generally do not require collateral in support of our trade receivables. While we maintain reserves for expected credit losses, we cannot assure these reserves will be sufficient to meet write-offs of uncollectible receivables or that our losses from such receivables will be consistent with our historical performance. Significant write-offs may affect our business, results of operations and financial condition. As we begin selling our products indirectly through large retailers, customer credit risks will expand.

Our ability to distribute certain licensed brands and to use or license certain trademarks may be terminated or not renewed.

We are reliant upon brand recognition in the markets in which we compete, as the industry is characterized by a high degree of brand loyalty and a reluctance of consumers to switch to substitute or unrecognizable brands. Some of the brands we distribute and the trademarks under which products are sold are licensed for a fixed period of time with regard to specified markets.

In the event that the licenses to use the brand names and trademarks for the products we distribute are terminated or are not renewed after the end of the term, there is no guarantee we or our suppliers will be able to find suitable replacement brands or trademarks, or that if a replacement is found, that it will be on favorable terms. Any loss in brand-name appeal to our existing customers as a result of the lapse or termination of our licenses or the licenses of our suppliers could have a material adverse effect on our business, results of operations and financial condition.

We may not be successful in maintaining the consumer brand recognition and loyalty of our products.

We compete in a market that relies on innovation and the ability to react to evolving consumer preferences. The vaporization products and consumption accessories industry is subject to changing consumer trends, demands and preferences. Therefore, products once favored may, over time, become disfavored by consumers or no longer perceived as the best option. Consumers in the vaporizer market have demonstrated a degree of brand loyalty, but suppliers must continue to adapt their products in order to maintain their status among customers as the market evolves. Our continued success depends in part on our ability and our supplier's ability to continue to differentiate the brand names we represent, own or license and maintain similarly high levels of recognition with target consumers. Trends within the vaporization products and consumption accessories industry change often and our failure to anticipate, identify or react to changes in these trends could, among other things, lead to reduced demand for our products. Factors that have previously and may continue to affect consumer perception of our products include health trends and attention to health concerns associated with herbs, oils, cannabis or other materials used with vaporizers, price-sensitivity in the presence of competitors' products or substitute products and trends in favor of new vaporization products or technology consumption accessories products that are currently being researched and produced by participants in our industry. For example, in recent years, we have witnessed a shift in consumer purchases from vaporizers designed for dry herbs to those designed for liquids or wax type concentrates. A failure to react to similar trends in the future could enable our competitors to grow or establish their brands' market share in these categories before we have a chance to respond.

Regulations have recently been and are likely to continue to be enacted in the future that would make it more difficult to appeal to consumers or to leverage the brands that we distribute, own or license. Furthermore, even if we are able to continue to distinguish our products, there can be no assurance that the sales, marketing and distribution efforts of our competitors will not be successful in persuading consumers of our products to switch to their products. Some of our competitors have greater access to resources than we do, which better positions them to conduct market research in relation to branding strategies or costly marketing campaigns. Any loss of consumer brand loyalty to our products or in our ability to effectively brand our products in a recognizable way will have a material effect on our ability to continue to sell our products and maintain our market share, which could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to establish sustainable relationships with large retailers or regional or national chains.

In connection with efforts to enter new sales channels, including large retailers and chains, we may not be able to develop these relationships or continue to maintain relationships with these large retailers or national chains. Our inability to develop and sustain relationships with large retailers and chains may impede our ability to develop brand and product recognition and increase sales volume and, ultimately, require us to continue to rely on local and more fragmented sales channels, which may have a material adverse effect on our business, results of operations and financial condition. In addition, if we are unable to develop or maintain relationships with large retailers and national chains and such large retailers or chains take market share from the smaller local and more fragmented sales channels, our business, results of operations and financial condition will be adversely impacted.

New products face intense media attention and public pressure.

Many of our vaporizers and other products are new to the marketplace. Since their introduction, certain members of the media, politicians, government regulators and advocacy groups, including independent doctors, have called for and driven the adoption of stringent regulation of the sale of certain products and in some cases, an outright ban of such products pending increased regulatory review and a further demonstration of safety. For example, local and state governments have banned certain types of vaporization products, such as those containing flavored liquid nicotine and flavored hemp-derived CBD. Additional bans of this type would likely have the effect of terminating our sales and marketing efforts of certain products in jurisdictions in which we may currently market or have plans to market such products. Such bans would also likely cause public confusion as to which products are the subject of bans, which confusion could also have a material adverse effect on our business, results of operations and financial condition.

Our success depends, in part, on the quality and safety of our products, as well as the perception of quality and safety in the vaporization products and consumption accessories industry generally.

Our success depends, in part, on the quality and safety of the products we sell, including manufacturing issues, health concerns about the substances consumed using the products we sell, and unforeseen product misuse. Even a single incident of product defect or misuse, whether relating to products sold by us or just to our industry generally, could result in significant harm to our reputation. For example, incidents of EVALI have, by some metrics, negatively impacted demand for vaporizers. If any of our products are found to be, or are perceived to be, defective or unsafe, or if they otherwise fail to meet our customers' standards, our relationship with our customers could suffer, our reputation or the appeal of our brands could be diminished, and we could lose market share and/or become subject to liability claims, any of which could result in a material adverse effect on our business, results of operations and financial condition.

Damage to our reputation, or that of any of our key suppliers or their brands, could affect our business performance.

The success of our business depends in part upon the positive image that consumers have of the third-party brands we distribute. Incidents, publicity or events arising accidentally or through deliberate third-party action that harm the integrity or consumer support of the products we sell could affect the demand for those products. Unfavorable media, whether accurate or not, related to our industry, to us, to our customers, or to the products we sell could negatively affect our corporate reputation, stock price, ability to attract high-quality talent, or the performance of our business. Additional negative publicity or commentary on social media outlets also could cause consumers to react rapidly by avoiding our products and brands or by choosing brands offered by our competitors, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to substantial and increasing regulation regarding the vaporization industry.

In addition to the FDA regulations concerning vaporizer products discussed elsewhere in this Annual Report on Form 10-K, we are subject to regulation by numerous other federal agencies, including the Federal Trade Commission, the Alcohol and Tobacco Tax and Trade Bureau, the Federal Communications Commission, the U.S. Environmental Protection Agency, the U.S. Department of Agriculture, U.S. Customs and Border Protection and the U.S. Center for Disease Control and Prevention's Office on Smoking and Health. There have also been adverse legislative and political decisions and other unfavorable developments concerning cigarette smoking and the tobacco industry, which have received widespread public attention. There can be no assurance as to the ultimate content, timing or effect of any regulation of vaporizer products by governmental bodies, nor can there be any assurance that potential corresponding declines in demand resulting from negative media attention would not have a material adverse effect on our business, results of operations and financial condition.

Significant increases in state and local regulation of our vaporizer products have been proposed and enacted, and are likely to continue to be proposed and enacted in numerous jurisdictions.

As discussed under the heading "Regulatory Developments" above, there has been increasing activity on the state, provincial and local levels with respect to scrutiny of vaporizer products. State and local governmental bodies across the United States have indicated that vaporization products and certain other consumption accessories may become subject to new laws and regulations at the state and local levels. For example, in January 2015, the California Department of Health declared electronic cigarettes and certain other vaporizer products a health threat that should be strictly regulated like tobacco products. Further, many states and cities have enacted regulations that require retailers to obtain a tobacco retail license in order to sell electronic cigarettes and vaporizer products. Many states, provinces and some cities have passed laws restricting the sale of electronic cigarettes and certain other vaporizer products. In March 2023, new federal legislation granted the FDA regulatory authority over synthetic nicotine, making all synthetic nicotine products without a marketing order from the FDA illegal as of July 13th, 2022. If one or more states or provinces from which we generate or anticipate generating significant sales of vaporizer products bring actions that prevent us from selling certain or all of our vaporizer products, we would be required to cease sales and distribution of certain products to those states, which could have a material adverse effect on our business, results of operations and financial condition. Additionally, if one or more states or provinces from which we generate or anticipate generating significant sales of vaporizer products bring actions that require us to obtain certain licenses, approvals or permits, and if we are not able to obtain the necessary licenses, approvals or permits for financial reasons or otherwise and/or any such license, approval or permit is determined to be overly burdensome to us, then we may be required to cease sales and distribution of our products to those states, which could have a material adverse effect on our business, results of operations and financial condition.

Certain states, provinces and cities have already restricted the use of electronic cigarettes and vaporizer products in smoke free venues. Additional city, state, provincial or federal regulators, municipalities, local governments and private industry may enact rules and regulations restricting the use of electronic cigarettes and vaporizer products in those same places where cigarettes cannot be smoked. Because of these restrictions, our customers may reduce or otherwise cease using our vaporization products or certain other consumption accessories, which could have a material adverse effect on our business, results of operations and financial condition.

The Canadian federal government, as well as certain provincial governments have passed or propose to pass legislation which will restrict the extent to which e-cigarettes, e-liquid and other vaping products may be displayed or sold. Additionally, Canadian laws require health warnings to be placed on certain vaporizer products, which could reduce the appeal of these products. These regulations and future regulations could have a material adverse effect on our business, results of operations and financial condition.

Based on regulations surrounding health-related concerns related to the use of some of our vaporizer products, possible new or increased taxes by government entities intended to reduce use of our products or to raise revenue, additional governmental regulations concerning the marketing, labeling, packaging or sale of some of our products, negative publicity resulting from actual or threatened legal actions against us or other companies in our industry, all may reduce demand for, or increase the cost of, certain of our products, which could adversely affect our profitability and ultimate success.

Our business depends partly on continued purchases by businesses and individuals selling or using cannabis pursuant to state laws in the United States or Canadian and provincial laws.

Because some of our B2C customers use some of the items that we sell to consume cannabis and some of our B2B customers operate in the legal national and state cannabis industry, our business depends partly on federal, state, provincial and local laws, regulations, guidelines and enforcement pertaining to cannabis. In both the United States and Canada, those factors are in flux.

United States

Currently, in the United States, 47 states and the District of Columbia permit some form of cannabis cultivation, sales, and use for certain medical purposes ("medical states"). Twenty-four of those states and the District of Columbia have also legalized cannabis for adults for non-medical purposes (sometime referred to as recreational use). Several medical states may extend legalization to adult use.

States' cannabis programs have proliferated and grown even though the cultivation, sale and possession of cannabis is considered illegal under U.S. federal law. Under the CSA, cannabis is a Schedule I drug, meaning that the Drug Enforcement Administration recognizes no accepted medical use for cannabis, and the substance is considered illegal under federal law.

In an effort to provide guidance to U.S. Attorneys' offices regarding the enforcement priorities associated with cannabis in the United States, the U.S. Department of Justice (the "DOJ") has issued a series of memoranda detailing its suggested enforcement approach. During the administration of former President Obama, each memorandum acknowledged the DOJ's authority to enforce the CSA in the face of state laws, but noted that the DOJ was more committed to using its limited investigative and prosecutorial resources to address the most significant threats associated with cannabis in the most effective, consistent, and rational way.

On August 29, 2013, the DOJ issued what came to be called the "Cole Memorandum," which gave U.S. Attorneys the discretion not to prosecute federal cannabis cases that were otherwise compliant with applicable state law that had legalized medical or adult-use cannabis and that have implemented strong regulatory systems to control the cultivation, production, and distribution of cannabis. The eight federal priorities were preventing:

- The distribution of cannabis to minors;
- Revenue from the sale of cannabis from going to criminal enterprises, gangs, and cartels;
- The diversion of cannabis from states where it is legal under state law in some form to other states;
- State-authorized cannabis activities from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- Violence and the use of firearms in the cultivation and distribution of cannabis;
- Drugged driving and exacerbation of other adverse public health consequences associated with cannabis use;
- Growing cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and
- Cannabis possession or use on federal property.

Accordingly, the Cole Memorandum provided lawful cannabis-related enterprises a tacit federal go-ahead in states with legal cannabis programs, provided that the state had adopted and was enforcing strict regulations and oversight of the medical or adult-use cannabis program in accordance with the specific directives of the Cole Memorandum.

On January 4, 2018, Attorney General Jeff Sessions issued a memorandum that rescinded previous DOJ guidance on the state legal cannabis industry, including the Cole Memorandum. Attorney General Sessions wrote that the previous guidance on cannabis law enforcement was unnecessary, given the well-established principles governing federal prosecution that are already in place. As a result, federal prosecutors could and still can use their prosecutorial discretion to decide whether to prosecute even state-legal cannabis activities.

Since the Cole Memorandum was rescinded, however, U.S. Attorneys have generally refrained from prosecuting state law compliant marijuana businesses. Current Attorney General Merrick Garland during his confirmation hearings expressed that "It does not seem to me useful the use of limited resources that we have to be pursuing prosecutions in states that have legalized and are regulating the use of marijuana, either medically or otherwise."

Since December 2014, companies that are strictly complying with state medical cannabis laws have been protected against enforcement for that activity by an amendment (originally called the Rohrabacher-Blumenauer Amendment, now called the Joyce Amendment) to the Omnibus Spending Bill, which prevents federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level. Federal courts have interpreted the provision to bar the DOJ from prosecuting any person or entity in strict compliance with state medical cannabis laws.

While the protection of the Joyce Amendment prevents prosecutions of state law compliant medical cannabis activities, it does not make cannabis legal. The protection of the Joyce Amendment depends on its continued inclusion in the federal omnibus spending bill, or in some other legislation, and entities' strict compliance with the state medical cannabis laws. While industry observers expect Congress to extend the protection in future Omnibus Spending Bills, there can be no assurance that it will do so.

Although several cannabis law reform bills are pending in the U.S. Congress, passage of any of them and ultimately the Biden Administration's support and approval remain uncertain. Unless and until the U.S. Government changes the law with respect to cannabis, and particularly if Congress does not extend the protection of state medical cannabis programs, there is a risk that federal authorities could enforce current federal cannabis law. An increase in federal enforcement against companies licensed under state cannabis laws would negatively impact the state cannabis industries and, in turn, our revenues, profits, financial condition, and business model.

Canada

On April 13, 2017, the Government of Canada introduced Bill C-45, which proposed the enactment of the Cannabis Act to legalize and regulate access to cannabis. The Cannabis Act proposed a strict legal framework for controlling the production, distribution, sale and possession of medical and recreational adult-use cannabis in Canada. On June 21, 2018, the Government of Canada announced that Bill C-45, received Royal Assent. On July 11, 2018, the Government of Canada published the Cannabis Regulations under the Cannabis Act. The Cannabis Regulations provide more detail on the medical and recreational regulatory regimes for cannabis, including regarding licensing, physical security requirements, product practices, outdoor growing, security, packaging and labelling (including for cannabis accessories), cannabis-containing drugs, document retention requirements, reporting and disclosure requirements, the new access to cannabis for medical purposes regime and industrial hemp. The majority of the Cannabis Act and the Cannabis Regulations came into force on October 17, 2018; additional Cannabis Regulations took effect on October 17, 2019.

As of December 2022, the Minister of Health and the Minister of Mental Health and Addictions has launched the legislative review of the Cannabis Act. The review is being conducted by a five-member independent, expert panel, who will report their final conclusions and advice to the Ministers by Spring 2024. In addition, Health Canada announced that amendments to the Cannabis Act and its regulations concerning cannabis research and testing. Notably, these amendments increase the public possession limit for cannabis beverages to a level that is similar to other forms of cannabis, such as solid edible cannabis products (i.e. gummies or chocolate) and the amendments change how Health Canada regulates non-therapeutic cannabis research with human participants. As for proposed amendments, Health Canada is proposing amendments to the Cannabis Regulations to protect public health and safety, in particular by protecting young persons and others from inducements to use inhaled cannabis extracts. The proposed amendments would restrict the production, sale, promotion, packaging, or labelling of inhaled cannabis extracts with certain flavors, other than the flavor of cannabis.

While the Cannabis Act provides for the regulation by the federal government of, among other things, the commercial cultivation and processing of cannabis for recreational purposes, it provides the provinces and territories of Canada with the authority to regulate with respect to the other aspects of recreational cannabis, such as distribution, sale, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

The governments of every Canadian province and territory have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes. In most provinces and territories, the minimum age is 19 years old, except for Québec, where the minimum age is 18. Certain provinces, such as Ontario, have legislation in place that restricts the packaging of vapor products and the manner in which vapor products are displayed or promoted in stores.

The Cannabis Act is a relatively new regime that has no close precedent in Canadian law. The effect of relevant governmental authorities' administration, application and enforcement of their respective regulatory regimes and delays in obtaining, or failure to obtain, applicable regulatory approvals which may be required may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on our business, financial condition and results of operations.

The federal and state regulatory landscape regarding products containing hemp-derived CBD and other cannabinoids is uncertain and evolving, and new or changing laws or regulations relating to hemp and hemp-derived products could have a material adverse effect on our business, financial condition and results of operations.

In December 2018, the U.S. government changed the legal status of hemp and its derivatives, including hemp-derived CBD and other cannabinoids. The 2018 Farm Bill, which was signed into law by former President Trump on December 20, 2018 (Pub.L. 115-334), established a new framework for the regulation of hemp production (defined in the Farm Bill as Cannabis sativa L. with a THC concentration of not more than 0.3 percent on a dry weight basis) and extracts of hemp, including CBD. The law also removed hemp and extracts of hemp from the federal controlled substances schedules. The section of the Farm Bill establishing a framework for hemp production, however, makes clear explicitly that it does not affect or modify the United States Federal Food, Drug, and Cosmetic Act (the "FDCA"), section 351 of the Public Health Service Act (addressing the regulation of biological products), the authority of the Commissioner of the FDA under those laws, or the Commissioner's authority to regulate hemp production and sale under those laws.

Since passage of the Farm Bill, the FDA has expressed multiple times its position that any cannabis product, whether derived from hemp or otherwise, marketed with a disease claim (e.g., a claim of therapeutic benefit or disease prevention) must be approved by the FDA for its intended use through one of the drug approval pathways prior to it being introduced into interstate commerce. The FDA has also repeatedly stated its position that introducing food or dietary supplements with added CBD (or THC), regardless of source, into interstate commerce is illegal under the FDCA. Although enforcement under the FDCA may be civil or criminal in nature, the FDA has thus far limited its recent enforcement against companies selling CBD products to warning letters alleging various violations of the FDCA, including that the products bear claims that render the products unapproved and misbranded new drugs, that CBD is excluded from the FDCA's definition of "dietary supplement," and that the FDCA prohibits the addition of CBD to food. The FDA also tested some of the products, and found that many did not contain the levels of CBD they claimed to contain, which could be the basis for a separate violation of the FDCA. In addition, some states have taken actions to restrict or prohibit the sale of CBD products under state law. On January 26, 2023, the FDA issued a statement that after careful review, the FDA concluded that a new regulatory pathway for CBD is needed that balances individuals' desire for access to CBD products with the regulatory oversight needed to manage risks. The agency is prepared to work with Congress on this matter.

We currently distribute very limited products containing hemp-derived CBD and other cannabinoids. Although the Farm Bill removed hemp and its derivatives from the definition of "marijuana" under the CSA, uncertainties remain regarding the cultivation, sourcing, production and distribution of hemp and products containing hemp derivatives. Certain states prohibit the sale of all or certain types of products containing hemp. The laws and regulations of states that permit the sale of products containing hemp derivatives, such as CBD, impose various requirements, including requirements to obtain certain permits or licenses, related to the marketing, packaging, safety, and sale of products containing hemp derivatives. These laws and regulations are rapidly developing. We may have to quickly adapt our operations to comply with forthcoming and rapidly-shifting federal and state regulations. These regulations could require significant changes to our business, plans or operations concerning hemp-derived products, and could adversely affect our business, financial condition or results of operations. Additionally, while we believe our current operations with respect to hemp derived products such as CBD comply with existing federal and state laws relating to hemp and hemp-derived products in all material respects, legal proceedings alleging violations of such laws could have a material adverse effect on our business, financial condition and results of operations.

We are subject to legislative uncertainty that could slow or halt the legalization and use of cannabis, which could materially and adversely affect our business.

Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the state level, as well as the U.S. government's continued non-enforcement of federal cannabis laws against state-law-compliant cannabis businesses. Any number of factors could slow or halt progress in this area. Further, progress, while generally expected, is not assured. Well-funded interests, including businesses in the tobacco, alcohol beverage and the pharmaceutical industries, may have a strong economic opposition to the continued legalization of cannabis. The pharmaceutical industry, for example, is well funded with a strong and experienced lobby that eclipses the funding of the cannabis movement. Any inroads legalization opponents could make in halting the impending cannabis industry could have a detrimental impact on our business. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of those factors could slow or halt the continued legalization and use of cannabis, which would negatively impact our business.

While we believe that our business and sales do not violate the Federal Paraphernalia Law, legal proceedings alleging violations of such law or changes in such law or interpretations thereof could materially and adversely affect our business, financial condition or results of operations.

Under U.S. Code Title 21 Section 863 (the "Federal Paraphernalia Law"), the term "drug paraphernalia" means "any equipment, product or material of any kind which is primarily intended or designed for use in manufacturing, compounding, converting, concealing, producing, processing, preparing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance." That law exempts "(1) any person authorized by local, State, or Federal law to manufacture, possess, or distribute such items" and "(2) any item that, in the normal lawful course of business, is imported, exported, transported, or sold through the mail or by any other means, and traditionally intended for use with tobacco products, including any pipe, paper, or accessory." Any nonexempt drug paraphernalia offered or sold by any person in violation of the Federal Paraphernalia Law can be subject to seizure and forfeiture upon the conviction of such person for such violation, and a convicted person can be subject to fines under the Federal Paraphernalia Law and even imprisonment.

We believe our sales do not violate the Federal Paraphernalia Law in any material respect. First, we understand that a substantial majority of the products we offer and sell were and are not primarily intended or designed for any purpose not permitted by the Federal Paraphernalia Law. Indeed, many of the manufacturers whose products we sell disclaim that the products are for use with cannabis. Second, we restrict the sale of certain products — those that may have been primarily intended or designed for use with cannabis — to comply with the Federal Paraphernalia Law's exemption for sales authorized by state law. In particular, we (a) do not sell those products at all into the states that have maintained complete or near complete cannabis prohibition and (b) limit the sale of those products to licensed cannabis businesses, such as dispensaries, cultivators, and manufacturers, in the states that authorize sales of cannabis paraphernalia only through state-licensed cannabis businesses. Third, we have been in business for many years without facing even threatened legal action under the Federal Paraphernalia Law.

While we believe that our business and sales are legally compliant with the Federal Paraphernalia Law in all material respects, any legal action commenced against us under such law could result in substantial costs and could have an adverse impact on our business, financial condition or results of operations. In addition, changes in cannabis laws or interpretations of such laws are difficult to predict, and could materially and adversely affect our business.

Officials of the U.S. Customs and Border Protection agency ("CBP") have broad discretion regarding products imported into the United States, and the CBP has on occasion seized imported products on the basis that such products violate the Federal Paraphernalia Law. While we believe the products that we import do not violate such law, any such seizure of the products we sell could have a material adverse effect on our business operations or our results of operations.

Officials of the CBP have broad discretion regarding products imported into the United States. Individual shipments of imported products we distribute, as well as similar products, have been detained or seized by the CBP for a variety of reasons, including because the CBP officials inspecting the goods believed such goods were marketed as drug paraphernalia and therefore violated the Federal Paraphernalia Law. Although we and other suppliers or distributors of such products have at times successfully contested such actions of the CBP, such challenges are costly and time consuming. While we would disagree with any conclusion of the CBP that our product sales violate the Federal Paraphernalia Law, we cannot give any assurance that the CBP will not make additional seizures of our imports, or that if the CBP seizes any of our goods that the CBP would not seek to impose penalties related to such imports. Should we elect to contest any such seizure, the costs of doing so could be substantial and there are no assurances we would prevail in a contested proceeding. Additionally, the cost and/or results of any such contest could adversely impact our business, financial condition or results of operations. Additionally, if the CBP fails to release seized products, we may no longer be able to ensure a sellable supply of some of our products, which could have a material adverse impact on our business, financial condition and results of operations.

Because our business is dependent, in part, upon continued market acceptance of cannabis by consumers, any negative trends could materially and adversely affect our business, financial conditions or results of operations.

We are dependent on public support, continued market acceptance and the proliferation of consumers in the legal cannabis markets. While we believe that the market and opportunity in the space continue to grow, we cannot predict the future growth rate or size of the market. Any downturns in, or negative outlooks on, the cannabis industry may materially and adversely affect our business and financial condition.

We and our customers may have difficulty accessing the service of banks, which may make it difficult for us and for them to sell our products.

Financial transactions involving proceeds generated by cannabis-related activities can form the basis for prosecution under the U.S. federal money laundering statutes, unlicensed money transmitter statutes and the U.S. Bank Secrecy Act. Guidance issued by the Financial Crimes Enforcement Network ("FinCEN") clarifies how financial institutions can provide services to cannabis-related businesses consistent with their obligations under the Bank Secrecy Act. Furthermore, since the rescission by former U.S. Attorney General Jeff Sessions on January 4, 2018 of the Cole Memorandum, U.S. federal prosecutors have had greater discretion when determining whether to charge institutions or individuals with any of the financial crimes described above based upon cannabis-related activity. As a result, given these risks and their own related disclosure requirements, many banks remain hesitant to offer banking services to cannabis-related businesses. Consequently, those businesses involved in the cannabis industry continue to encounter difficulty establishing banking relationships. Indeed, we have been asked to close bank accounts due to our activity in the cannabis industry. We may become unable maintain stable banking relationships, which would create significant challenges in operating our business, increase our operating costs, pose additional operational, logistical and security challenges, and result in our inability to implement our business plan. Additionally, if our more significant customers to are unable maintain their current banking relationships, we might not be able to continue transacting with such customers.

Our payments system and the payment systems of our customers depend on third-party providers and are subject to evolving laws and regulations.

We and our retail customers have engaged third-party service providers to perform underlying credit and debit card processing, currency exchange, identity verification and fraud analysis services. If these service providers do not perform adequately or if our relationships, or the relationships of our retail customers with these service providers, were to terminate, our ability or the ability of such retail customers to process payments could be adversely affected and our business would be harmed.

The laws and regulations related to payments are complex and are potentially impacted by tensions between federal and state treatment of the vaporization, tobacco, nicotine and cannabis industries. These laws and regulations also vary across different jurisdictions in the United States, Canada and globally. As a result, we are required to spend significant time and effort to comply with those laws and regulations. Any failure or claim of our failure to comply, or any failure by our third-party service providers to comply, could cost us substantial resources, could result in liabilities, or could force us to stop offering our customers the ability to pay with credit cards, debit cards and bank transfers. As we expand the availability of these payment methods or offer new payment methods to our customers in the future, we may become subject to additional regulations and compliance requirements.

Further, through our agreement with our third-party credit card processors, we are indirectly subject to payment card association operating rules and certification requirements, including restrictions on product mix and the Payment Card Industry Data Security Standard, 02 PCIDSS. We also are subject to rules governing electronic funds transfers. Any change in these rules and requirements could make it difficult or impossible for us to comply.

Due to our acceptance of credit cards in our e-commerce business, we are subject to the Payment Card Industry Data Security Standard, designed to protect the information of credit card users. We have had a security incident in the past, which we do not believe reached the level of a breach, that would be reportable under state laws or our other obligations; however there can be no assurance that our determination was correct. In the event our determination is challenged and found to have been incorrect, we may be subject to claims by one or more state attorney generals, federal regulators, or private plaintiffs and we may additionally be subject to claims or fines from credit associations.

We are subject to certain U.S. federal regulations relating to cash reporting.

The U.S. Bank Secrecy Act, enforced by FinCEN, a division of the U.S. Department of the Treasury, requires a party in trade or business to file with the U.S. Internal Revenue Service (the "IRS") a Form 8300 report within 15 days of receiving a cash payment of over $10,000. While we receive very few cash payments for the products we sell, if we fail to comply with these laws and regulations, the imposition of a substantial penalty could have a material adverse effect on our business, results of operations and financial condition.

If countries, states, and provinces continue the trend of imposing, expanding, and increasing taxes on vaporizer products, it could materially and adversely affect our business.

Supply to our customers is sensitive to increased sales taxes and economic conditions affecting their disposable income. Discretionary consumer purchases, such as of vaporization products and consumption accessories, may decline during recessionary periods or at other times when disposable income is lower and taxes may be higher.

As discussed under "Regulatory Developments" above, the sale of vaporization products and certain other consumption accessories is, in certain jurisdictions, subject to federal, state, provincial and local excise taxes like the sale of conventional cigarettes or other tobacco products, all of which generally have high tax rates and have faced significant increases in the amount of taxes collected on their sales. Other jurisdictions are contemplating similar legislation and other restrictions on electronic cigarettes and certain other vaporizer products. Should federal, state, provincial and local governments and/or other taxing authorities continue to impose excise taxes similar to those levied against conventional cigarettes and tobacco products on vaporization products or consumption accessories, it may have a material adverse effect on the demand for those products, as consumers may be unwilling to pay the increased costs, which in turn could have a material adverse effect on our business, results of operations and financial condition.

We could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our B2C customers would have to pay for our product offering, which could materially and adversely affect our operating results.

An increasing number of states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state companies. Additionally, the Supreme Court of the United States ruled in *South Dakota v. Wayfair, Inc. et al*, or Wayfair, that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer's state. In response to Wayfair, or otherwise, states or local governments may adopt, or begin to enforce, laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions. A successful assertion by one or more states requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments or local governments of sales tax collection obligations on out-of-state sellers could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors and decrease our future sales, which could have a material adverse impact on our business, financial condition and results of operations.

We may become involved in regulatory or agency proceedings, investigations, prosecutions, and audits.

Our business, and the businesses of the suppliers from which we acquire products we sell, requires compliance with many laws and regulations in many jurisdictions globally across multiple product categories and regulatory regimes. Failure to comply with these laws and regulations could subject us or such suppliers to regulatory or agency proceedings, investigations, or prosecutions, and could also lead to damage awards, fines and penalties. We or such suppliers may become involved in a number of government proceedings, investigations and audits. The outcome of any government proceedings, investigations, prosecutions, audits, and other contingencies could harm our reputation or the reputations of the brands that we sell, require us to take, or refrain from taking, actions that could harm our operations or require us to pay substantial amounts of money, harming our financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on our business, financial condition and results of operations.

We are subject to increasing international control and regulation.

The World Health Organization's Framework Convention on Tobacco Control ("FCTC") is the first international public health treaty that establishes a global agenda to reduce initiation of tobacco use and regulate tobacco in an effort to encourage tobacco cessation. Over 180 governments worldwide have ratified the FCTC, including Canada. The FCTC has led to increased efforts to reduce the supply of and demand for tobacco products and to encourage governments to further regulate the tobacco industry. The tobacco industry and others expect significant regulatory developments to take place over the next few years, driven principally by the FCTC.

If the United States ratifies the FCTC and/or national laws are enacted in the United States that reflect the major elements of the FCTC, our business, results of operations and financial condition could be materially and adversely affected. In addition, if any of our vaporization products or consumption accessories become subject to one or more of the significant regulatory initiatives proposed under the FCTC or any other international treaty, our business, results of operations and financial condition may also be materially adversely affected.

Countries' laws implementing the European Union Tobacco Products Directive ("TPD") impose strict regulations on the approval, sale, and advertising of e-cigarettes. Although we do not sell or market any material quantities of products classified as e-cigarettes in Europe, countries could enact new laws implementing the TPD or other laws or regulations that re-classify and/or restrict the products we may sell or market in Europe. Any future measures that limit our ability to market or sell vaporization products or other consumption accessories in Europe may have a material adverse effect on our business, results of operations, and financial condition.

To the extent our existing or future products become subject to international regulatory regimes that we are unable to comply with or fail to comply with, they may have a material adverse effect on our business, results of operations and financial condition.

Changes in our credit profile may affect our relationship with our suppliers, which could have a material adverse effect on our liquidity.

Changes in our credit profile may affect the way our suppliers view our ability to make payments and may induce them to shorten the payment terms of their invoices. Given the large dollar amounts and volume of our purchases from suppliers, a change in payment terms may have a material adverse effect on our liquidity and our ability to make payments to our suppliers and, consequently, may have a material adverse effect on us.

We face intense competition and may fail to compete effectively.

The vaporization products and consumption accessories industry is characterized by brand recognition and loyalty, with product quality features, price, marketing and packaging constituting the primary methods of competition. Substantial marketing support, merchandising display, competitive pricing and other financial incentives generally are required to introduce a new brand or to improve or maintain a brand's market position. Our principal competitors may be significantly larger than us and aggressively seek to limit the distribution or sale of our products.

Competition in the vaporization products and consumption accessories industry is particularly intense, and the market is highly fragmented.

We experience variability in our net sales and net income on a quarterly basis as a result of many factors.

We experience variability in our net sales and net income on a quarterly basis as a result of many factors. These factors include:

- the relative mix of vaporization products and consumption accessories sold during the period;
- the general economic environment and competitive conditions, such as pricing;
- the timing of procurement cycles by our customers;
- seasonality in customer spending and demand for products we provide;
- variability in supplier programs;
- the introduction of new and upgraded products;
- changes in prices from our suppliers;
- changes to our strategy;
- trade show attendance;
- promotions;
- the loss or consolidation of significant suppliers or customers;
- our ability to control costs;

- the timing of our capital expenditures;
- the condition of our industry in general and our customers specifically;
- regulatory developments that limit or expand the products we may sell, or the manner in which those products may be transported;
- any inability on our part to obtain adequate quantities of products;
- delays in the release by suppliers of new products and inventory adjustments;
- delays in the release of imported products by customs authorities;
- our expenditures on new business ventures and acquisitions;
- performance of acquired businesses;
- adverse weather conditions, natural disasters, pandemics, or other events that affect supply or customer response;
- distribution or shipping to our customers; and
- geopolitical events.

Our planned operating expenditures each quarter are based on sales forecasts for the quarter. If our sales do not meet expectations in any given quarter, our operating results for that quarter may be materially adversely affected. We believe that period-to-period comparisons of our operating results are not necessarily a good indication of our future performance. In addition, our results in any quarterly period are not necessarily indicative of results to be expected for a full fiscal year. In future quarters, our operating results may be below the expectations of public market analysts or investors and, as a result, the market price of our Class A common stock could be materially adversely affected.

Product defects could increase our expenses, damage our reputation or expose us to liability.

We may not be able to adequately address product defects. Product defects in vaporizers and other accessories may harm the health or safety of our end-consumers. In addition, remedial efforts could be particularly time-consuming and expensive if product defects are only found after we have sold the defective product in volume. Any actual or perceived defects in our products could result in unsold inventory, product recalls, repairs or replacements, damage to our reputation, increased customer service costs and other expenses, as well as divert management attention and expose us to liabilities. Furthermore, a product liability claim brought against us by our customers or end-consumers could be time-consuming and costly to defend and, if successful, could require us to make significant payments.

Contamination of, or damage to, our products could adversely impact sales volume, market share and profitability.

Our market position may be affected through the contamination of our products, as well as the material used during the manufacturing processes of the products we sell, or at different points in the entire supply chain. For example, we have previously detected low levels of contaminants in certain extraction gasses sold by us. We keep significant amounts of inventory of our products in warehouses and it is possible that this inventory could become contaminated prior to arrival at our premises or during the storage period. If contamination of our inventory or packaged products occurs, whether as a result of a failure in quality control by us or by one of our suppliers, we may incur significant costs in replacing the inventory and recalling products. We may be unable to meet customer demand and may lose customers who purchase alternative brands or products. In addition, consumers may lose confidence in the affected product.

Under the terms of our contracts, we generally impose requirements on our suppliers to maintain quality and comply with product specifications and requirements, and with all federal, state and local laws. Our suppliers, however, may not continue to produce products that are consistent with our standards or that are in compliance with applicable laws, and we cannot guarantee that we will be able to identify instances in which our suppliers fail to comply with our standards or applicable laws. A loss of sales volume from a contamination event may occur, and such a loss may affect our ability to supply our current customers and to recapture their business in the event they are forced to switch products or brands, even if on a temporary basis. We may also be subject to legal action as a result of a contamination, which could result in negative publicity and affect our sales. During this time, our competitors may benefit from an increased market share that could be difficult and costly to regain. Such a contamination event could have a material adverse effect on our business, results of operations and financial condition.

We may not have adequate insurance for potential liabilities, including liabilities arising from litigation.

In the ordinary course of business, we have and in the future may become the subject of various claims, lawsuits and governmental proceedings seeking damages or other remedies concerning our commercial operations, the products we distribute, our employees and other matters, including potential claims by individuals alleging injury or other harm caused by the products we distribute. Some of these claims may relate to the activities of businesses that we have acquired, even though these activities may have occurred prior to our acquisition of the businesses. The products we distribute may contain lithium ion or similar type batteries that can explode or release hazardous substances. In addition, defects in the products we distribute could result in death, personal injury, property damage, pollution, release of hazardous substances or damage to equipment and facilities. Actual or claimed defects in the products we distribute may give rise to claims against us for losses and expose us to claims for damages.

We maintain insurance to cover certain of our potential losses, and we are subject to various self-retentions, deductibles and caps under our insurance. We face the following risks with respect to our insurance coverage:

- we may not be able to continue to obtain insurance on commercially reasonable terms;
- we may incur losses from interruption of our business that exceed our insurance coverage;
- we may be faced with types of liabilities that will not be covered adequately or at all by our insurance;
- our insurance carriers may not be able to meet their obligations under the policies; or
- the dollar amount of any liabilities may exceed our policy limits.

Even a partially uninsured claim, if successful and of significant size, could have a material adverse effect on us. Finally, even in cases where we maintain insurance coverage, our insurers may raise various objections and exceptions to coverage that could make uncertain the timing and amount of any possible insurance recovery.

Due to our position in the supply chain of vaporization products and consumption accessories, we are subject to personal injury, product liability and environmental claims involving allegedly defective products.

Our customers use certain products we distribute in potentially hazardous applications that can result in personal injury, product liability and environmental claims. A catastrophic occurrence at a location at which consumers use the products we distribute may result in our company being named as a defendant in lawsuits asserting potentially large claims, even though we did not manufacture such products or even if such products were not used in the manner recommended by the manufacturer. Applicable law may render us liable for damages without regard to negligence or fault. Certain of these risks are reduced by the fact that we are, in many instances, a distributor of products that third-party manufacturers produce, and, thus, in certain circumstances, we may have third-party warranty or other claims against the manufacturer of products alleged to have been defective. However, there is no assurance that these claims could fully protect us or that the manufacturer would be financially able to provide protection. There is no assurance that our insurance coverage will be adequate to cover the underlying claims. Our insurance does not provide coverage for all liabilities (including liability for certain events involving pollution or other environmental claims).

We may become subject to significant product liability litigation.

The tobacco and e-cigarette industries have experienced and continue to experience significant product liability litigation and other claims, such as those related to marketing of tobacco and e-cigarettes to minors. As a result of their relative novelty, electronic cigarette, vaporizer product and other consumption product manufacturers, suppliers, distributors and sellers have only recently become subject to litigation. While we have not been a party to any product liability litigation, several lawsuits have been brought against other manufacturers and sellers of smokeless products for injuries to health allegedly caused by use of smokeless products. We may be subject to similar claims in the future relating to our vaporizer products. We may also be named as a defendant in product liability litigation against one of our suppliers by association, including in class action lawsuits. In addition, we may see increasing litigation over our vaporizer products or the regulation of our products as the regulatory regimes surrounding these products develop. For example, California's Proposition 65 ("Prop 65") requires the State of California to identify chemicals that could cause cancer, birth defects, or reproductive harm, and businesses selling products in California are then required to warn consumers of any possible exposure to the chemicals on the list. The State of California and private plaintiffs have been active in enforcing Prop 65 against companies in the tobacco, nicotine, cannabis, and vaporization industries. We may face substantial costs due to increased product liability litigation relating to new regulations or other potential defects associated with our vaporizer and other consumption products, including litigation arising out of faulty devices or improper usage, which could have a material adverse effect on our business, results of operations and financial condition.

There can be no assurances that we will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products.

The scientific community has not yet extensively studied the long-term health effects of the use of vaporizers, electronic cigarettes or e-liquids products.

Vaporizers, electronic cigarettes and related products were recently developed and therefore the scientific community has not had a sufficient period of time to study the long-term health effects of their use. Currently, there is no way of knowing whether these products are safe for their intended use. If the scientific community were to determine conclusively that use of any or all of these products poses long-term health risks, market demand for these products and their use could materially decline. Such a determination could also lead to litigation and significant regulation. Loss of demand for our product, product liability claims and increased regulation stemming from unfavorable scientific studies on these products could have a material adverse effect on our business, results of operations and financial condition.

Reliance on information technology means a significant disruption could affect our communications and operations.

We increasingly rely on information technology systems for our internal communications, controls, reporting and relations with customers, vendors and suppliers, and information technology is becoming a significantly important tool for our sales staff. Our marketing and distribution strategy is dependent upon our ability to closely monitor consumer and market trends on a highly specified level, for which we are reliant on our sophisticated data tracking systems, which are susceptible to disruption or failure. In addition, our reliance on information technology exposes us to cyber-security risks, which could have a material adverse effect on our ability to compete. Security and privacy breaches may expose us to liability and cause us to lose customers, or may disrupt our relationships and ongoing transactions with other entities with whom we contract throughout our supply chain. The failure of our information systems to function as intended, or the penetration by outside parties intent on disrupting business processes, could result in significant costs, loss of revenue, assets or personal or other sensitive data and reputational harm.

Internet security poses a risk to our e-commerce sales.

At present, we generate a portion of our sales through e-commerce sales on our own websites. We manage our websites and e-commerce platform internally and, as a result, any compromise of our security or misappropriation of proprietary information could have a material adverse effect on our business, results of operations and financial condition. We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure Internet transmission of confidential information, such as credit and other proprietary information. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the technology used by us to protect client transaction data. Anyone who is able to circumvent our security measures could misappropriate proprietary information or cause material interruptions in our operations. We may be required to expend significant capital and other resources to protect against security breaches or to minimize problems caused by security breaches. To the extent that our activities or the activities of others involve the storage and transmission of proprietary information, security breaches could damage our reputation and expose us to a risk of loss and/or litigation. Our security measures may not prevent security breaches. Our failure to prevent these security breaches may result in consumer distrust and may adversely affect our business, results of operations and financial condition.

Security and privacy breaches may expose us to liability and cause us to lose customers.

Federal, provincial and state laws require us to safeguard our customers' financial information, including credit information, as well as our employees' information. Although we have established security procedures to protect against identity theft and the theft of information of our customers, distributors, consumers, and employees, our security and testing measures may not prevent security breaches and breaches of privacy may occur, which would harm our business. Typically, we rely on encryption and authentication technology licensed from third parties to enhance transmission security of confidential information in relation to financial and other sensitive information that we have on file. Advances in computer capabilities, new discoveries in the field of cryptography, inadequate facility security or other developments may result in a compromise or breach of the technology used by us to protect customer data. Any compromise of our security could harm our reputation or financial condition and therefore, our business. In addition, a party who is able to circumvent our security measures or exploit inadequacies in our security measures, could, among other effects, misappropriate proprietary information, cause interruptions in our operations or expose customers and other entities with which we interact to computer viruses or other disruptions. Actual or perceived vulnerabilities may lead to claims against us. To the extent the measures we have taken prove to be insufficient or inadequate, we may become subject to litigation or administrative sanctions, which could result in significant fines, penalties or damages and harm to our reputation.

If the methodologies of internet search engines are modified, traffic to our websites and corresponding consumer origination volumes could decline.

We depend in part on various internet search engines, including Google® and others to direct a significant amount of traffic to our websites. Our ability to maintain the number of visitors directed to our websites by search engines through which we distribute our content is not entirely within our control. Our competitors' search engine optimization ("SEO") efforts may result in their websites receiving a higher search result page ranking than ours, or Internet search engines could revise their methodologies, which could adversely affect the placement of our search result page ranking. If search engine companies modify their search algorithms in ways that are detrimental to our consumer growth or in ways that make it harder for our customers to access or use our websites, or if our competitors' SEO efforts are more successful than ours, our consumer engagement and number of consumers could decline. Any reduction in the number of consumers directed to our websites could negatively affect our ability to earn revenue. If traffic on our websites declines, we may need to employ more costly resources to replace lost traffic, and such increased expense could adversely affect our business, results of operations and financial condition.

We are a holding company and depend upon our subsidiaries for our cash flow.

We are a holding company. Our subsidiaries conduct all of our operations and own substantially all of our tangible assets. Consequently, our cash flow and our ability to meet our obligations or to make other distributions in the future will depend upon the cash flow of our subsidiaries and our subsidiaries' payment of funds to us in the form of distributions, dividends, tax sharing payments or otherwise.

The ability of our subsidiaries to make any payments to us will depend on their earnings and cash flow, the terms of their current and future indebtedness, tax considerations and legal and contractual restrictions on their ability to make distributions.

Our subsidiaries are separate and distinct legal entities. Any right that we have to receive any assets of or distributions from any of our subsidiaries upon the bankruptcy, dissolution, liquidation or reorganization, or to realize proceeds from the sale of their assets, will be junior to the claims of that subsidiary's creditors, including trade creditors and holders of debt that the subsidiary issued.

Our intellectual property may be infringed and we may be unable to secure or maintain all the intellectual property required to sell all of our offerings.

We currently rely on trademark and other intellectual property rights to establish and protect the brand names and logos we own or license on the products we distribute. Third parties have in the past infringed, and may in the future infringe, on these trademarks and our other intellectual property rights. Our ability to maintain and further build brand recognition is dependent on the continued use of these trademarks, service marks and other proprietary intellectual property, including the names and logos we own or license. Despite our attempts to ensure these intellectual property rights are protected, third parties may take actions that could materially and adversely affect our rights or the value of this intellectual property. Any litigation concerning our intellectual property rights or the intellectual property rights of our suppliers, whether successful or unsuccessful, could result in substantial costs to us and diversions of our resources. Expenses related to protecting our intellectual property rights or the intellectual property rights of our suppliers, the loss or compromise of any of these rights or the loss of revenues as a result of infringement could have a material adverse effect on our business, results of operations and financial condition, and may prevent the brands we own or license, or are owned or licensed by our suppliers, from growing or maintaining market share. There can be no assurance that any trademarks or common marks that we own or license, or are owned or licensed by our suppliers, will not be challenged in the future, invalidated or circumvented or that the rights granted thereunder or under licensing agreements will provide us or our suppliers competitive advantages. We are dependent on the validity, integrity and intellectual property of our suppliers and their efforts to appropriately register, maintain and enforce intellectual property in all jurisdictions in which their products are sold.

We devote significant resources to the registration and protection of our trademarks and to anti-counterfeiting efforts. Despite these efforts, we regularly discover products that infringe on our proprietary rights or that otherwise seek to mimic or leverage our intellectual property or the intellectual property of our suppliers. Counterfeiting and other infringing activities typically increase as brand recognition increases, especially in markets outside the United States and Canada. Counterfeiting and other infringement of our intellectual property could divert away sales, and association of our brands with inferior counterfeit reproductions or third party labels could adversely affect the integrity and reputation of our brands.

Although we currently hold a number of patents on our products, we generally rely on patents on the products of our suppliers as well as their efforts in successfully defending third-party challenges to such products. Third parties have in the past infringed, and may in the future infringe, on our patents and our suppliers' patents. Our ability to maintain and enforce our patent rights, and the ability of our suppliers, licensors, collaborators and manufacturers to maintain and enforce their patent rights, against third-party challenges to their validity, scope or enforceability plays an important role in determining our future. There can be no assurances that we will ever successfully file or receive any patents in the future, and changes in either the patent laws or in interpretations of patent laws in the United States or other countries may diminish the value of the intellectual property rights of the products we distribute, license or own. Accordingly, we cannot predict with any certainty the range of claims that may be allowed or enforced concerning the products that we sell.

In addition, there can be no assurance that standard intellectual property confidentiality and assignment agreements with employees, consultants and other advisors will not be breached, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known to or independently developed by competitors. Furthermore, there can be no assurance that our efforts to protect our intellectual property will prevent others from unlawfully using our trademarks, trade secrets, copyrights and other intellectual property. Our success depends in part, on our continued ability to maintain our intellectual property and those of our suppliers, and to protect our trade secrets. An inability to continue to preserve and protect our intellectual property would likely have a material adverse effect on our business, results of operations and financial condition.

We are subject to the risks of exchange rate fluctuations.

Currency movements and suppliers' price increases relating to currency exchange rates are significant factors affecting our cost of sales. Many of our products are purchased from suppliers located in foreign countries and we make payments for our products in numerous currencies. Thus, we bear certain foreign exchange rate risk for certain of our inventory purchases. In addition, and as part of our strategy, we may undertake further international expansion. As a result, in the future, we may be more sensitive to the risks of exchange rate fluctuations, which may have a material adverse effect on our business, results of operations and financial condition.

There are conflicts of interest among certain of our executive officers and our stockholders.

Certain of our executive officers are engaged in other activities and have interests in other entities on their own behalf or on behalf of other persons. Neither we, nor our stockholders will have any rights in these ventures or their income or profits.

On October 24, 2025, the Company appointed its Chief Investment Officer to manage digital-asset treasury activities. The Chief Investment Officer has relationships within the Berachain ecosystem. As of December 31, 2025, there were no related-party transactions to disclose.

We do not allow a conflicted shareholder, director or executive officer to vote on matters wherein a conflict may be perceived. The conflicted person or entity is not allowed to nominate an alternate person to vote for them either. Other than this safeguard, we do not current have any policy in place, should such a conflict arise.

In particular:

- our executive officers or directors or their affiliates may have an economic interest in, or other business relationship with, entities that compete in the same businesses as us; and
- our executive officers or directors or their affiliates have interests in entities that we sell products or services to.

In any of these cases:

- our executive officers or directors may have a conflict between our current interests and their personal financial and other interests in another business venture;
- our executive officers or directors may have conflicting fiduciary duties to us and the other entity; and
- the terms of transactions with the other entity may not be subject to arm's length negotiations and therefore may be on terms less favorable to us than those that could be procured through arm's length negotiations.

We are required to comply with laws and regulations in other countries and are exposed to business risks associated with our international operations.

For the year ended December 31, 2025, we derived 0.11% of our net sales from outside the United States, primarily in Canada. For the year ended December 31, 2024, we derived 17.9% of our net sales from outside the United States, primarily in Canada and certain European countries. As a result, we are subject to numerous evolving and complex laws and regulations which apply, among other things, to financial reporting standards, corporate governance, data privacy, tax, trade regulations, export controls, competitive practices, labor, health and safety laws, laws regarding controlled substances, laws regarding drug paraphernalia, and regulations in each jurisdiction in which we operate. We are also required to obtain permits and other authorizations or licenses from governmental authorities for certain of our operations and we or our suppliers must protect our intellectual property worldwide. In the jurisdictions in which we operate, we need to comply with various standards and practices of different regulatory, tax, judicial and administrative bodies.

There are a number of risks associated with international business operations, including political instability (e.g., the threat of war, terrorist attacks or civil unrest), inconsistent regulations across jurisdictions, unanticipated changes in the regulatory environment, and import and export restrictions. Any of these events may affect our employees, reputation, business or financial results as well as our ability to meet our objectives, including the following international business risks:

- negative economic developments in economies around the world and the instability of governments, or the downgrades in the debt ratings of certain major economies;
- social and political instability;
- complex regulations governing certain of our products;
- potential terrorist attacks;
- adverse changes in governmental policies, especially those affecting trade, tariffs and investment;
- foreign currency exchange, particularly with respect to the Canadian Dollar, Euro, British Pound Sterling and Australian Dollar; and
- threats that our operations or property could be subject to nationalization and expropriation.

We may not be in full compliance at all times with the laws and regulations to which we are subject. Likewise, we may not have obtained or may not be able to obtain the permits and other authorizations or licenses that we need. If we violate or fail to comply with laws, regulations, permits, labor, health and safety regulations or other authorizations or licenses, we could be fined or otherwise sanctioned by regulators. In such a case, or if any of these international business risks were to materialize, our business, results of operations and financial condition could be adversely affected.

New tariffs and the evolving trade policy dispute between the United States, China and other nations may adversely affect our business.

In 2018, the United States imposed significant tariffs on steel and aluminum imports from a number of countries, including China. These tariffs and the evolving trade policy dispute between the United States and China may have a significant impact on the industries in which we participate. Many of the products we sell, including without limitation, certain vaporizer products, aluminum grinders, paper products and plastic products, are subject to tariffs and such tariffs, along with resultant price increases, may negatively impact our pricing and customer demand for these products. In March and April 2025, the US announced a series of additional special tariffs. The additional special tariffs coupled with tariffs already in effect as of the date of this filing include at least a 145% tariff on substantially all products of Chinese origin. Some of these special tariffs on products of Chinese origin have been temporarily paused at 30%. A "trade war" between the United States and China or other governmental action related to tariffs or international trade agreements or policies has the potential to adversely impact demand for our products, our costs, customers, suppliers and/or the United States economy or certain sectors thereof and, thus, to adversely impact our businesses and results of operations.

Our failure to comply with certain environmental, health and safety regulations could materially and adversely affect our business.

The storage, distribution and transportation of some of the products that we sell are subject to a variety of federal, state, provincial and local environmental regulations. We are also subject to operational, health and safety laws and regulations. Our failure to comply with these laws and regulations could cause a disruption in our business, an inability to maintain our warehousing resources, additional and potentially significant remedial costs and damages, fines, sanctions or other legal consequences that could have a material adverse effect on our business, results of operations and financial condition. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations or give rise to material liabilities, which could have a material adverse effect on our business, financial condition and results of operations.

We are transitioning our business and have engaged, and may continue in engage in, dispositions via sales of our assets or other exit activities and other strategic initiatives and we may face risks related to such transactions.

We have engaged in, and expect to continue to pursue, strategic dispositions and initiatives, as we transition our business. Dispositions present significant challenges and risks relating the separation of disposed businesses. Such risks include: (i) we may incur unanticipated costs or expenses, (ii) we may not be able to successfully separate divested businesses and related obligations from our operations as planned, and (iii) we may not be able to realize anticipated reductions in costs attributable to divested businesses or assets. Divestitures may also involve continued financial involvement in, or liability with respect to, the divested businesses. As a result of divestiture transactions, we could incur severance charges for personnel and payments for lease and other commitments, charges from the impairment or write-off of assets, and other financial loss due to the transaction. Furthermore, there is the risk that we might lose customers. In addition, we may not realize the degree or timing of benefits we anticipate when we first enter into a transaction. There can be no assurances that we will manage dispositions or other strategic initiatives successfully, that strategic opportunities will be available to us on acceptable terms or at all, or that we will be able to consummate desired transactions. Any of the foregoing could materially adversely affect our competitive position, financial condition, results of operations or cash flows. For more information on the disposition activities we have undertaken to date, please see "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations".

Our operations are subject to natural disasters, adverse weather conditions, operating hazards, environmental incidents and labor disputes.

We may experience earthquakes, floods, typhoons, power outages, labor and trade disputes or similar events beyond our control that would affect our warehousing and distribution operations. The occurrences of such events could result in shutdowns or periods of reduced operations, which could significantly disrupt our business operations, cause us to incur additional costs and affect our ability to deliver our products to our customers as scheduled, which may adversely affect our business, results of operations and financial condition. Moreover, such events could result in severe damage to property, personal injuries, fatalities, regulatory enforcement proceedings or in us being named as a defendant in lawsuits asserting claims for large amounts of damages, which in turn could lead to significant liabilities.

We are subject to risks associated with public health crises, such as pandemics and epidemics, which may have a material adverse effect on our business. The nature and extent of future impacts are highly uncertain and unpredictable.

We are subject to risks associated with public health crises, such as pandemics and epidemics and the emergence of new viruses may result in new governmental lockdowns, quarantine requirements or other restrictions to slow the spread of the virus. In addition, any such measures could also impact the global economy more broadly, for example by leading to further economic slowdowns. If we or any of the third parties with whom we engage, including the suppliers, manufacturers and other third parties in our global supply chain, were to experience shutdowns or other significant business disruptions, our ability to conduct our business in the manner presently planned could be materially and negatively impacted.

The scope and duration of any future public health crisis, the pace at which government restrictions are imposed and lifted, the scope of additional actions taken to mitigate the spread of disease, global vaccination and booster rates, the speed and extent to which global markets and utilization rates for our products fully recover from the disruptions caused by such a public health crisis, and the impact of these factors on our business, financial condition and results of operations, will depend on future developments that are highly uncertain and cannot be predicted with confidence.

To the extent a new pandemic or other public health crises adversely affect our operations and global economic conditions more generally, it may also have the effect of heightening many of the other risks described herein.

Risks Related to Our Organizational Structure

Our principal asset is our interest in the Operating Company, and, accordingly, we depend on distributions from the Operating Company to pay our taxes and expenses. The Operating Company's ability to make such distributions may be subject to various limitations and restrictions.

We are a holding company and have no material assets other than our ownership of all of the Common Units of the Operating Company. As such, we have no independent means of generating revenue or cash flow. Our ability to pay our operating expenses or declare and pay dividends in the future, if any, will be dependent upon the financial results and cash flows of the Operating Company and its subsidiaries and distributions we receive from the Operating Company. There can be no assurance that the Operating Company and its subsidiaries will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions, including negative covenants, in any future debt instruments, will permit such distributions. In addition, because we are a holding company, our stockholders' claims as a stockholder will be structurally subordinated to all existing and future liabilities and obligations of the Operating Company. Therefore, in the event of a bankruptcy, liquidation or reorganization, our assets and those of the Operating Company and its subsidiaries will be available to satisfy the claims of our stockholders only after all of our and Greenlane Holdings, LLC's and its subsidiaries' liabilities and obligations have been paid in full.

The Operating Company is treated as a partnership for U.S. federal income tax purposes and, as such, is not subject to any entity-level U.S. federal income tax. Instead, taxable income is allocated to holders of Common Units. As of December 31, 2025 and 2024, we hold all of the outstanding Common Units. Accordingly, we will incur income taxes on any net taxable income of the Operating Company. Under the terms of the Fourth Amended and Restated Agreement of the Operating Company (the "Operating Agreement"), the Operating Company is obligated to make tax distributions to holders of Common Units. In addition to tax expenses, we will also incur expenses related to our operations which we expect could be significant. We intend, as its manager and sole member, to cause the Operating Company to make cash distributions to us in an amount sufficient to (i) fund our tax obligations in respect of taxable income allocated to us and (ii) cover our operating expenses. However, the Operating Company's ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which the Operating Company is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering the Operating Company insolvent. If we do not have sufficient funds to pay tax or other liabilities or to fund our operations, we may have to borrow funds, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders.

The Tax Receivable Agreement (the "TRA") may require us to make cash payments to the members of the Operating Company in respect of certain tax benefits to which we may become entitled.

Under the TRA we entered into with the Operating Company and its members, we are required to make cash payments to the members of the Operating Partnership equal to 85% of the tax benefits, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (i) the increases in the tax basis of assets of the Operating Company resulting from any redemptions or exchanges of Common Units from the members and (ii) certain other tax benefits related to our making payments under the TRA. Although we held all of the outstanding Common Units as of December 31, 2025 and 2024, payments under the TRA are not conditioned on any member's continued ownership of Common Units or our Class A common stock.

The actual amount and timing of any payments under the TRA will vary depending upon a number of factors, including the amount of gain recognized by prior holders of Common Units, the amount and timing of the taxable income we generate in the future, and the federal tax rates then applicable.

Fluctuations in our tax obligations and effective tax rate and realization of our deferred tax assets may result in volatility of our operating results.

We are subject to taxes by the U.S. federal, state, local and foreign tax authorities, and our tax liabilities will be affected by the allocation of expenses to differing jurisdictions. We record tax expense based on our estimates of future earnings, which may include reserves for uncertain tax positions in multiple tax jurisdictions, and valuation allowances related to certain net deferred tax assets. At any one time, many tax years may be subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these matters. We expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- changes in tax laws, regulations or interpretations thereof; or
- future earnings being lower than anticipated in countries where we have lower statutory tax rates and higher than anticipated earnings in countries where we have higher statutory tax rates.

In addition, our effective tax rate in a given financial statement period may be materially impacted by a variety of factors including but not limited to changes in the mix and level of earnings, varying tax rates in the different jurisdictions in which we operate, fluctuations in valuation allowances, deductibility of certain items, or by changes to existing accounting rules or regulations. Further, tax legislation may be enacted in the future which could negatively impact our current or future tax structure and effective tax rates. We may be subject to audits of our income, sales, and other transaction taxes by U.S. federal, state, local, and foreign taxing authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition.

Risks Related to Ownership of Our Class A Common Stock

Our failure to meet the continued listing requirements of the Nasdaq Capital Market could result in a delisting of our Class A common stock.

If we fail to satisfy the continued listing requirements of Nasdaq, such as the corporate governance or public float requirements, or the minimum closing bid price requirement, Nasdaq will take steps to de-list our Class A common stock. As a result of several factors, including but not limited to our financial performance, volatility in cryptocurrency, volatility in the financial markets generally due to the tightening of monetary policy by the Board of Governors of the United States Federal Reserve Bank (the "Federal Reserve") and other geopolitical events, events such as the ongoing wars around the world, the per share price of our Class A common stock has declined below the minimum bid price threshold required for continued listing. Such a de-listing would likely have a negative effect on the price of our Class A common stock and would impair your ability to sell or purchase our Class A common stock when you wish to do so, as well as adversely affect our ability to issue additional securities and obtain additional financing in the future.

On March 25, 2026, we received a notification letter from the Listing Qualifications Department of Nasdaq (the "Delisting Notice"), stating that based on its review of the Company's public filings with the SEC, its staff has determined to delist our securities pursuant to its discretionary authority under Listing Rule 5550(a)(2). Nasdaq Listing Rule 5810(c)(3)(A)(iv) states that any listed company that fails to meet the Minimum Bid Price Requirement and has effected a reverse stock split over the prior one-year period, or has effected one or more reverse stock splits over the prior two-year period with a cumulative ratio of 250 shares or more to one, will not be eligible for an automatic 180-day grace compliance period and the Nasdaq Listing Qualifications Department is obligated to immediately issue a delisting determination. Due to having effected a 1-for-11 reverse stock split on August 5, 2024, and a 1-for-750 reverse stock split on June 27, 2025, resulting in a cumulative 1-for-8,250 reverse stock split ratio over the last two years, we are not eligible for the 180-day period to regain compliance under Rule 4810(c)(3)(A). Pursuant to the Delisting Notice, we plan to appeal this determination before a Nasdaq Hearings Panel, staying the suspension of our common stock. Such a delisting would likely have a negative effect on the price of our Class A common stock and would impair your ability to sell or purchase our Class A common stock when you wish to do so, as well as adversely affect our ability to issue additional securities and obtain additional financing in the future.

There can be no assurances that the Nasdaq Hearings Panel will grant our request for reconsideration, that any appeal will be successful with the Panel, or that we will be able meet the continued listing requirements if we are permitted to continue trading on Nasdaq. In connection with the Delisting Notice, Nasdaq will complete the delisting by filing a Notification of Removal from Listing and/or Registration on Form 25 with the SEC after applicable appeal periods have lapsed. Even if the Panel approves our appeal and we meet all parameters of any compliance plan afforded by the Panel, there can be no assurance that we will meet continued listing requirements in the future. In determining whether to afford a company a cure period prior to commencing suspension or delisting procedures, Nasdaq analyzes all relevant facts including any past history of bid price compliance issues, and our repeated bid price compliance issues in 2025 and 2026 could be used as a factor by Nasdaq in any future decision to delist our securities from trading on its exchange.

If Nasdaq delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A common stock is a "penny stock" which will require brokers trading in our Class A common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

There are risks related to Nasdaq's proposed rule regarding minimum market value of listed securities.

In January 2026, Nasdaq proposed to strengthen its continued listing standards by requiring all companies listed on the Nasdaq Global or Capital Markets to maintain a minimum Market Value of Listed Securities ("MVLS") of at least $5 million. If a company's MVLS falls below this threshold for 30 consecutive business days, Nasdaq will immediately suspend trading and delist the company's securities, with no compliance or cure period. While companies may request a hearing to challenge a delisting determination, trading will remain suspended throughout the appeals process, and the hearing panel can only reverse the decision if Nasdaq staff made a factual error. If this proposed rule is approved and adopted, any sustained decline in our MVLS below $5 million could result in the immediate suspension and delisting of our securities from Nasdaq, which would materially and adversely affect the liquidity and market price of our shares and could negatively impact our ability to raise capital or attract investors. Our MVLS over the 30 consecutive business days as of March 31, 2026 has been under $5 million.

The market price of our Class A common stock has been volatile and has declined significantly since our initial public offering and may face more volatility and price declines in the future. As a result, you may not be able to resell your shares at or above the price at which you have acquired or will acquire shares of our Class A common stock.

The market price of our Class A common stock has been volatile and has declined significantly since our initial public offering and could face more volatility and price declines in the future as a result of a number of factors, many of which are beyond our control. Furthermore, volatility in our stock price may occur regardless of our operating performance. As a result, you may not be able to sell your shares at or above the price you paid and you could lose a substantial part or all of your investment in our Class A common stock. The following factors could affect our stock price:

- general market conditions, including conditions that are outside of our control, such as actions or proposed actions of the current U.S. Presidential administration and the Federal Reserve to curb inflation or the impact of future public health crises; novel and unforeseen market volatility and trading strategies, such as the short squeeze rallies caused by retail investors on retail trading platforms;
- our financing activities, including the issuance of additional securities;
- our operating and financial performance and the performance of other similar companies;
- the market perception of our industry;
- management turnover;
- the impact, or perceived impact, of new regulations applicable to us, our suppliers or our customers;
- quarterly variations in the rate of growth of our financial indicators, such as net income, net income per share, net sales and adjusted EBITDA;
- our ability to successfully execute our merger and acquisition strategy;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- strategic actions by our competitors or our suppliers;
- product recalls or product liability claims;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- liquidity and activity in the market for our Class A common stock;
- speculation in the press or investment community;
- sales of our Class A common stock by us or other stockholders, or the perception that such sales may occur;
- the future incurrence of debt;
- changes in accounting principles;
- additions or departures of key management personnel;
- the de-listing of our Class A common stock from the Nasdaq Capital Market;
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in our industry or target markets;
- investors' general perception of us and the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- actions by our stockholders; and
- domestic and international economic, legal and regulatory factors.

The stock markets in general have experienced extreme volatility, particularly recently, that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A common stock.

Your percentage ownership will be diluted in the future.

Your percentage ownership will be diluted in the future as a result of equity awards that we expect will be granted to our directors, officers and employees, as well as any shares of our Class A common stock, or securities convertible into shares of our Class A common stock, we issue in connection with future capital raising or strategic transactions at prices that are dilutive to shareholders. Our Second Amended and Restated 2019 Equity Incentive Plan provides for the grant of equity-based awards to our directors, officers and employees. The issuance of any shares of Class A common stock will dilute the proportionate ownership and voting power of existing security holders.

Future securities issuances could result in significant dilution to our stockholders and impair the market price of our common stock.

Future issuances of shares of our common stock could depress the market price of our common stock and result in dilution to existing holders of our common stock. Also, to the extent outstanding options and warrants to purchase our shares of our common stock are exercised or options or other equity-based awards are issued or become vested, there will be further dilution. The amount of dilution could be substantial depending upon the size of the issuances or exercises. Furthermore, we may issue additional equity securities that could have rights senior to those of our common stock.

We have a significant number of pre-funded and advisory warrants that are or will be exercisable into shares of our Class A common stock. As of March 27, 2026, there were Cryptocurrency Pre-Funded Warrants exercisable for 25,084,068 shares of Class A common stock, with certain Cryptocurrency Pre-Funded Warrants becoming exercisable on April 18, 2026, and Advisory Warrants exercisable for 5,264,752 shares of Class A common stock, which become exercisable on April 23, 2026. As of March 27, 2026, we had 5,039,563 shares of Class A common stock issued and outstanding. Accordingly, upon the exercise of some or all of the pre-funded warrants or advisory warrants, as well as the exercise of stock options and other equity-based awards that have been or will be issued and/or granted by us, the percentage ownership and voting power held by our existing stockholders will be significantly reduced and our stockholders could experience significant dilution.

Substantial sales and issuances of our Class A common stock have and may continue to occur, or may be anticipated, which have and could continue to cause our stock price to decline.

The market price of shares of our Class A common stock could decline further as a result of substantial sales of our Class A common stock, issuances of Class A common stock at prices that are dilutive to stockholders, a large number of shares of our Class A common stock becoming available for sale or the perception in the market that holders of a large number of shares intend to sell their shares. Additionally, we expect that we will seek to raise additional capital from time to time in the future, which may involve the issuance of additional shares of our Class A common stock, or securities convertible into shares of our Class A common stock in subsequent public or private offerings at dilutive prices if debt is not available to us to fund our working capital needs.

We cannot predict the effect, if any, that these sales, or anticipation of such sales, will have on the market price of our common stock or the timing of any redemption of Common Units. Sales or issuances of substantial amounts of our Class A common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market price of our Class A common stock.

The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly now that we are no longer an "emerging growth company."

As a public company, we are required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and other regulatory requirements is time-consuming and expensive and could have a negative effect on our business, results of operations and financial condition. As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the requirements of the Sarbanes-Oxley Act of 2002 ("SOX"). The cost of complying with these requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. SOX requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we must commit significant resources, may be required to hire additional staff and need to continue to provide effective management oversight. Sustaining our growth also will require us to commit additional management, operational and financial resources to identify new professionals to join our company and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In connection with becoming a public company, we obtained Side A directors' and officers' insurance coverage, which increased our annual insurance costs. In the future, it may be more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members to our Board in the future, particularly to serve on our audit committee, and qualified executive officers.

As we are no longer an "emerging growth company" as defined in the JOBS Act, we must now comply with various reporting requirements. With these new requirements, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

As a public reporting company, we are subject to rules and regulations established from time to time by the SEC regarding our internal control over financial reporting. In connection with our assessment of the effectiveness of our disclosure controls and procedures, we identified material weaknesses in our internal control over financial reporting as of December 31, 2025, which caused our Chief Executive Officer and Chief Financial Officer to determine that our internal control over financial reporting, as well as our disclosure controls and procedures, were not effective as of December 31, 2025.

As a public reporting company, we are subject to the rules and regulations established from time to time by the SEC. These rules and regulations require that, among other things, we establish and periodically evaluate procedures with respect to our internal control over financial reporting. Reporting obligations as a public company are likely to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel.

Our management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2025, the Company had not maintained effective internal control over financial reporting as a result of the existence of material weaknesses. Consequently, management, with the participation of our Chief Executive Officer and Chief Financial Officer, also concluded that our disclosure controls and procedures were not effective as of December 31, 2025 to provide reasonable assurance that information required to be disclosed by the Company in the reports filed or submitted by it under the Exchange Act were recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that information required to be disclosed by the Company in such reports was accumulated and communicated to the Company's management, including, our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. Although we are implementing measures to remediate the material weaknesses, we cannot give any assurances that the identified material weaknesses will be remediated on a timely basis or at all or that additional material weaknesses will not be identified in the future in connection with our compliance with the provisions of Section 404 of SOX. Our management has devoted and expects to continue to devote significant time and expense to remediate these material weaknesses and any other material weaknesses that may be discovered in the future and may not be able to remediate such material weaknesses in a timely manner. The existence of any future material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations, and cause investors to lose confidence in our reported financial information, any of which could lead to a decline in the per share trading price of our common stock.

As described in Item 9A of Part II of this Annual Report on Form 10-K, we are continuing to implement our remediation plan to address the identified material weaknesses, and our management continues to be actively engaged in the remediation efforts. The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

The identified material weaknesses primarily relate to deficiencies in the Company's control environment, including limitations in personnel and segregation of duties, ineffective information technology general controls, including user access controls, insufficient review and approval controls over financial reporting processes, and controls over digital asset transactions, valuation, and reconciliation. These material weaknesses were not yet remediated as of December 31, 2025.

We have not paid dividends in the past and have no current plans to pay dividends in the future, and any return on investment may be limited to the value of our common stock.

We do not anticipate paying cash dividends in the foreseeable future. The payment of dividends will depend on our earnings, capital requirements, financial condition, prospects and other factors our Board may deem relevant. If we do not pay dividends, our stock may be less valuable because a return on your investment will only occur if you sell our Class A common stock after our stock price appreciates above the price at which you acquired such shares.

If securities analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our stock depends in part on the research and reports that securities or industry analysts publish about us or our industry. While there are currently securities analysts covering us, we can provide no assurances that the analysts will continue to publish report or that other securities analysts will initiate coverage. If no securities analysts cover our company, the trading price for our stock could be negatively impacted. In addition, if one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price could decline as a result. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our Class A stock could decrease, which might cause the market price and trading volume of our Class A common stock to decline.

We have a large number of authorized but unissued shares of stock, which could negatively impact a potential investor if they purchase our Class A common stock.

On August 5, 2024 and June 26, 2025, we effected reverse stock splits. The reverse stock splits did not change the par value of our Class A common stock or the number of shares of Class A common stock or preferred shares authorized by our amended and restated certificate of incorporation. Because the number of authorized shares of our Class A common stock was not reduced proportionally, the reverse stock splits increased our Board's ability to issue authorized and unissued shares without further stockholder action. As of December 31, 2025, our amended and restated certificate of incorporation provides for 1,800,000,000 shares of authorized Class A common stock, 30,000,000 shares of authorized Class B common stock and 10,000,000 shares of authorized preferred stock and we have approximately 5,039,563 shares of Class A common stock outstanding, 30,380,354 shares reserved for exercise or vesting of outstanding warrants and options to purchase shares of Class A common stock and 3,000,000 shares of Class A common stock reserved for future grant under the Company's equity incentive plan. No shares of Class B common stock or preferred stock are outstanding.

With respect to authorized but unissued and unreserved shares, we could also use such shares to oppose a hostile takeover attempt or delay or prevent changes in control or changes in or removal of management. The issuance of additional shares of Class A common stock or securities convertible into Class A common stock may have a dilutive effect on earnings per share and relative voting power and may cause a decline in the trading price of our Class A common stock. We could use the shares that are available for future issuance in dilutive equity financing transactions, or to oppose a hostile takeover attempt or delay or prevent changes in control or changes in or removal of management, including transactions that are favored by a majority of the stockholders or in which the stockholders might otherwise receive a premium for their shares over then-current market prices or benefit in some other manner.

Anti-takeover provisions in our certificate of incorporation and amended and restated bylaws and Delaware law could discourage a takeover.

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that might enable our management to resist a takeover. These provisions include:

- authorizing the issuance of "blank check" preferred stock that could be issued by our Board to increase the number of outstanding shares and thwart a takeover attempt;
- advance notice requirements applicable to stockholders for matters to be brought before a meeting of stockholders and requirements as to the form and content of a stockholder's notice;
- restrictions on the transfer of our outstanding shares of Class B common stock;
- a supermajority stockholder vote requirement for amending certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws;
- the inability of our stockholders to act by written consent;
- a requirement that the authorized number of directors may be changed only by resolution of the Board;
- allowing all vacancies, including newly created directorships, to be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum, except as otherwise required by law;
- limiting the forum for certain litigation against us to Delaware; and
- limiting the persons that can call special meetings of our stockholders to our Board or the chairperson of our Board.

These provisions might discourage, delay or prevent a change in control of our company or a change in our Board. The existence of these provisions could adversely affect the voting power of holders of Class A common stock and limit the price that investors might be willing to pay in the future for shares of our Class A common stock. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder.

We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Class A common stock, which could depress the market price of our Class A common stock.

Our amended and restated certificate of incorporation authorizes us to issue one or more series of preferred stock. Our Board has the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock can be issued with voting, liquidation, dividend and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discourage bids for our Class A common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our Class A common stock.

Our amended and restated certificate of incorporation and bylaws provide that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, other than any action or proceeding that, under applicable law, may only be commenced or prosecuted in another forum, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to the Delaware General Corporation Law or our amended and restated certificate of incorporation or bylaws (iv) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation.

We are a "smaller reporting company" under federal securities laws and we cannot be certain whether the reduced reporting requirements applicable to such companies will make our Class A common stock less attractive to investors.

We are a "smaller reporting company" under federal securities laws. For as long as we continue to be a smaller reporting company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. Generally, we will remain a smaller reporting company so long as our public float remains less than $250 million as of the last business day of our most recently completed second fiscal quarter. We cannot predict if investors will find our Class A common stock less attractive because we may rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may decline or be more volatile.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

The Company maintains processes designed to assess, identify, and manage material risks from cybersecurity threats to its systems, networks, and data. These processes include ongoing monitoring of information systems, periodic risk assessments, and implementation of security controls aligned with the Company's operational scale and risk profile.

The Company's cybersecurity program includes access controls, network monitoring, and incident response procedures intended to detect, mitigate, and respond to potential cybersecurity threats. The Company may engage third-party service providers from time to time to assist in evaluating and enhancing its cybersecurity posture, including through risk assessments and testing of controls.

The Company's digital asset treasury introduces additional cybersecurity considerations, including custody, access control, and transaction authorization risks. The Company maintains its digital assets, including BERA and U.S. dollar-denominated stablecoins, with third-party custodians and through Company-controlled wallets subject to defined access controls. Access to private keys and transaction authorization processes is restricted through multi-party approval mechanisms and segregation of duties. The Company employs layered security measures, including authentication controls and monitoring of wallet activity, to reduce the risk of unauthorized access, loss, or transfer of digital assets.

Governance

Cybersecurity risk management is overseen by the Company's information technology function, which is responsible for monitoring and managing cybersecurity risks and incidents. The Vice President of Information Technology reports to senior management on cybersecurity matters, including any significant risks or incidents.

The Company has established a Digital Assets Committee responsible for oversight of the Company's digital asset treasury activities, including custody arrangements, access controls, and related risk management practices. The Digital Assets Committee receives updates from management regarding digital asset security, custody, and operational controls.

The Audit Committee of the Board of Directors maintains oversight of cybersecurity risk management and is informed of material cybersecurity risks and incidents, including those related to digital asset activities, as appropriate.

The Company maintains an incident response framework designed to address cybersecurity incidents in a timely manner and to mitigate potential impacts on operations and financial condition.

During the year ended December 31, 2025, the Company did not identify any cybersecurity incidents that materially affected its business strategy, results of operations, or financial condition.

ITEM 2. PROPERTIES

We lease administrative office space in Boca Raton, Florida. In connection with the transition of the business and the streamlining of legacy operations, the Company exited its warehouse operations in Moreno Valley, California by February 28, 2026. The Company also no longer relies on a warehouse-based distribution model for its remaining legacy commerce activities.

We believe our current facilities are adequate for our ongoing operations and that we have the flexibility to obtain additional space if needed.

ITEM 3. LEGAL PROCEEDINGS

For information regarding legal proceedings as of December 31, 2025, see "Note 7—Commitments and Contingencies" of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Class A common stock is listed on the Nasdaq Capital Market under the symbol "GNLN".

Holders

As of March 30, 2026, there were approximately 221 stockholders of record of our Class A common stock. Since certain of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividends

We have never declared or paid any cash dividends on our Class A common stock. We intend to retain any future earnings and do not expect to pay cash dividends in the foreseeable future.

Unregistered Sales of Equity Securities

Except as previously reported by us on our Current Reports on Form 8-K, we did not sell any securities during the period covered by this Annual Report that were not registered under the Securities Act.

ITEM 6. [Reserved]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business Transformation Overview

Fiscal year 2025 represents a significant strategic transition for the Company, as it shifted its primary capital allocation focus from wholesale and distribution operations to a digital asset treasury strategy centered on BERA.

Historically, operating results were driven by warehouse-based wholesale and direct-to-consumer sales. During 2025, the Company materially reduced that legacy footprint, substantially exited warehouse inventory, and transitioned the remaining commerce business to an asset-light, drop-ship model. While the Company continues to operate a scaled-down wholesale / distribution business, its financial profile is increasingly influenced by digital asset activity.

During 2025, the Company completed a reverse stock split to maintain compliance with Nasdaq listing requirements. All share and per share amounts presented herein reflect the impact of the reverse stock split for all periods presented.

In the fourth quarter of 2025, the Company completed a private placement with digital asset-focused investors. Transaction consideration consisted of cash, U.S. dollar-denominated stablecoins, and BERA, and the transaction established the capital base for the Company's digital asset treasury strategy while also supporting residual legacy operations.

As a result, period-over-period comparability is impacted by both the decline in legacy operating activity and the introduction of fair value accounting for digital assets.

Overview

Greenlane Holdings, Inc. is a publicly traded digital asset treasury company with a digital asset treasury strategy focused on the acquisition, management, and strategic deployment of BERA, the native token of the Berachain blockchain network.

As of December 31, 2025, a substantial majority of the Company's balance sheet consisted of digital assets and U.S. dollar cash and dollar-pegged stablecoins, which are classified within cash and cash equivalents on the consolidate balance sheets. The Company's financial condition, liquidity profile, and results of operations are therefore significantly influenced by digital asset market conditions, including the fair value of its BERA holdings.

In addition to our digital asset treasury activities, the Company continues to operate a legacy lifestyle accessories commerce platform through vapor.com and related channels. Following the strategic transition in 2025, the legacy business was materially reduced in scale, warehouse operations were substantially exited, and the operating model shifted to an asset-light drop-ship structure.

Strategic Transformation

Greenlane historically operated as a distributor of lifestyle accessories and consumer products. Beginning in October 2025, management executed a strategic transformation following the closing of a $110.7 million private investment in public equity transaction led by crypto-native investors and supported by the Berachain Foundation (the "BERA Private Placement").

The BERA Private Placement provided the capital foundation for the BERA Strategy. In connection with the transaction:

- The Company received cash and stablecoin proceeds and BERA tokens.
- The Board was reconstituted to include digital asset and capital markets expertise.
- A Digital Assets Committee was formed to oversee treasury strategy and risk management.
- The Company adopted a capital allocation model centered on BERA accumulation and deployment.

This transformation shifted the Company's principal activity from a predominately operating distribution infrastructure to managing a digital asset treasury strategy. As of December 31, 2025, the Company no longer maintained warehouse inventory and had transitioned the remaining commerce business to a drop-ship operating model.

The BERA Strategy

The Company has implemented a Treasury Policy that sets guidelines for digital asset diversification, liquidity, and risk management, and is overseen by the Board's Digital Asset Committee. The Company's digital asset treasury strategy, subject to these guidelines, consists of five core components:

1. Capital Deployment

The Company seeks to deploy capital raised through equity offerings and other transactions to acquire BERA through open market purchases or negotiated transactions. Capital deployment is governed by a disciplined strategy aimed at increasing long-term BERA-per-share.

2. Network Participation

The Company participates in Berachain's Proof of Liquidity ("PoL") consensus mechanism through staking and validator infrastructure. These activities may generate staking rewards denominated in BERA, which are variable and not guaranteed.

3. Governance Participation

Through ongoing participation in the Berachain ecosystem, the Company may earn Berachain Governance Token ("BGT"), a non-transferable governance token. BGT may provide governance influence within the ecosystem, subject to protocol rules. The Company does not control protocol governance and cannot assure that BGT will confer any anticipated influence or economic benefit.

4. Risk-Adjusted Yield Participation

The Company may selectively deploy BERA or stablecoins into decentralized finance ("DeFi") protocols within the Berachain ecosystem, subject to internal risk controls. Such activities involve smart contract risk, liquidity risk, counterparty risk, and regulatory uncertainty.

5. Capital Allocation Discipline

The Company may pursue strategic initiatives aligned with its digital asset treasury model, including validator partnerships, infrastructure investments, and capital markets transactions intended to enhance net asset value per share. There can be no assurance that such initiatives will generate positive returns.

BERA and the Berachain Ecosystem

Berachain is a decentralized, open-source, EVM-compatible layer-1 blockchain engineered for high throughput, low latency, and full compatibility with Ethereum tooling, smart contracts, and infrastructure. Berachain utilizes a novel proof of liquidity consensus mechanism ("PoL") that integrates network security with active liquidity provisioning. BERA is the native digital asset of the Berachain network and is used for transaction fees, staking, validator participation, and ecosystem incentives.

BERA is not legal tender, is not backed by any government or central bank, and may be subject to significant price volatility, regulatory uncertainty, and technological risk.

The Berachain ecosystem includes decentralized exchanges, lending protocols, liquidity pools, validator infrastructure providers, and governance mechanisms. The Company does not control the Berachain protocol, validator selection outcomes, or governance decisions. Protocol parameters, incentive structures, and token mechanics may change over time.

The Company's strategy assumes continued ecosystem development and network adoption. There can be no assurance that the Berachain ecosystem will achieve sustained adoption or that the PoL mechanism will perform as intended.

Treasury Holdings and Liquidity

The Company's liquidity is primarily derived from cash and cash equivalents on hand and is supplemented by digital asset holdings, which are subject to market volatility and liquidity constraints.

As of December 31, 2025, the Company's treasury holdings consisted of BERA, cash, and U.S. dollar-denominated stablecoins.

Stablecoins that are readily convertible into U.S. dollars are classified as cash equivalents. Stablecoins deployed into DeFi protocols are not classified as cash equivalents.

In connection with the October 2025 PIPE transaction, the Company agreed to certain contractual transfer restrictions on a portion of its BERA holdings. As of December 31, 2025, while these contractual provisions were in place, no operational lockup mechanism had been implemented, and the Company retained the ability to utilize such BERA, including for staking activities. An operational lockup mechanism was implemented in mid-February 2026, with restrictions scheduled to expire on April 23, 2026. Management concluded that, as of December 31, 2025, these contractual provisions did not impact the fair value measurement or classification of the Company's BERA holdings.

Legacy Distribution Business

The Company's legacy business consists of lifestyle accessories and consumer products historically distributed through wholesale and direct-to-consumer channels.

Revenue from the legacy segment declined significantly during fiscal 2025 and is expected to represent a decreasing proportion of overall Company activity.

The legacy business is currently managed to preserve liquidity and fulfill contractual obligations. The Company does not currently prioritize expansion of this segment. As of December 31, 2025, the Company no longer maintained warehouse inventory and had transitioned the remaining business to a drop-ship operating model supported by its existing e-commerce platform, vapor.com.

Regulatory Considerations

The regulatory framework for digital assets remains evolving and uncertain. For a discussion of the risks related to digital assets and the Company's operations, see "Risk Factors" in Section 1.A of this Form 10-K. The Company's legacy business continues to be subject to federal, state, and local regulation governing consumer products, vaporization devices, and related accessories.

Reverse Stock Splits

On June 26, 2025, we filed a Certificate of Amendment to the A&R Charter with the Secretary of State for the State of Delaware ("SSSD"), which effected a one-for-seven hundred and fifty (1-for-750) reverse stock split (the "2025 Reverse Stock Split") of our issued and outstanding shares of Common Stock at 5:01 PM Eastern Time on June 26, 2025. As a result of the 2025 Reverse Stock Split, every seven hundred and fifty shares of common stock issued and outstanding were converted into one share of common stock. In lieu of fractional shares we rounded up to the next whole share, and accordingly, no fractional shares were issued in connection with the 2025 Reverse Stock Split.

The 2025 Reverse Stock Split did not change the par value of the Common Stock or the authorized number of shares of Common Stock. All outstanding options, restricted stock awards, warrants and other securities entitling their holders to purchase or otherwise receive shares of our Common Stock have been adjusted as a result of the 2025 Reverse Stock Split, as required by the terms of each security. The number of shares available to be awarded under our Amended and Restated 2019 Equity Incentive Plan have also been appropriately adjusted. See "Note 10 — Stockholders' Equity" for more information.

On March 25, 2026, the Company's stockholders approved an amendment to the Company's amended and restated certificate of incorporation to effect a reverse stock split of the Company's issued and outstanding common stock at a ratio within a range of 1-for-5 to 1-for-15, with the final ratio and timing to be determined at the discretion of the Company's Board of Directors (the "2026 Reverse Stock Split"). The Company expects to effect the reverse stock split shortly following this issuance of this Annual Report.

All share and per share amounts in the Company's consolidated financial statements, notes thereto and this Annual Report have been retroactively adjusted for all periods presented to give effect to the 2025 Reverse Stock Split, including reclassifying an amount equal to the reduction in par value of Common Stock to additional paid-in capital. As of the issuance date of these financial statements, the 2026 Reverse Stock Split has not been effected. Accordingly, the Company's financial statements, including share and per share amounts, and the figures appearing in this Annual Report have not been adjusted to reflect the 2026 Reverse Stock Split.

Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. We evaluate our estimates and assumptions on an ongoing basis. We base our estimates on historical experience, outside advice from parties believed to be experts in such matters, and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions. See "Note 2—Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for a description the significant accounting policies and methods used in the preparation of our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-08 (ASC 350-60) requiring in-scope crypto assets to be measured at fair value with changes in net income and presented separately, with enhanced disclosures under ASC 820. The standard is effective for fiscal years beginning after December 15, 2024, including interim periods. We adopted the standard effective January 1, 2025. Beginning in the fourth quarter of 2025, we provide ASC 820 hierarchy, valuation, and sensitivity disclosures, together with custody and pricing-control updates.

Fair value measurement of digital assets

Beginning in Q4 2025, crypto assets within the scope of ASU 2023-08 are measured at fair value with changes recognized in earnings. The Company primarily uses quoted prices in active markets for identical assets when available (Level 1 inputs). When such prices are not available, the Company utilizes observable market data from secondary sources, including pricing aggregators and broker quotes (Level 2 inputs). Management applies judgment in determining the principal market and evaluates the reliability of pricing sources, including volume, accessibility, and consistency across exchanges. In periods of market dislocation or limited liquidity, alternative valuation approaches may be applied. Differences in these assumptions could materially impact reported fair values and results of operations.

The Company also maintains supporting schedules of significant crypto assets and performs daily to monthly reconciliations between wallet activity and the general ledger. Stablecoins held in Company-controlled wallets that are readily convertible to U.S. dollars are classified as cash equivalents based on management's assessment of their high liquidity, short term nature, and minimal risk of changes in value. This classification reflects the Company's conclusion that such holdings are economically equivalent to cash and are used in treasury management activities. The Company evaluates counterparty risk, redemption mechanisms, and market liquidity in determining this classification. Stablecoins deployed into decentralized finance (DeFi) protocols are not classified as cash equivalents and are presented separately based on their use and risk profile.

As of December 31, 2025, the Company held approximately $22.6 million in U.S. dollar-denominated stablecoins, classified as cash equivalents, representing a significant component of the Company's near-term liquidity and treasury management framework.

Digital asset fair value adjustments are non-cash and may significantly impact reported net income independent of operating performance of the wholesale and distribution segment.

Inventories

Inventories, consisting of finished products, are primarily accounted for using the weighted-average method, and are valued at the lower of cost and net realizable value. This valuation requires us to make judgments, based on currently available information, about the likely method of disposition, such as through sales to customers or liquidations. Assumptions about the future disposition of inventory are inherently uncertain and changes in our estimates and assumptions may cause us to realize material write-downs in the future.

Management evaluated whether the reduction of the legacy commerce business and the exit of warehouse operations qualified for discontinued operations presentation under ASC 205-20 and concluded that discontinued operations treatment was not appropriate because the Company continues to operate vapor.com and related commerce activities. During 2025, the Company fully impaired its remaining inventory to reflect reduced demand and warehouse exit.

Stock-Based Compensation

The Company accounts for stock-based compensation under ASC 718. Expense is recognized over vesting periods and may fluctuate based on equity issuance timing and fair value assumptions.

Income Taxes and TRA Liability

We are a corporation subject to U.S. federal and state income taxes. Certain of our subsidiaries are subject to tax in their respective jurisdictions, and their results are included in our consolidated financial statements.

As of December 31, 2022, we held all outstanding Common Units of the Operating Company and became its sole member. Beginning in 2023, 100% of the Operating Company's U.S. taxable income and losses are included in our U.S. federal and state income tax returns.

Deferred income tax assets and liabilities are recognized for the expected future tax consequences of differences between the financial statement carrying amounts and the tax bases of assets and liabilities. These amounts are measured using enacted tax rates expected to apply in the periods in which such differences are anticipated to reverse. A valuation allowance is recorded when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In assessing realizability, we consider all available evidence, including the reversal of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent operating results.

We evaluate tax positions taken, or expected to be taken, in income tax returns to determine whether they meet the more-likely-than-not recognition threshold. For positions that meet this threshold, we recognize the largest amount of tax benefit that is more than 50% likely to be realized. Interest and penalties related to unrecognized tax benefits are recorded within income tax expense. As of the reporting date, we have no material uncertain tax positions requiring recognition in the consolidated financial statements.

In addition to income taxes, we may be required to make payments under the Tax Receivable Agreement (TRA). Under the Operating Agreement, Greenlane Holdings, LLC may make pro rata tax distributions to its members to fund their tax liabilities arising from allocated taxable income. Such distributions may, in certain cases, exceed the related tax liabilities.

Legal Contingencies

In the ordinary course of business, we are involved in legal proceedings involving a variety of matters. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages. We evaluate the associated developments on a regular basis and accrue a liability when we believe that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If we determine there is a reasonable possibility that we may incur a loss and the loss or range of loss can be estimated, we disclose the possible loss in the accompanying notes to the consolidated financial statements to the extent material.

We review the developments in our contingencies that could affect the amount of the provisions that have been previously recorded, and the matters and related reasonably possible losses disclosed. We make adjustments to our provisions and changes to our disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgment is required to determine both the probability of loss and the estimated amount of loss.

The outcome of these matters is inherently uncertain. Therefore, if one or more legal proceedings were resolved against us for amounts in excess of management's expectations, our results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable, could be materially adversely affected. See "Note 7—Commitments and Contingencies" of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for additional information regarding these contingencies.

Recent Accounting Pronouncements

See "Note 2—Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

Executive Overview

Fiscal year 2025 represented a year of strategic transformation for the Company. Historically operating as a lifestyle accessories distributor, the Company shifted its primary focus in October 2025 to a digital asset treasury strategy focused on BERA, the native token of the Berachain blockchain network.

As of December 31, 2025:

- A substantial majority of total assets consisted of digital assets and cash equivalents.
- The implementation of the BERA Strategy resulted in a significant investment in digital assets.
- The legacy distribution business had materially declined in scale. The Company no longer maintained warehouse inventory and had transitioned the remaining business to an asset-light, e-commerce drop-ship operating model.
- Significant inventory write-downs and restructuring charges were recorded.
- Results of operations were materially impacted by unrealized fair value adjustments related to digital assets.

Accordingly, year-over-year comparisons reflect both operating changes and structural transformation.

Results of Operations

The following table presents operating results for the years ended December 31, 2025 and 2024:

	For the Year Ended December 31,					
	(in thousands)		% of Net sales		Change	
	2025	2024	2025	2024	$	%
Net revenue	$ 4,355	$ 13,275	100%	100%	(8,920)	(67)%
Cost of revenue	16,820	6,993	386%	53%	9,827	141%
Gross (loss) profit	(12,465)	6,282	(286)%	47%	(18,747)	(298)%
Operating expenses:						
Salaries, benefits and payroll taxes	9,947	7,380	228%	56%	2,567	35%
Stock based compensation – strategic advisory warrants	18,553	—	426%	—%	18,553	100%
General and administrative	10,646	9,764	244%	74%	882	91%
Restructuring expenses	1,492	—	34%	—%	1,492	100%
Impairment of property and equipment	650	153	15%	1%	497	325%
Depreciation and amortization	493	800	11%	6%	(307)	(38)%
Total operating expenses	41,781	18,097	959%	136%	23,684	134%
Loss from operations	(54,246)	(11,815)	(1,246)%	(89)%	(42,431)	359%
Other income(expense), net:						
Interest expense	(394)	(5,941)	(9)%	(45)%	5,547	(93)%
Change in fair value of contingent consideration	—	1,000	0%	8%	(1,000)	(100)%
Change in fair value of digital assets	(31,147)	—	(715)%	—%	(31,147)	(100)%
Loss on extinguishment of debt	—	(876)	—%	(7)%	876	(100)%
Other expense, net	213	(25)	5%	(0)%	238	(954)%
Total other income (expense), net	(31,327)	(5,842)	(719)%	(44)%	(25,485)	436%
Loss before income taxes	(85,573)	(17,657)	(1,965)%	(133)%	(67,916)	385%
Provision for income taxes	7	—	—%	—%	7	100%
Net loss	(85,580)	(17,657)	(1,965)%	(133)%	(67,923)	385%
Net loss attributable to non-controlling interest	—	(17)	—%	(0.1)%	(17)	(100)%
Net loss attributable to Greenlane Holdings, Inc.	$ (85,580)	$ (17,640)	(1,965)%	(133)%	(67,940)	385%

Consolidated Results of Operations

Digital Asset Activity

Beginning in October 2025, the Company transitioned to a digital asset treasury following a $110.7 million private investment in public equity transaction, which included BERA, the principal token of the Berachain ecosystem, stablecoins and cash (the "BERA Private Placement"). During the remainder of 2025, the Company deployed a portion of its cash balances to acquire BERA in the open market.

During the fourth quarter of 2025, digital asset markets experienced broad-based declines, adversely affecting all major cryptocurrencies. The Company's holdings in BERA, a less established digital asset, were particularly volatile and experienced larger relative declines compared with more widely traded cryptocurrencies such as Bitcoin and Ethereum.

Accordingly, for fiscal year 2025, the Company recorded:

- $31.1 million in unrealized losses on digital assets; and
- $0.2 million in staking rewards.

Legacy Distribution Operations

The reorganization of the sales team and the challenges in recruiting personnel in 2025 negatively affected sales in the first half of the year. During the second half of 2025, the Company transitioned from an inventory-based warehouse model to an asset-light, drop ship model supported by its existing e-commerce platform. As a result, for fiscal year 2025:

- Net revenue decreased $8.9 million or (67%) compared to 2024
- Gross margin was impacted by $6.3 million in inventory impairment write-downs
- Operating expenses were reduced through headcount and infrastructure reduction

Net Revenue

For the year ended December 31, 2025, total net sales were approximately $4.4 million, compared to approximately $13.3 million for the year ended December 31, 2024, representing a decrease of $8.9 million, or 67%. The decrease was attributable primarily to the reorganization of the sales team and challenges in higher-performing personnel, which adversely affected sales in the first half of 2025. In the second half of the year, revenue was further impacted by the substantial reduction of legacy warehouse-based operations and the Company's transition to a drop-ship fulfilment model.

Cost of Revenue and Gross Profit (Loss) Profit

For the year ended December 31, 2025, cost of sales increased by $9.8 million, or 141%, as compared to the year ended December 31, 2024. The increase was primarily attributable to a $6.3 million inventory reserve recorded following a comprehensive review of inventory aging and realizability in connection with the Company's transition to an asset-light, e-commerce operating model. In addition, costs associated with the wind-down of legacy warehouse-based operations also contributed to the increase.

Gross loss decreased significantly, to approximately $(12.5 million) for the year ended December 31, 2025 compared to approximately $6.3 million for the year ended December 31, 2024, driven by the increase in cost of sales described above, together with the 67% reduction in net revenue.

Salaries, Benefits and Payroll Taxes

Salaries, benefits and payroll taxes expenses increased by approximately $2.6 million, or 35%, to $9.9 million for the year ended December 31, 2025, compared to $7.4 million for the same period in 2024. The increase was primarily driven by an increase of approximately $4.8 million in stock-based compensation expense related to employee and director equity awards, partially offset by a $2.3 million decrease associated with workforce reductions as part of the Company's restructuring initiatives.

Stock based compensation – strategic advisory warrants

Stock-based compensation – strategic advisory warrants was approximately $18.6 million for the year ended December 31, 2025, compared to $0 for the year ended December 31, 2024, representing an increase of approximately $18.6 million. The increase is attributable to warrants issued in connection with with the October 2025 PIPE. These awards were accounted for under ASC 718 and were recognized at grant date based on the fair value of the warrants. As a result, the expense is non-cash in nature and is presented separately within operating expenses.

General and Administrative Expenses

General and administrative expenses increased to approximately $10.6 million for the year ended December 31, 2025, from approximately $9.8 million for the year ended December 31, 2024, an increase of approximately $0.9 million, or 9%. This increase was primarily driven by higher professional and outside services, facility-related costs, outbound freight, marketing, and general insurance expenses.

These advisory warrants were accounted for as equity-based compensation under ASC 718 and ASC 505-50. A substantial portion of the awards was recognized immediately at grant due to the absence of a substantive service period, while a smaller portion is being recognized over the related service period.

Excluding the impact of advisory warrant-related stock-based compensation, the increase in general and administrative expenses was driven by higher professional and outside services, facility expenses, outbound freight, marketing, and general insurance costs.

Restructuring Expenses

Restructuring and transformation costs were $1.5 million for the year ended December 31, 2025, driven primarily by personnel actions associated with the Company's cost reduction initiatives and its strategic transition to a crypto treasury model, together with a $1.0 million termination payment to the Company's former Chief Executive Officer.

Impairment of property and equipment

Impairment of property and equipment increased $0.5 million, for the year ended December 31, 2025, compared to the same period in 2024. The increase was primarily attributable to the write-off of certain fixed assets in connection with the Company's change in operating strategy and the termination of warehouse operations.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased $0.3 million, or 38%, for the year ended December 31, 2025, compared to the same period in 2024. Depreciation decreased due to the impairment of fixed assets noted above.

Other Income (Expense), Net

Interest expense

Interest expense decreased approximately $5.5 million for the year ended December 31, 2025, compared to the same period in 2024. The decrease is attributable to the reduction in the Company's overall debt, which was fully repaid in February 2025.

Change in fair value of contingent consideration

The change in fair value of contingent consideration decreased $1.0 million for the year ended December 31, 2025 compared to the prior year. The prior year included a one-time reduction in estimated earnout liabilities associated with the Davinci and Eyce product lines.

Change in fair value of digital assets

Digital assets consisted primarily of BERA held in the Company's digital treasury. These assets are remeasured to fair value at the end of each reporting period, with changes recognized in earnings. For the year ended December 31, 2025, the Company recognized a fair value loss of approximately $31.1 million driven by market fluctuations in BERA. As of December 31, 2025, the fair value of digital assets on the consolidated balance sheet was $36.6 million. The Company may also deploy portions of its BERA holdings in staking or other permitted treasury activities from time to time.

Loss on debt extinguishment

For the year ended December 31, 2024, the Company reported a non-recurring loss on debt extinguishment of approximately $0.9 million attributable to the October 29, 2024 debt restructuring. For further information, see Note 6, "Debt" of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K.

Liquidity and Capital Resources

As of December 31, 2025, the Company had approximately $32.5 million of cash and cash equivalents, $36.6 million in digital asset holdings (BERA), and working capital of approximately $28.9 million, compared to $0.9 million of cash and cash equivalents and working capital of approximately $1.6 million as of December 31, 2024.

The increase in working capital reflects proceeds from the October 2025 private placement and the Company's transition away from legacy warehouse operations.

The Company's primary sources of liquidity are cash and cash equivalents, as well as proceeds from equity issuances. While digital assets represent a significant portion of total assets, the Company primarily relies on cash and cash equivalents to meet near-term operating needs.

Digital assets are subject to price volatility and market liquidity constraints, which may impact the Company's ability to convert such assets into cash at expected values or within desired timeframes.

The Company has no outstanding debt as of December 31, 2025. The Company may opportunistically access capital markets, including through its at-the-market ("ATM") program, but is not dependent on additional financing to meet its near-term obligations.

The Company's contractual obligations are primarily limited to short-term vendor arrangements and are not material individually or in the aggregate.

The Company's liquidity may be impacted by fluctuations in digital asset prices, timing of capital deployment, and other risks described in "Risk Factors."

On January 7, 2026, the Company entered into a Sales Agreement (the "Sales Agreement") with Yorkville Securities, LLC ("Yorkville") pursuant to which the Company may, from time to time, offer and sell shares of its Class A common stock through or to Yorkville, acting as sales agent or principal (the "ATM Offering"). On January 7, 2026, the Company filed a prospectus supplement in connection with the ATM Offering for up to $5,355,687 of shares of Common Stock. As of the date of this Annual Report, the Company has not made any sales under the ATM Offering.

Going Concern

Management has evaluated the Company's ability to continue as a going concern in accordance with ASC 205-40. Based on the Company's current cash position, cash equivalents, digital asset holdings, and expected operating cash flows, management believes that there is no substantial doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date of issuance of these financial statements.

Outlook and plan

Based on cash and cash equivalents on hand, including proceeds from the October 2025 private placement, management believes the Company has sufficient liquidity to fund its working capital requirements and operating obligations for at least the next twelve months.

The Company's focus is executing its digital asset treasury strategy, maintaining liquidity, and aligning operating costs with its reduced legacy footprint. The Company may seek additional capital opportunistically depending on market conditions and strategic priorities.

As of December 31, 2025, the Company did not have any off-balance sheet arrangements that are reasonably likely to have a material effect on its financial condition, results of operations, or liquidity.

Cash Flows

The following summary of cash flows for the periods indicated has been derived from our consolidated financial statements included in Part II, Item 8 of this Form 10-K:

	Year Ended December 31,	
(in thousands)	**2025**	**2024**
Net cash used in operating activities	$ (16,260)	$ (6,750)
Net cash used in investing activities	(8,260)	(244)
Net cash provided by financing activities	56,134	7,427

Net cash used in operating activities was approximately $16.3 million for the year ended December 31, 2025, compared to approximately $6.8 million for the year ended December 31, 2024, representing an increase in cash usage of approximately $9.5 million, or 141%. The increase was primarily driven by changes in working capital, including the wind-down of legacy operations, as well as the timing of payments to vendors and service providers. These cash outflows were partially offset by non-cash items, including stock-based compensation and changes in the fair value of digital assets, which do not impact operating cash flows.

Net cash used in investing activities was approximately $8.3 million for the year ended December 31, 2025, compared to approximately $0.2 million for the year ended December 31, 2024, representing an increase in cash usage of approximately $8.0 million, or approximately 3,285%. The increase was primarily attributable to cash-funded purchases of digital assets as part of the Company's treasury strategy, as well as purchases of property and equipment. Digital assets acquired in connection with the October 2025 private placement were non-cash in nature and are disclosed as supplemental non-cash investing and financing activity.

Net cash provided by financing activities was approximately $56.1 million for the year ended December 31, 2025, compared to approximately $7.4 million for the year ended December 31, 2024, representing an increase of approximately $48.7 million, or 656%. The increase was primarily driven by proceeds from the October 2025 private placement and other equity-related transactions. A portion of the consideration received in connection with the private placement consisted of digital assets, which are non-cash in nature and are disclosed separately as supplemental non-cash investing and financing activity.

Digital Asset Holdings and Indicative Net Asset Value

As part of its digital asset treasury strategy, the Company monitors the aggregate fair value of its digital asset holdings.

As of December 31, 2025, the Company held digital assets with an approximate fair value of $36.6 million. In addition, the Company held cash and cash equivalents, including stablecoins, of approximately $22.6 million, and had total liabilities of approximately $7.2 million.

Based on these amounts, the Company's indicative net asset value was approximately $63.0 million, or approximately $13.04 per share, based on 4,829,563 shares of Class A common stock outstanding as of December 31, 2025.

This metric is presented for informational purposes only and does not represent a measure of financial performance under U.S. GAAP. It is derived from amounts that are based on different measurement attributes, including fair value and historical cost, and therefore may not be comparable to similarly titled measures presented by other companies. The fair value of digital assets is subject to significant market volatility, and such values may differ materially from subsequent periods. Accordingly, this measure should not be considered a substitute for, or superior to, financial information prepared in accordance with U.S. GAAP.

Management monitors the value of its digital asset holdings relative to market capitalization as an internal metric; however, such measures are not presented as formal financial metrics and are subject to significant variability.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Greenlane Holdings, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Greenlane Holdings, Inc. (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

Critical Audit Matters

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

Evaluation of Audit Evidence Pertaining to the Existence and Control of the Company's Digital Assets

As discussed in Notes 2 and 9 to the consolidated financial statements, the Company accounts for its digital assets as indefinite-lived intangible assets. The digital assets are recorded at fair value as of December 31, 2025, with changes in fair value recognized in the consolidated statement of operations and comprehensive loss. As of December 31, 2025, the carrying value of the Company's digital assets was $36.6 million.

We identified the evaluation of audit evidence pertaining to the existence of the digital assets and whether the Company controls the digital assets as a critical audit matter. Especially subjective auditor judgement was involved in determining the nature and extent of evidence required to assess the existence of the digital assets and whether the Company controls the digital assets, as control over the digital assets is provided through private cryptographic keys stored using a third-party platform system. In addition, information technology (IT) professionals with specialized skills and knowledge in blockchain technology were needed to assist in the evaluation of the sufficiency of certain audit procedures.

We performed the following procedures to address this critical audit matter:

- We evaluated the design effectiveness of certain internal controls over the digital assets process, including a control over the comparison of the Company's records of digital assets held to reports provided through the third-party platform system.
- We involved IT and other professionals with specialized skills and knowledge in blockchain technology, who assisted in evaluating certain internal controls over the digital assets process performed on the third-party platform system, related specifically to the generation of the private cryptographic keys, the storing of these keys, and the reconciliation of digital assets per the third party platform system ledgers to the public blockchain.
- We obtained third-party documentation of the Company's digital assets held as of December 31, 2025 and compared the total digital assets from the third-party platform system to the Company's record of digital asset holdings.
- We also compared the Company's record of digital asset transactions to the records on the public blockchain using an online platform.
- We applied auditor judgement in determining the nature and extent of audit evidence required, especially related to assessing the existence of the digital assets and whether the Company controls the digital assets. We evaluated the sufficiency and appropriateness of audit evidence obtained by assessing the results of procedures performed over the digital assets.
- We assessed the appropriateness of the disclosures of the financial statements.

/s/ PKF O'Connor Davies, LLP

New York, New York
March 31, 2026

We have served as the Company's auditor since November 20, 2024.

PCAOB ID No. 127

GREENLANE HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except par value per share amounts)

	December 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 32,513	$ 899
Accounts receivable, net of allowance of $1,511 and $2,616 at December 31, 2025 and 2024, respectively	1,572	4,262
Inventories, net	—	14,215
Vendor deposits	—	3,091
Other current assets (Note 8)	2,001	1,305
Total current assets	36,086	23,772
Property and equipment, net	253	1,420
Operating lease right-of-use assets	144	1,043
Digital assets	36,555	—
Other assets	1,893	2,396
Total assets	$ 74,931	$ 28,631
LIABILITIES		
Current liabilities		
Accounts payable	$ 5,414	$ 9,787
Accrued expenses and other current liabilities (Note 8)	1,627	1,218
Customer deposits	—	2,661
Notes payable	—	7,674
Current portion of operating leases	166	926
Total current liabilities	7,207	22,266
Operating leases, less current portion	—	83
Total liabilities	7,207	22,349
Commitments and contingencies (Note 7)		
STOCKHOLDERS' EQUITY*		
Preferred stock, $0.0001 par value, 10,000,000 shares authorized, none issued and outstanding	—	—
Class A common stock, $0.01 par value per share, 600,000,000 shares authorized, 4,829,563 and 3,023 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively*	48	—
Class B common stock, $0.0001 par value per share, 30,000,000 shares authorized, and 0 shares issued and outstanding as of December 31, 2025 and 2024*	—	—
Additional paid-in capital*	428,069	281,095
Accumulated deficit	(360,509)	(274,929)
Accumulated other comprehensive income	265	265
Total stockholders' equity attributable to Greenlane Holdings, Inc.	67,873	6,431
Non-controlling interest	(149)	(149)
Total stockholders' equity	67,724	6,282
Total liabilities and stockholders' equity	$ 74,931	$ 28,631

* After giving effect to the Reverse Stock Splits - See Note 10 - Stockholders' Equity.

The accompanying notes are an integral part of these consolidated financial statements.

GREENLANE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amounts)

	For the year ended December 31,	
	2025	**2024**
Net revenue	$ 4,355	$ 13,275
Cost of sales	16,820	6,993
Gross (loss) profit	(12,465)	6,282
Operating expenses:		
Salaries, benefits and payroll taxes	9,947	7,380
Stock based compensation – strategic advisory warrants	18,553	—
General and administrative	10,646	9,764
Restructuring expenses	1,492	—
Impairment of property, plant and equipment	650	153
Depreciation and amortization	493	800
Total operating expenses	41,781	18,097
Loss from operations	(54,246)	(11,815)
Other income (expense),net:		
Interest expense	(394)	(5,941)
Change in fair value of contingent consideration	—	1,000
Change in fair value of digital assets	(31,147)	—
Loss on extinguishment of debt	—	(876)
Other expense, net	213	(25)
Total other expense, net	(31,327)	(5,842)
Loss before income taxes	(85,573)	(17,657)
Provision for income taxes	7	—
Net loss	(85,580)	(17,657)
Less: Net loss attributable to non-controlling interest	—	(17)
Net loss attributable to Greenlane Holdings, Inc.	$ (85,580)	$ (17,640)
Net loss attributable to Class A common stock per share - basic and diluted (Note 10)*	$ (11.42)	$ (14.56)
Weighted-average shares of Class A common stock outstanding - basic and diluted (Note 10)*	7,492	1,212
Other comprehensive income (loss):		
Foreign currency translation adjustments	—	20
Comprehensive loss	(85,580)	(17,637)
Less: comprehensive loss attributable to non-controlling interest	—	(17)
Comprehensive loss attributable to Greenlane Holdings, Inc.	$ (85,580)	$ (17,620)

* After giving effect to the Reverse Stock Splits - See Note 10 - Stockholders' Equity.

The accompanying notes are an integral part of these consolidated financial statements.

GREENLANE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Class A Common Stock		Additional Paid-In Capital*	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Stockholders' Equity
	Shares*	Amount*					
Balance December 31, 2023	**452**	$ —	**$ 268,168**	**$ (257,289)**	**$ 245**	**$ (132)**	**$ 10,992**
Net loss	—	—	—	(17,640)	—	(17)	(17,657)
Equity-based compensation	20	—	86	—	—	—	86
Issuance of Class A warrants	—	—	5,372	—	—	—	5,372
Issuance of Class A shares (Note 10)	2,551	—	7,469	—	—	—	7,469
Other comprehensive income	—	—	—	—	20	—	20
Balance December 31, 2024	**3,023**	$ —	**$ 281,095**	**$ (274,929)**	**$ 265**	**$ (149)**	**$ 6,282**
Net loss	—	—	—	(85,580)	—	—	(85,580)
Stock-based compensation	—	—	23,390	—	—	—	23,390
Exercise of pre-funded warrants	1,375,435	14	—	—	—	—	14
Issuance of Class A shares	3,336,105	33	20,733	—	—	—	20,766
Issuance of Class A warrants	—	—	102,851	—	—	—	102,851
Issuance of restricted stock units	115,000	1	—	—	—	—	1
Balance December 31, 2025	**4,829,563**	**$ 48**	**$ 428,069**	**$ (360,509)**	**$ 265**	**$ (149)**	**$ 67,724**

* After giving effect to the Reverse Stock Splits - See Note 10 - Stockholders' Equity.

The accompanying notes are an integral part of these consolidated financial statements.

GREENLANE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended December 31,	
	2025	**2024**
Cash flows from operating activities:		
Net loss	$ (85,580)	$ (17,657)
Adjustments to reconcile net loss to net cash and cash equivalents used in operating activities:		
Depreciation and amortization	493	800
Stock-based compensation expense	4,837	86
Strategic advisory warrants	18,553	—
Change in fair value of contingent consideration	—	(1,000)
Change in provision for credit losses	1,974	245
Loss on disposal of fixed assets	121	215
Loss on extinguishment of debt	—	876
Write-off of vendor deposits, accrued liabilities and customer deposits	(571)	—
Impairment of inventory	6,301	—
Impairment of property and equipment	650	153
Change in fair value of digital assets	31,147	—
Amortization of deferred financing costs and debt discount	284	4,927
Other	57	171
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	716	(2,814)
Decrease in inventories	9,712	6,315
Decrease in vendor deposits	—	674
Decrease in other assets	(193)	3,533
Decrease in accounts payable	(5,170)	(2,319)
Decrease in accrued expenses and other liabilities	409	(841)
Decrease in customer deposits	—	(114)
Net cash and cash equivalents used in operating activities	(16,260)	(6,750)
Cash flows from investing activities:		
Purchase of property and equipment, net	(98)	(244)
Purchase of Digital Assets - BERA	(8,162)	—
Net cash and cash equivalents used in investing activities	(8,260)	(244)
Cash flows from financing activities:		
Proceeds from issuance of Class A common stock, net of issuance costs	20,746	5,640
Proceeds from exercise of stock options and warrants, net of costs	43,346	1,827
Repayment of loan against future accounts receivable	—	(939)
Proceeds from future receivables financing	—	225
Repayments of notes payable	(7,958)	(2,275)
Proceeds from notes payable	—	2,950
Other	—	(1)
Net cash and cash equivalents provided by financing activities	56,134	7,427
Effects of exchange rate changes on cash and cash equivalents	—	3
Net increase in cash and cash equivalents	31,614	436
Cash and cash equivalents, as of beginning of the year	899	463
Cash and cash equivalents, as of end of year	$ 32,513	$ 899

The accompanying notes are an integral part of these consolidated financial statements.

GREENLANE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(in thousands)

Supplemental disclosures of cash flow information				
Cash paid during the period for interest	$	107	$	916
Cash paid during the period for income taxes	$	—	$	—
Non-cash investing activities and financing activities:				
Fair value of common stock warrants issued as a debt discount	$	—	$	1,699
Extinguishment of debt in connection with Synergy Asset purchase agreement	$	—	$	2,658
Digital assets exchanged for Class A common stock and warrants	$	59,540	$	—
Issuance of Class A Warrants	$	—	$	3,673

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1. BUSINESS OPERATIONS AND ORGANIZATION

Organization

Greenlane Holdings, Inc. ("Greenlane" and, collectively with the Operating Company (as defined below) and its consolidated subsidiaries, the "Company", "we", "us", and "our") was formed as a Delaware corporation on May 2, 2018. We are a holding company that was formed for the purpose of completing an underwritten initial public offering ("IPO") of shares of our Class A common stock, $0.01 par value per share ("Class A common stock"), in order to carry on the business of Greenlane Holdings, LLC (the "Operating Company"). The Operating Company was organized under the laws of the state of Delaware on September 1, 2015, and is based in Boca Raton, Florida. Unless the context otherwise requires, references to the "Company" refer to us, and our consolidated subsidiaries, including the Operating Company.

The Company is focused on the acquisition, management, and strategic deployment of BERA, the native token of the Berachain blockchain network. Through our digital asset treasury strategy, we may deploy capital into BERA acquisition, staking, validator participation, and selected ecosystem-aligned activities, subject to risk management controls and Board oversight.

In October 2025, the Company undertook a strategic transition from a traditional wholesale and distribution operating model to a digital asset treasury strategy centered on BERA. While the Company continues to operate a reduced-scale wholesale and distribution business, our primary focus is digital asset treasury activities.

As of December 31, 2025, a substantial majority of our balance sheet consisted of BERA and U.S. dollar cash and U.S. dollar-denominated stablecoins. Our financial condition, liquidity, and results of operations are therefore highly sensitive to digital asset market conditions and the performance of the Berachain ecosystem.

We continue to operate a legacy wholesale and distribution business, which has been significantly reduced in scale and is managed for efficiency, inventory monetization, and cash generation rather than growth.

Reverse Stock Splits

On June 26, 2025, we filed a Certificate of Amendment to the A&R Charter with the Secretary of State for the State of Delaware ("SSSD"), which effected a one-for-seven hundred and fifty reverse stock split (the "2025 Reverse Stock Split") of our issued and outstanding shares of Common Stock at 5:01 PM Eastern Time on June 26, 2025. As a result of the 2025 Reverse Stock Split, every seven hundred and fifty shares of common stock issued and outstanding were converted into one share of common stock. In lieu of fractional shares we rounded up to the next whole share, and accordingly, no fractional shares were issued in connection with the 2025 Reverse Stock Split.

The Reverse Stock Split did not change the par value of the Common Stock or the authorized number of shares of Common Stock. All outstanding options, restricted stock awards, warrants and other securities entitling their holders to purchase or otherwise receive shares of our Common Stock have been adjusted as a result of the Reverse Stock Split, as required by the terms of each security. The number of shares available to be awarded under our Amended and Restated 2019 Equity Incentive Plan have also been appropriately adjusted. See "Note 10 — Stockholders' Equity" for more information.

All share and per share amounts in these consolidated financial statements and notes thereto have been retroactively adjusted for all periods presented to give effect to the Reverse Stock Splits, including reclassifying an amount equal to the reduction in par value of Common Stock to additional paid-in capital.

Liquidity and Going Concern

The Company's liquidity requirements consist of working capital and general corporate needs. Primary sources of liquidity include cash on hand and proceeds from equity transactions.

The Company has incurred net losses of $85.6 million and $17.7 million for the years ended December 31, 2025 and 2024, respectively, and used $16.3 million of cash in operating activities during the year ended December 31, 2025. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

Management's plans include reducing operating costs, simplifying operations, monetizing legacy assets, and seeking additional financing.

Moving forward, the Company's ability to continue as a going concern is contingent upon successful execution of management's plans to reduce operating costs, simplify operations, monetize legacy assets, and seek additional financing as needed.

The consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty.

Equity Transactions and Capital Structure

During 2024 and 2025, the Company completed a series of financing transactions, including debt issuances, warrant exchanges, and private placements, to support liquidity and the transition of its business.

On February 18, 2025, the Company completed a private placement with institutional investors for aggregate gross proceeds of approximately $25.0 million, consisting of common stock, pre-funded warrants, and common warrants. In connection with the transaction, the Company also entered into exchange agreements with certain warrant holders to simplify its capital structure.

On October 20, 2025, the Company entered into subscription agreements for a private placement consisting of pre-funded warrants funded in cash and BERA. The transaction closed on October 23, 2025 and provided gross consideration of approximately $109.9 million, consisting of cash, U.S. dollar-denominated stablecoins, and BERA.

The crypto-funded pre-funded warrants were exercisable into shares upon stockholder approval, which was received December 9, 2025, and for certain of the crypto-funded pre-funded warrants, upon the expiration of lock-up agreements on April 18, 2026.

Proceeds from these transactions were used to support the Company's digital asset treasury strategy, repay outstanding debt obligations, and provide limited liquidity for residual legacy operations.

Additional details regarding these transactions, including terms of the securities issued and related accounting treatment, are included in the notes to the consolidated financial statements.

Management Initiatives

In October 2025, the Company adopted a treasury policy under which a significant portion of its balance sheet is allocated to digital assets, primarily BERA. The Board of Directors established a Digital Assets Committee to oversee this strategy.

The Company has reduced its legacy operating footprint by simplifying operations, reducing costs, and monetizing legacy assets. The remaining legacy business operates through an asset-light model with a focus on efficiency and cash generation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our audited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and with the instructions to Form 10-K and Article 8 of Regulation S-X.

Principles of Consolidation

Our consolidated financial statements include our accounts, the accounts of the Operating Company, and the accounts of the Operating Company's consolidated subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

Conformity with U.S. GAAP requires the use of estimates and judgments that affect the reported amounts in our consolidated financial statements and accompanying notes. These estimates form the basis for judgments we make about the carrying values of our assets and liabilities, which are not readily apparent from other sources. We base our estimates and judgments on historical information and on various other assumptions that we believe are reasonable under the circumstances. U.S. GAAP requires us to make estimates and judgments in several areas. Such areas include, but are not limited to the following: the collectability of accounts receivable; the allowance for slow-moving or obsolete inventory; the realizability of deferred tax assets; the fair value of contingent consideration arrangements; the useful lives property and equipment; the calculation of our VAT taxes receivable and VAT taxes, fines, and penalties payable; our loss contingencies, including our TRA liability; and the valuation and assumptions underlying equity-based compensation and warrants. These estimates are based on management's knowledge about current events and expectations about actions we may undertake in the future. The actual results could differ materially from those estimates.

Segment Reporting

We manage our global business operations through our operating and reportable business segments. Due to the launch of the digital asset treasury reserve strategy in October 2025 and continual assessment of the requirements under ASC 280, Segment Reporting, the Company has reassessed its segment conclusions and determined that effective with this Annual Report on Form 10-K, the Company is presenting two operating and reportable segments, Wholesale and Distribution – legacy e-commerce and drop-ship operations and Digital Assets - digital asset treasury activities including acquisition, staking and validator participation related to BERA. Our reportable segments have been identified based on how our chief operating decision maker ("CODM"), which is a committee comprised of our Chief Executive Officer ("CEO") and our Chief Financial and Legal Officer ("CFO"). The CODM evaluates performance based on segment gross profit and capital allocation. Segment results are reconciled to consolidated totals.

Equity-Based Compensation

We account for equity-based compensation grants of equity awards to employees in accordance with ASC Topic 718, Compensation — Stock Compensation. This standard requires us to measure compensation expense based on the estimated fair value of share-based awards on the grant date and recognize as expense over the requisite service period, which is generally the vesting period. We estimate the fair value of stock options using the Black-Scholes model on the grant date. The Black-Scholes model requires us to use several variables to estimate the grant-date fair value of our equity-based compensation awards including expected term, expected volatility and risk-free interest rates. Our equity-based compensation costs are recognized using a graded vesting schedule. For liability-classified awards, we record fair value adjustments up to and including the settlement date. Changes in the fair value of our equity-based compensation liability that occur during the requisite service period are recognized as compensation cost over the vesting period. Changes in the fair value of the equity-based compensation liability that occur after the end of the requisite service period but before settlement, are recognized as compensation cost of the period in which the change occurs. We account for forfeitures as they occur. See "Note 11—Compensation Plans."

Loss Contingencies

Certain conditions may exist which may result in a loss to us, but which will only be resolved when one or more future events occur or fail to occur. Management assesses such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against us, or unasserted claims that may result in such proceedings, we evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability is estimable, the liability would be accrued in our consolidated 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, the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed. Unasserted claims that are not considered probable of being asserted and those for which an unfavorable outcome is not reasonably possible have not been disclosed.

Fair Value Measurements

We apply the provisions of ASC Topic 820, *Fair Value Measurements*, which defines fair value, establishes a framework for its measurement and expands disclosures about fair value measurements. Fair value is defined as the exchange price we would receive for an asset or an exit price we would pay to transfer a liability in the principal, or most advantageous, market for our asset or liability in an orderly transaction with a market participant on the measurement date. We determine the fair market values of our financial instruments based on the fair value hierarchy, which requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs may be used to measure fair value:

Level 1 — Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying amounts of our financial instruments, including cash, accounts receivable, accounts payable, accrued expenses and short-term debt, are carried at historical cost basis, which approximates their fair values because of their short-term nature. The fair value of our long-term debt is the estimated amount we would have to pay to repurchase the debt, inclusive of any premium or discount attributable to the difference between the stated interest rate and market rate of interest at each balance sheet date. On a recurring basis, we measure and record contingent consideration using fair value measurements in the accompanying consolidated financial statements. See “Note 4—Fair Value of Financial Instruments.”

We also own equity securities of private entities, which do not have readily determinable fair values. We elected to measure these equity securities at cost minus impairment, if any. At each reporting period, we make a qualitative assessment considering impairment indicators to evaluate whether our investment is impaired. The equity securities are adjusted to fair value when an observable price change can be identified. See “Note 4—Fair Value of Financial Instruments.”

Cash and cash equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include U.S. dollar cash deposits and U.S. dollar-denominated stablecoins held in Company-controlled wallets. The Company classifies stablecoins such as USDT and USDC as cash equivalents because they are readily convertible to known amounts of U.S. dollars, are redeemable or exchangeable on demand, and present insignificant risk of changes in value due to their intended 1:1 peg to the U.S. dollar. Stablecoins deployed into decentralized finance protocols or otherwise subject to restrictions on convertibility would not be classified as cash equivalents.

For purposes of reporting cash flows, the Company considers cash on hand, checking accounts, and savings accounts to be cash. Highly liquid investments with original maturities of three months or less from the date of purchase are considered to be cash equivalents. The Company maintains its cash with high credit quality financial institutions, which provide insurance through the Federal Deposit Insurance Company. At times, balances may exceed federally insured limits. The Company performs periodic evaluations of the relative credit standing of these institutions and do not expect any losses related to such concentrations.

As of December 31, 2025, and 2024, approximately $0.1 million and $0.1 million, respectively, of our cash and cash equivalents balances were in foreign bank accounts and uninsured.

Accounts Receivable and credit losses

Accounts receivable are recorded at invoiced amounts, net of an allowance for expected credit losses. The allowance is estimated using a combination of historical loss experience, customer credit quality, current conditions, specific risk assessments, and forward-looking factors. Receivables are written off when collection efforts are exhausted.

During fiscal year 2025, management reassessed the collectability of certain legacy trade receivables in light of the decline in historical operations and customer activity. Based on this analysis, the Company materially increased its reserve for credit losses against accounts receivable associated with legacy commerce operations.

During 2025, the Company recorded a significant increase in its allowance for credit losses to reflect aging receivables associated with the legacy wholesale business and collection risk assessment. The allowance reflects management's estimate of expected credit losses under ASC 326.

Inventories, net

Inventory is stated at the lower of cost or net realizable value, with cost determined using the weighted-average method.

During 2025, in connection with the Company's strategic transition and exit from warehouse-based operations, the Company recorded material write-downs to reduce inventory to estimated net realizable value and disposed of substantially all remaining inventory.

As of December 31, 2025, gross inventory was approximately $14.5 million, fully reserved, resulting in a net carrying value of approximately zero.

Vendor Deposits

Vendor deposits represent prepayments we make to vendors for inventory purchases. A significant number of vendors require us to prepay for inventory purchases.

Customs Bonds

The Company is required to obtain customs bonds to import goods into the United States to provide security for payment of duties, taxes and other fees incurred as a result of importing goods. Customs bonds are included in "Other current assets" in our consolidated balance sheets, see "Note 8 - Supplemental Financial Statement Information."

Property and Equipment, net

We state property and equipment at cost or, if acquired through a business combination, fair value at the date of acquisition. We calculate depreciation and amortization using the straight-line method over the estimated useful lives of the assets, except for our leasehold improvements, which are depreciated over the shorter of their estimated useful lives or their related lease term. Upon the sale or retirement of assets, the cost and related accumulated depreciation are removed from our accounts and the resulting gain or loss is credited or charged to income. We expense costs for repairs and maintenance when incurred. Property and equipment includes assets recorded under finance leases, see "Note 5—Leases." We pledge property and equipment as collateral for our long-term debt, see "Note 6—Debt."

Impairment of Long-Lived Assets

We assess the recoverability of the carrying amount of our long lived-assets, including property and equipment and finite-lived intangibles, whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be assessed when estimated undiscounted future cash flows from the operation and disposition of the asset group are less than the carrying amount of the asset group. Asset groups have identifiable cash flows and are largely independent of other asset groups. Measurement of an impairment loss is based on the excess of the carrying amount of the asset group over its fair value. During the year ended December 31, 2025 and 2024 the Company recorded an impairment of $0.7 million and none, respectively.

Changes in our future operations and business lines could affect the estimated undiscounted future cash flows from the operation of certain long-lived assets, such as customer relationships, and may give rise to impairment losses in future periods.

Digital Assets

Digital assets, including BERA and stablecoins, are accounted for as indefinite-lived intangible assets in accordance with ASC 350. Digital assets are initially recorded at cost and subsequently measured at cost less impairment. Impairment is recognized if the fair value of a digital asset declines below its carrying value at any time during the reporting period. Once impaired, the carrying value may not be increased for subsequent recoveries in fair value.

Stablecoins held by the Company that are fully backed by U.S. dollar reserves and redeemable on demand are presented as cash equivalents when they meet the criteria of ASC 305. Other digital assets are presented as digital assets within non-current assets unless management intends to sell within twelve months.

In December 2023, the FASB issued ASU 2023-08, *Accounting for and Disclosure of Crypto Assets*, ("ASU 2023-08") which requires entities to measure certain crypto assets at fair value with changes recognized in net income. Effective January 1, 2025, the Company adopted ASU 2023-08. Under ASU 2023-08, qualifying crypto assets are measured at fair value each reporting period with changes in fair value recognized in net income. The adoption did not materially change the accounting presentation of the Company's BERA holdings and increased period-to-period earnings volatility due to required mark-to-market adjustments

Digital assets are accounted for in accordance with ASC 350-60, Accounting for Crypto Assets. Digital assets, including BERA and immaterial ETH, are measured at fair value with changes recognized in net income each reporting period. Transaction costs are expensed as incurred. The Company determines fair value quoted prices in active markets (Level 1 inputs) under ASC 820.

U.S. dollar-denominated stablecoins, including USDT and USDC, are excluded from digital assets and are classified as cash equivalents when readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Stablecoins deployed into DeFi protocols or subject to restrictions are not classified as cash equivalents.

Debt Modifications and Extinguishments

When the Company modifies or extinguishes debt, it first evaluates whether the modification qualifies as a troubled debt restructuring (TDR) under ASC Topic 470-60, which requires debt modifications to be evaluated if (1) the borrower is experiencing financial difficulty, and (2) the lender grants the borrower a concession. If a TDR is determined not to have occurred, the Company evaluates the modification in accordance with ASC Topic 470-50-40, which requires modification to debt instruments to be evaluated to assess whether the modifications are considered "substantial modifications". A substantial modification of terms is accounted for as an extinguishment.

If there is a conversion feature within the debt instrument, the Company evaluates whether the conversion feature should be bifurcated under ASC 815 as a derivative. If the Company believes the embedded conversion feature has no fair value on the date of issuance (measurement date) and the embedded conversion feature has no beneficial conversion feature, the embedded conversion feature does not meet the criteria in ASC 470-50-40-10 or 470-20-25 and the issuance of the convertible debt is considered a modification, and not an extinguishment that would require the recognition of a gain or loss. If the Company determines the change in fair value of the derivative meets the criteria for substantial modification under ASC 470 it will treat the modification as extinguishment and recognize a loss from debt extinguishment.

Investment in Equity Securities

Our investment in equity securities without readily determinable fair value consist of ownership interests in Airgraft Inc. We determined that our ownership interest does not provide us with significant influence over the operations of this investments. Accordingly, we account for our investment in this entity as equity securities. Airgraft Inc. is a private entity and their equity securities do not have a readily determinable fair value. We elected to measure these equity securities under the measurement alternative election at cost minus impairment, if any, with adjustments through earnings for observable price changes in orderly transactions for the identical or similar investment of the same issuer. Investments in equity securities are included within "Other assets" in our consolidated balance sheets. See "Note 4—Fair Value of Financial Instruments."

Foreign Currency Translation

Our consolidated financial statements are presented in United States (U.S.) dollars. The functional currency of one of the Operating Company's wholly-owned, Canada-based, subsidiaries is the Canadian dollar. The functional currency of the Operating Company's wholly-owned, Netherlands-based subsidiary is the Euro. The assets and liabilities of these subsidiaries are translated into U.S. dollars at current exchange rate at each balance sheet date for assets and liabilities and an appropriate average exchange rate for each applicable period within our consolidated statements of operations and comprehensive loss. Capital accounts are translated at their historical exchange rates when the capital transactions occurred. The foreign currency translation adjustments are included in accumulated other comprehensive loss, a separate component of stockholders' deficit in our consolidated balance sheets. Other exchange gains and losses are reported within our consolidated statements of operations and comprehensive loss.

Comprehensive (Loss) Income

Comprehensive (loss) income includes net (loss) income as currently reported by us, adjusted for other comprehensive items. Other comprehensive items consist of foreign currency translation gains and losses and unrealized gains and losses on derivative financial instruments that qualify as hedges.

Advertising

We expense advertising costs as incurred and include them in general and administrative expenses in our consolidated statements of operations and comprehensive loss. Advertising costs were approximately $0.1 million and $0.5 million for the years ended December 31, 2025, and 2024, respectively.

Income Taxes

We are a corporation subject to income taxes in the United States. Certain subsidiaries of the Operating Company are taxable separately from us. Our proportional share of the Operating Company's subsidiaries' provisions are included in our consolidated financial statements.

As of December 31, 2025 and 2024, we hold all the outstanding Common Units in the Operating Company and are the sole member. As a result, 100% of the Operating Company's US and state income and expenses will be included in our US and state tax returns.

Our deferred income tax assets and liabilities are computed for differences between the tax basis and financial statement amounts that will result in taxable or deductible amounts in the future. We compute deferred balances based on enacted tax laws and applicable rates for the periods in which the differences are expected to affect taxable income. A valuation allowance is recognized for deferred tax assets if it is more likely than not that some portion or all of the net deferred tax assets will not be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine we would be able to realize our deferred tax assets for which a valuation allowance had been recorded, then we would adjust the deferred tax asset valuation allowance, which would reduce our provision for income taxes.

We evaluate the tax positions taken on income tax returns that remain open and positions expected to be taken on the current year tax returns to identify uncertain tax positions. Unrecognized tax benefits on uncertain tax positions are recorded on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is more than 50 percent likely to be realized is recognized. Interest and penalties related to unrecognized tax benefits are recorded in income tax benefit. We have no uncertain tax positions that qualify for inclusion in our consolidated financial statements. See "Note 12—Income Taxes."

Tax Receivable Agreement (TRA)

We entered into the TRA with the Operating Company and each of the members of the Operating Company that provides for the payment by the Operating Company to the members of 85% of the amount of tax benefits, if any, that we may actually realize (or in some circumstances are deemed to realize) as a result of (i) increases in tax basis resulting from any future redemptions that are funded by us or exchanges of Common Units as described above in "Note 1—Business Operations and Organization" and (ii) certain other tax benefits attributable to payments made under the TRA.

We compute annual tax benefits by calculating the income taxes due, including such tax benefits, and the income taxes due without such benefits. The Operating Company expects to benefit from the remaining 15% of any tax benefits that it may actually realize. The TRA payments are not conditioned upon any continued ownership interest in the Operating Company. The rights of each noncontrolling interest holder under the TRA are assignable to transferees of its interest in the Operating Company. The timing and amount of aggregate payments due under the TRA may vary based on a number of factors, including the amount and timing of the taxable income the Operating Company generates each year and the applicable tax rate.

We periodically evaluate the realizability of the deferred tax assets resulting from the exchange of Common Units for our Class A common stock. If the deferred tax assets are determined to be realizable, we then assess whether payment of amounts under the TRA have become probable. If so, we record a TRA liability equal to 85% of such deferred tax assets. In subsequent periods, we assess the realizability of all of deferred tax assets subject to the TRA. If we determine that a deferred tax asset with a valuation allowance is realizable in a subsequent period, the related valuation allowance will be released and consideration of a corresponding TRA liability will be assessed. The realizability of deferred tax assets, including those subject to the TRA, is dependent upon the generation of future taxable income during the periods in which those deferred tax assets become deductible and consideration of prudent and feasible tax-planning strategies.

The measurement of the TRA is accounted for as a contingent liability. Therefore, once we determine that a payment to a member of the Operating Company has become probable and can be estimated, the estimated payment will be accrued. See "Note 12—Income Taxes."

Revenue Recognition

Net revenue consists of (i) product revenue from the Company's legacy wholesale and distribution operations ("Net Sales") and (ii) digital asset-related revenue generated from staking activities ("Staking Revenue").

Net Sales are recognized when customers obtain control of the goods promised by the Company. Revenue is measured based on the amount of consideration expected to be received in exchange for those goods, reduced by promotional discounts and estimates for returns, allowances, and refunds. Control is transferred either at the point of sale or upon delivery to the customer, depending on the terms of the arrangement. Taxes collected from customers for remittance to governmental authorities are excluded from net revenue.

The Company generates Net Sales primarily from the sale of finished products, whereby each product unit represents a single performance obligation. For certain product offerings, including custom or branded products, the Company may receive advance payments from customers. Such amounts are recorded as customer deposits and recognized as revenue upon satisfaction of the related performance obligations.

The Company estimates product returns based on historical experience and records a refund liability that reduces Net Sales. The Company evaluates actual returns, current economic trends, and changes in order volume when assessing the adequacy of its returns reserve. The liability for returns is included within "Accrued expenses and other current liabilities" in the consolidated balance sheets.

Shipping and handling activities that occur after control of goods transfers to the customer are accounted for as fulfillment activities and are included in cost of sales. Shipping and handling fees charged to customers are included in Net Sales upon satisfaction of the related performance obligations. The Company applies the practical expedient not to adjust the transaction price for significant financing components when the period between payment and performance is one year or less.

Staking Revenue represents rewards earned from the Company's participation in blockchain validation and related activities associated with its digital asset holdings. Staking Revenue is recognized when earned, which is generally when the underlying validation services are performed and the reward is determinable and received or receivable. Staking Revenue is included within net revenue in the consolidated statements of operations.

No customer represented approximately 10% of net revenue for the year ended December 31, 2025. One customer represented approximately 10% of net revenue for the year ended December 31, 2024.

Restructuring and Transformation Costs

During the year ended December 31, 2025, we incurred costs in connection with evaluating digital-asset alternatives and transitioning to a crypto-treasury operating model, as well as personnel-related actions under our cost-reduction strategy. These costs are recognized within operating expenses. The Board has approved the continued transition of the legacy business to an asset-light e-commerce model. The Company does not present discontinued operations. Management evaluated ASC 205-20 and concluded discontinued operations presentation is not appropriate as the wholesale / distribution business continues to generate revenues and has not been disposed.

Value Added Taxes

During the third quarter of 2020, as part of a global tax strategy review, we determined that our European subsidiaries based in the Netherlands, which we acquired on September 30, 2019, had historically collected and remitted value added tax ("VAT") payments, which related to direct-to-consumer sales to other European Union ("EU") member states, directly to the Dutch tax authorities. In connection with our subsidiaries' payment of VAT to Dutch tax authorities rather than other EU member states, we may become subject to civil or criminal enforcement actions in certain EU jurisdictions, which could result in penalties.

We performed an analysis of the VAT overpayments to the Dutch tax authorities, which we expected to be refunded to us, and VAT payable to other EU member states, including potential fines and penalties. Based on this analysis, we recorded VAT payable of approximately $0.4 million relating to this matter within "Accrued expenses and other current liabilities" in our consolidated balance sheet as of December 31, 2025 and 2024, respectively.

Pursuant to the purchase and sale agreement by which we acquired our European subsidiaries, the sellers are required to indemnify us against certain specified matters and losses, including any and all liabilities, claims, penalties and costs incurred or sustained by the Company in connection with non-compliance with tax laws in relation to activities of the sellers. The indemnity (or indemnification receivable) is limited to an amount equal to the purchase price under the purchase and sale agreement.

As noted above, we have voluntarily disclosed VAT owed to several relevant tax authorities in the EU member states, and believe in doing so we will reduce our liability for penalties and interest. Nonetheless, we may incur expenses in future periods related to such matters, including litigation costs and other expenses to defend our position. The outcome of such matters is inherently unpredictable and subject to significant uncertainties. Refer to "Note 7—Commitments and Contingencies" for additional discussion regarding our contingencies.

Net Loss Per Share

Basic net loss per share of Class A common stock is computed by dividing net loss attributable to Greenlane by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted net loss per share of Class A common stock is computed by dividing net loss attributable to Greenlane by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive elements. See "Note 10—Stockholders' Equity."

Recently Adopted Accounting Guidance

In December 2023, the FASB issued ASU 2023-08*, Intangibles—Goodwill and Other—Crypto Assets* (Subtopic 350-60) ("ASU 2023-08"), which is intended to improve the accounting for and disclosure of crypto assets. The ASU requires entities to subsequently measure crypto assets that meet specific criteria at fair value, with changes recognized in net income each reporting period. The ASU also the requires specific presentation of cash receipts arising from crypto assets that are received as noncash consideration in the ordinary course of business and are converted nearly immediately into cash. The amendments in this update are effective for all entities for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU No. 2023-08 effective January 1, 2025, which went into effect for the Company in Q4 of fiscal year 2025 when crypto assets were first purchased.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740)*: *Improvements To Income Tax Disclosures,* to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this Update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in ASU 2024-03 require a public business entity to disclose specific information about certain costs and expenses in the notes to its financial statements for interim and annual reporting periods. The objective of the disclosure requirements is to provide disaggregated information about a public business entity's expenses to help investors (i) better understand the entity's performance, (ii) better assess the entity's prospects for future cash flows, and (iii) compare an entity's performance over time and with that of other entities. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2024-03.

The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance during 2025. Management has carefully considered the new pronouncements that altered generally accepted accounting principles and does not believe that any other new or modified principles will have a material impact on the Company's reported financial position or operations in the near term.

NOTE 3. BUSINESS ACQUISITIONS AND DISPOSITIONS

EU Subsidiary Purchase Agreement

In May 2024, the Company entered into an agreement with a group of individuals to sell 100% equity interests of one of the Company's wholly-owned subsidiaries, Shavita B.V. and substantially all of the assets of ARI Logistics B.V. As of the December 31, 2025, the close of the transaction is in dispute as there was pending consideration obligations due to be transferred to the Company not met, as well as other monetary obligations of the purchasers that remain unsatisfied. As a result the Company did not record a sale of the business under ASC 805. *Business Combinations*. The Company intends to vigorously pursue its claims against Shavita and the purchaser group. As of December 31, 2025, the Company continues to run the operations. ARI Logistics, B.V. and Shavita B.V. represented 0% and 16.7% of the Company's total net sales in 2025 and 2024, respectively.

NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The carrying amounts for certain of our financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and certain accrued expenses and other assets and liabilities, approximate fair value due to the short-term nature of these instruments.

The Company holds digital assets, which are measured at fair value using quoted prices in active markets and are classified as Level 1 within the fair value hierarchy. Fair value for BERA is based on quoted market prices in active markets for identical assets at the measurement date and is classified within Level 1 of the fair value hierarchy under ASC 820. If a Level 1 input is available, it is required to be utilized as a measure of fair value without any adjustments, including those that would reflect the size of the holdings (including blockage factors). Due to the inherent volatility of cryptocurrency markets, the fair value of these assets may fluctuate significantly, which could materially impact the Company's financial position and results of operations.

Our financial instruments measured at fair value on a recurring basis were as follows at the dates indicated (In thousands):

	Consolidated Balance Sheet	Fair Value at December 31, 2025			
(in thousands)	**Caption**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:					
Stablecoins	Cash and cash equivalents	$ 22,640	$ —	$ —	$ 22,640
Digital assets - BERA	Digital assets	36,555	—	—	36,555
Total Assets		$ 59,195	$ —	$ —	$ 59,195

Digital assets included in this table consist solely of BERA and immaterial ETH. Stablecoins classified as cash equivalents are excluded.

There were no transfers between Level 1 and Level 2 and no transfers to or from Level 3 of the fair value hierarchy during the years ended December 31, 2025 and 2024.

Contingent Consideration

Each period we revalue our contingent consideration obligations associated with business acquisitions to their fair value. The estimate of the fair value of Product Launch Contingent Payments using a form of the scenario-based method, which includes significant unobservable inputs such as management's identification of probability-weighted outcomes and a risk-adjusted discount rate over the earn-out period. Significant increases or decreases in these inputs could result in a significantly lower or higher fair value measurement of the contingent consideration liability. Changes in the fair value of contingent consideration are included within "Other income (expense), net" in our consolidated statements of operations and comprehensive loss.

A reconciliation of our liabilities that are measured and recorded at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2025 and 2024 is as follows:

(in thousands)	Contingent Consideration
Balance, December 31, 2023	$ 1,000
Gain from fair value adjustments included in results of operations	(1,000)
Balance, December 31, 2024	$ —

Equity Securities Without a Readily Determinable Fair Value

Our investment in equity securities without readily determinable fair value consists of ownership interest in Airgraft Inc. We determined that our ownership interests do not provide the Company with significant influence over the operations of this investment. Accordingly, we account for our investment in this entity as equity securities.

Airgraft Inc. is a private entity and their equity securities do not have a readily determinable fair value. We elected to measure these equity securities under the measurement alternative election at cost minus impairment, if any, with adjustments through earnings for observable price changes in orderly transactions for the identical or similar investment of the same issuer. We did not identify any fair value adjustments related to these equity securities during the years ended December 31, 2025 and 2024.

As of December 31, 2025 and 2024, the carrying value of our investment in equity securities without a readily determinable fair value was approximately $1.9 million, included within "Other assets" in our consolidated balance sheets.

NOTE 5. LEASES

Greenlane as a Lessee

As of December 31, 2025, we had facilities financed under operating leases consisting of a warehouse combined with an office with lease term expirations in 2026. Lease terms are generally three to seven years for warehouses and office space. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The following table provides details of our future minimum lease payments under operating lease liabilities recorded in our consolidated balance sheet as of December 31, 2025. The table below does not include commitments that are contingent on events or other factors that are currently uncertain or unknown.

(in thousands)	Operating Leases
2026	170
Total minimum lease payments	$ 170
Less: imputed interest	(4)
Present value of minimum lease payments	$ 166
Less: current portion	166
Long-term portion	$ -

Rent expense under operating leases was approximately $1.4 million and $1.4 million for the years ended December 31, 2025 and 2024, respectively.

The following expenses related to our operating leases were included in "general and administrative expenses" within our consolidated statements of operations and comprehensive loss:

	For the year ended December 31,	
(in thousands)	**2025**	**2024**
Operating lease cost	$ 912	$ 912
Variable lease cost	520	440
Total lease cost	$ 1,432	$ 1,352

The table below presents the terms and discount rates of the Company's operating leases as of December 31, 2025:

	2025	2024
Weighted average remaining lease terms	0.5 years	1.0 years
Weighted average discount rate	2.3%	2.3%

NOTE 6. DEBT

Our debt balance, excluding operating lease liabilities and finance lease liabilities, consisted of the following amounts at the dates indicated:

	As of December 31,	
(in thousands)	**2025**	**2024**
Future Receivables Financing	—	
Secured Bridge Loan	—	
Secured Bridge Loan 2	—	3,674
Secured Bridge Loan 3	—	4,000
	—	7,674
Less unamortized debt issuance costs	—	—
Less current portion of debt	—	(7,674)
Debt, net, excluding operating and finance leases and liabilities	$ —	$ —

Exchange Agreement

On October 29, 2024, the Company entered into an Exchange Agreement with its Senior Subordinated Lender, whereby the Company agreed to exchange an aggregate of $4,617,307 of debt originally owed to Agile Capital Funding LLC and Cedar Advance LLC in a 3(a)(9) exchange for new Senior Subordinated Notes in the principal amount of $4,000,000 due one year from issuance (the "Exchange Note"), reducing outstanding indebtedness by approximately $617,000. The Exchange Note is convertible at the option of the holder at $2,377.50 per share. In connection with the Exchange, the Company issued an aggregate of 1,683 five-year warrants with an exercise price of $2,280 per share (the "Exchange Warrants").

The Company evaluated the Exchange Agreement under ASC 470-50, Debt – Modifications and Extinguishment. As a result, the Company determined that the Exchange Agreement should be accounted for as an extinguishment and the Company recorded the Exchange Agreement debt instrument at fair value which included the consideration in common stock warrants transferred. The resulting loss on extinguishment of $2.0 million is included in loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended December 31, 2024.

As noted above, the Company issued 1,683 common stock warrants which were deemed to classified as equity as the warrants were exercisable for a fixed price of $2,280 and for a fixed number of shares with no potential for cash redemption. The Company determines the value of the warrants using an appropriate valuation method, including a Black-Scholes. As part of the debt extinguishment the 1,683 Exchange Warrants were valued at $2.6 million using the Black-Scholes model.

As part of the 2025 Offering, the Company used a portion of the proceeds to pay off the Exchange Note in full in the amount of $4.0 million during the year ended December 31, 2025.

Note Payable

On June 7, 2024, the Company entered into a subscription agreement for a note payable with Cobra Alternative Capital Strategies, LLC ("Cobra").

On August 7, 2024, the Company issued a note (the "Note") in the principal amount of $3,237,269 to Cobra. The Note is due the earlier of (i) February 5, 2025; or (ii) the Company's receipt of at least $3,500,000 of gross proceeds from an offering of their securities (a "Qualified Offering") and contain a 20% original issue discount. The Notes were convertible into common stock after maturity if not paid prior. In connection with the issuance of the Note, the Company issued the Investor warrants to purchase up to 2,159 shares at the Qualified Offering Price.

In consideration for the extinguishment of the Secured Bridge Loan, Cobra paid off the $2.7 million balance owed to Synergy as part of the Secured Bridge Loan. In exchange for paying off the Secured Bridge Loan, the Company (i) agreed to make the Cobra Notes convertible at the option of Cobra with a conversion price of $2,377.50 per share, (ii) agreed to prepay Cobra's debt with 50% of any money raised by the Company from warrant exercise proceeds and from capital raise transactions, and (iii) issued Cobra an aggregate of 667 five-year warrants with an exercise price of $2,280 per share which are identical to the Exchange Warrants. The Exchange common stock warrants which were deemed to classified as equity as the warrants were exercisable for a fixed price of $2,280 and for a fixed number of shares with no potential for cash redemption. The Company determines the value of the warrants using an appropriate valuation method, including a Black-Scholes. As part of the debt extinguishment the 667 Exchange Warrants were valued at $1.0 million using the Black-Scholes model.

As part of the 2025 Offering, the Company used a portion of the proceeds to pay off the Note in full in the amount of $4.0 million during the year ended December 31, 2025.

Secured Bridge Loan

On September 22, 2023, the Company entered into a secured loan pursuant to a Loan and Security Agreement (the "September 2023 Loan Agreement"), dated as of September 22, 2023 with Synergy Imports, LLC (the "Secured Bridge Loan Lender" or "Synergy").

Pursuant to the September 2023 Loan Agreement, the Secured Bridge Loan Lender agreed to make available to the Company a six-month bridge loan of $2.2 million in new funds. Additionally, the Secured Bridge Loan Lender agreed to defer payments totaling $2,028,604 already owed by the Company under existing payment obligations and potentially defer up to an additional $2,655,778 which may become due pursuant to existing agreements during the term of the September 2023 Loan Agreement.

On May 6, 2024, the Company, Warehouse Goods and Synergy entered into an asset purchase agreement, dated May 1, 2024 (the "Asset Purchase Agreement") pursuant to which Synergy purchased all of the intellectual property, a specified amount of inventory, and other assets related to the Eyce and DaVinci brands. In consideration for the acquisition, all parties entered into a loan modification agreement, effective May 1, 2024 (the "Loan Modification Agreement") and an amended and restated secured promissory note, effective May 1, 2024 (the "Amended and Restated Secured Promissory Note"), an amendment to the original Eyce and Davinci Asset Purchase Agreements, a distribution agreement, the termination of a license granted by Eyce, and the termination of certain consulting and employment agreements. The Company evaluated the extinguishment of the Secured Bridge Loan under ASC 470-50, Debt – Modifications and Extinguishment. As a result, the Company determined that the Secured Bridge Loan should be accounted for as an extinguishment and the Company recorded the resulting gain on extinguishment of $2.1 million in the accompanying consolidated statement of operations for the year ended December 31, 2024 As part of the overall modification, the principal balance with Synergy decreased to $2.7 million from $5.1 million. Synergy acquired certain assets from the Company in exchange for the reduction in overall principal owed and as part of the transaction, the Company recognized a gain on the debt modification of $2.2 million. This amount is included in the accompanying financial statements within the statement of operations for year ended December 31, 2024 within other income (expense). The Secured Bridge Loan balance of $2.7 million was paid in full by Cobra as part of the October 29, 2024 First Amendment to Amended and Restated Secured Promissory Note. The First Amendment to Amended and Restated Secured Promissory Note was repaid in full in February 2025 with proceeds from the Private Placement.

The Company evaluated the extinguishment of the Secured Bridge Loan under ASC 470-50, Debt – Modifications and Extinguishment. As a result, the Company determined that the Secured Bridge Loan should be accounted for as an extinguishment and the Company recorded the Cobra debt instrument at fair value which included the consideration in common stock warrants transferred. The resulting loss on extinguishment recorded of $1.0 million is included in loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended December 31, 2024.

As noted above, the company issued 667 common stock warrants which were deemed to classified as equity as the warrants were exercisable for a fixed price of $2,280 and for a fixed number of shares with no potential for cash redemption. The Company determines the value of the warrants using an appropriate valuation method, including a Black-Scholes. As part of the debt extinguishment the 667 Exchange Warrants were valued at $1.0 million using the Black-Scholes model.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is involved in legal proceedings and claims arising in the ordinary course of business. The Company records a liability for such matters when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. For matters where a loss is not probable or cannot be reasonably estimated, no liability is recorded; however, the Company discloses such matters if there is at least a reasonable possibility that a material loss may have been incurred. Management evaluates these matters on an ongoing basis and believes that the ultimate resolution of such proceedings will not have a material adverse effect on the Company's consolidated financial statements, although outcomes are inherently uncertain.

Antitrust Cases

The Company is a defendant in various consumer and direct purchaser class action lawsuits alleging antitrust violations in connection with the distribution of CCELL products. These matters include actions filed in federal courts in California and involve substantially similar allegations against the Company and other distributors. The Company believes these cases are baseless and without merit and is jointly defending these matters with co-defendants. At this stage, the Company is unable to estimate a reasonably possible loss or range of loss, if any.

On February 11, 2025, Earth's Healing, Inc. brought a purchaser class action antitrust action against four U.S. distributors of CCELL products, including Greenlane Holdings, Inc.

On April 10, 2025, Redbud Roots Inc. brought a purchaser class action antitrust action against four U.S. distributors of CCELL products, including Greenlane Holdings, Inc.

On April 17, 2025, Summit Industrial Solutions LLC brought a purchaser class action antitrust action against four U.S. distributors of CCELL products, including Greenlane Holdings, Inc.

The above matters have been consolidated into a single amended complaint.

On December 16, 2024, S.K. et al brought a consumer class action antitrust action against four U.S. distributors of CCELL products, including Greenlane Holdings, Inc.

Commercial Litigation

The Company is involved in certain commercial disputes arising from legacy operations, including claims related to professional services, contract performance, and manufacturing agreements. The Company disputes these claims and is actively defending or resolving these matters, including through settlement discussions where appropriate. At this time, the Company is unable to estimate a reasonably possible loss or range of loss, if any.

On December 17, 2024, Crossmark, Inc. brought a breach of contract suit against our subsidiary, Warehouse Goods, LLC, in the amount of $297,182. The Company disputes the claims and has engaged in settlement discussions. At this time, the Company is unable to estimate a reasonably possible loss, if any.

On November 15, 2024, Vaporous Technologies, Inc. brought a suit for liquidated damages in the amount of $664,289 under the September 2020 Manufacturing Agreement by Vaporous against Warehouse Goods. LLC. The Company disputes the claims and is defending the matter. At this time, the Company is unable to estimate a reasonably possible loss, if any.

On November 13, 2024, Pryor Cashman made a demand for arbitration for unpaid legal invoices in the amount of $320,512. The Company previously disputed these claims and entered into a settlement arrangement, which has been satisfied in accordance with the agreed payment terms.

Government Investigation

On February 25, 2025, the Company received a Civil Investigation Demand regarding an investigation to determine whether there is or has been alleged violations of the False Claims Act concerning allegations of false claims submitted to federal programs for approval, payment, and subsequent forgiveness of a Kim International LLC (a subsidiary of Kushco which the Company acquired in 2021) 2020 Federal Payment Protection Program ("PPP") loan of approximately $1.9 million dollars. The Company is cooperating with the investigation and is unable to estimate a reasonably possible loss, if any.

The Company recorded an accrual of approximately $0.5 million as of December 31, 2025 related to legal matters. No accrual was recorded as of December 31, 2024. This accrual does not necessarily relate to any individual matter described above, and the Company cannot estimate additional reasonably possible losses, if any, at this time.

Other Contingencies

We are potentially subject to claims related to various non-income taxes (such as sales, value added, consumption, and similar taxes) from various tax authorities, including in jurisdictions in which we already collect and remit such taxes. If the relevant taxing authorities were successfully to pursue these claims, we could be subject to significant additional tax liabilities.

See "Note 5—Leases" for details of our future minimum lease payments under operating lease liabilities. See "Note 12—Incomes Taxes" for information regarding income tax contingencies.

NOTE 8. SUPPLEMENTAL FINANCIAL STATEMENT INFORMATION

Accounts Receivable, net

Accounts receivable, net is as follows (in thousands):

	As of December 31,	
	2025	2024
Accounts receivable amortized cost	$ 3,083	$ 6,878
Allowance for credit losses	(1,511)	(2,616)
Net accounts receivable	$ 1,572	$ 4,262

The following table summarizes the changes in the allowance for credit losses for accounts receivable (in thousands):

	December 31, 2025	December 31, 2024
Balance, beginning of period	$ (2,616)	$ (4,262)
Provision for expected credit losses, net	(1,974)	(245)
Write-offs	3,079	1,891
Balance, end of period	$ (1,511)	$ (2,616)

Property and Equipment, net

The following is a summary of our property and equipment, at costs less accumulated depreciation and amortization:

		As of December 31,	
(in thousands)	Estimated useful life	2025	2024
Furniture, equipment and software		$ 7,879	$ 8,595
Leasehold improvements	3 - 7 years	33	33
Work in process	Lesser of lease term or 5 years	—	20
		7,912	8,648
Less: accumulated depreciation		7,659	7,228
Property and equipment, net		$ 253	$ 1,420

Depreciation expense for property and equipment for the years ended December 31, 2025 and 2024 was approximately $0.1 million and $0.8 million, respectively. The Company recorded an impairment attributed to property and equipment for the years ended December 31, 2025 and 2024 in the amount of $0.7 million and $0.2 million, respectively.

Other Current Assets

The following table summarizes the composition of other current assets as of the dates indicated:

	As of December 31,	
(in thousands)	2025	2024
Other current assets:		
VAT refund receivable (Note 2)	$ 50	$ 43
Prepaid expenses	1,279	301
Indemnification receivable, net	7	7
Customs bonds	500	952
Other	165	2
	$ 2,001	$ 1,305

Accrued Expenses and Other Current Liabilities

The following table summarizes the composition of accrued expenses and other current liabilities as of the dates indicated:

	As of December 31,	
(in thousands)	2025	2024
Accrued expenses and other current liabilities:		
Accrued employee compensation	$ 154	$ 1,052
Accrued expenses	1,473	166
	$ 1,627	$ 1,218

Customer Deposits

For certain customized product offerings, we may receive a deposit from the customer (generally 25% - 50% of the total order cost, but the amount can vary by customer contract), when an order is placed by a customer. We typically complete orders related to customer deposits within one to six months from the date of order, depending on the complexity of the customization and the size of the order, but the order completion timeline can vary by product type and terms of sale with each customer. Changes in our customer deposits liability balance during the year ended December 31, 2025 and 2024, respectively, were as follows:

(in thousands)	Customer Deposits
Balance as of December 31, 2023	$ 2,775
Increases due to deposits received, net of other adjustments	—
Customer Overpayments	—
Revenue recognized	(114)
Balance as of December 31, 2024	$ 2,661
Increases due to deposits received, net of other adjustments	—
Customer adjustments	(2,329)
Revenue recognized	332
Balance as of December 31, 2025	$ —

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) for the periods presented were as follows:

(in thousands)	Foreign Currency Translation	Unrealized Gain or (Loss) on Derivative Instrument	Total
Balance at December 31, 2023	$ 245	$ —	$ 245
Other comprehensive income (loss)	20	—	20
Less: Other comprehensive (income) loss attributable to non-controlling interest	—	—	—
Balance at December 31, 2024	$ 265	$ —	$ 265
Other comprehensive income (loss)	—	—	—
Less: Other comprehensive (income) loss attributable to non-controlling interest	—	—	—
Balance at December 31, 2025	$ 265	$ —	$ 265

Supplier Concentration

Our four largest vendors accounted for an aggregate of approximately 100% and 61% of our total purchases for the years ended December 31, 2025 and 2024, respectively We expect to maintain our relationships with these vendors.

Related Party Transactions

On October 24, 2025, the Company appointed its Chief Investment Officer, Ben Isenberg, to manage digital-asset treasury activities. The Chief Investment Officer has relationships within the Berachain ecosystem, and is also the owner of BSQD Corp., a liquidity provider who the Company may transact with to execute BERA acquisitions. Any such transactions would be conducted on an arm's length basis at prevailing market prices and conditions.

Renah Persofsky, who served as a Greenlane Director until October 23, 2025, is also a Principal Owner of Green Gruff USA Inc, ("Green Gruff"). In January 2025 the Company entered into an amended distribution agreement with Green Gruff. For the year ended December 31, 2025, the Company recognized $60 thousand of revenue from sales of Green Gruff and incurred $28 thousand in cost of goods sold from purchases. As of December 31, 2025, the Company had $22 thousand due from Green Gruff, which is included in accounts receivable on the consolidated balance sheet. As of and for the year ended December 31, 2024, there were no transactions between the Company and Green Gruff.

As of December 31, 2025, there were no other related-party transactions to disclose. The Company believes that transactions with related parties are conducted on terms comparable to those that could be obtained in arm's-length transactions; however, such transactions may not be indicative of the terms that would have been obtained from unrelated third parties.

NOTE 9. DIGITAL ASSETS

On October 23, 2025, the Company adopted Berachain as its primary treasury reserve asset. Under this new treasury strategy, the Company purchases and holds Berachain for long term investment purposes. The Company accounts for its Berachain as digital asset in accordance with ASC 350, Intangibles-Goodill and Other and has ownership over its Berachain, which are included in digital assets in the Consolidated Balance Sheets. As of December 31, 2025, there were no contractual restrictions on the Company sale of its Berachain assets.

Berachain investment

The Company's BERA acquisition for investment purpose are initially recorded at cost, inclusive of transaction costs and fees. Subsequently, the Company remeasure its BERA investment at fair value at the end of each reporting period with changes recognized in net income through other (expense) income, net on the Company's Consolidated Statements of Operations.

The following table sets forth the units held, cost basis, and fair value of both USDT, ETH, BERACHAIN and USDC held, as shown on the balance sheet as of December 31, 2025 (In thousands, except per coin):

	Units	Cost Basis	Fair Value
USDT	13,196,846	$ 13,197	$ 13,163
USDC	9,598,788	9,599	9,477
Stablecoins – Cash Equivalent		22,796	22,640
BERACHAIN	51,659,912	58,262	36,554
ETH	1	1	1
Intangible Digital Assets		58,263	36,555
Total		**$ 81,057**	**$ 59,194**

Cost basis is equal to the cost of the digital asset, net of any transaction fees, if any, at the time of purchase or upon receipt. Fair value represents the quoted digital assets prices within the Company's principal market at the time of measurement (11:59 Eastern).

The Company began cryptocurrency activities during the year ended December 31, 2025.

The following table presents a roll forward of the Company's digital asset holdings, including BERA tokens, as well as U.S. dollar-denominated stablecoins held in Company-controlled wallets, for the year ended December 31, 2025. Digital assets are measured at fair value with changes recognized in earnings, while stablecoins are classified as cash equivalents and included for informational purposes only.

	Cash equivalent - Stablecoins	Intangible Digital Assets - BERA
Balance as of December 31, 2024	$ -	$ -
Digital assets acquired from October 2025 PIPE	19,000	59,539
Purchases	11,802	8,163
Sales	(8,163)	-
Change in fair value	-	(31,147)
Balance at December 31, 2025	$ 22,640	$ 36,555

The Company did not hold any digital assets during the year December 31, 2024.

NOTE 10. STOCKHOLDERS' EQUITY

Shares of our Class A common stock have both voting interests and economic interests (i.e., the right to receive distributions or dividends, whether cash or stock, and proceeds upon dissolution, winding up or liquidation). All Class B shares were converted to Class A in December 2022. Accordingly, we no longer have Class B shares outstanding, and references to Class B are for historical context only. Each share of our Class A common stock entitles the record holder thereof to one vote on all matters on which stockholders generally are entitled to vote, and except as otherwise required in the A&R Charter, the holders of Common Stock will vote together as a single class on all matters (or, if any holders of our preferred stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of preferred stock).

Reverse Stock Split

Effective June 26, 2025, the Company completed a one-for-750 reverse stock split of our issued and outstanding shares of Common Stock, as further described in "Note 1 – Business Operations and Organization." As a result of the 2025 Reverse Stock Split, every 750 shares of Common Stock issued and outstanding were converted into one share of Common Stock. In lieu of fractional shares, we rounded up to the next whole share, and accordingly, no fractional shares were issued in connection with the 2025 Reverse Stock Split.

The Reverse Stock Splits did not change the par value of the Common Stock or the authorized number of shares of Common Stock. All share and per share amounts in these consolidated financial statements and notes thereto have been retroactively adjusted for all periods presented to give effect to the Reverse Stock Splits, including the related reclassification between common stock and additional paid-in capital.

Common Stock and Warrant Offerings

August 2024 Private Placement

On August 12, 2024, the Company entered into a securities purchase agreement with certain holders (the "Holders") pursuant to which we agreed to issue and sell an aggregate of 78 shares of our Class A common stock, pre-funded warrants to purchase up to 3,075 shares of our Class A common stock (the "August 2024 Pre-Funded Warrants") and warrants to purchase up to 6,303 shares of our Class A common stock (the "August 2024 Standard Warrants"). for aggregate gross cash proceeds of $6.5 million. In connection with the private placement, the Company issued an aggregate of 3,152 units and pre-funded units. The pre-funded units were sold at the same purchase price as the units, less the pre-funded warrant exercise price of $0.001. Each unit and pre-funded unit consisted of one share of common stock (or one pre-funded warrant) and two common warrants, each exercisable for one share of common stock at an exercise price of $1,875 per share. The common warrants were exercisable on the initial exercise date described in the warrants and expire five years from such date.

On February 18, 2025, the Company entered into an Exchange Agreement with Holders of three tranches of warrants to purchase Common Stock previously issued by the Company in August 2024 and October 2024. Under such Exchange Agreement, such Holders exchanged with the Company such existing warrants for approximately 8,172 new warrants to purchase common stock, substantially in the form of the Series B Warrants. The Company exchanged 6,117 warrants not previously exercised into two and one-half (2.5) year warrants in the form of the Series B Warrants with an exercise price of $2,235 per share.

October 2024 Private Placement

On October 29, 2024, the Company entered into an Exchange Agreement with its Senior Subordinated Lender and with Cobra. In connection with the Exchange, the Company issued an aggregate of 2,350 five-year warrants with an exercise price of $2,280 per share (the "Exchange Warrants"). The Exchange Warrants were classified in equity because they were exercisable for a fixed price of $2,280 per share and a fixed number of shares and did not include cash settlement provisions. The Company determined the fair value of the Exchange Warrants using the Black-Scholes option pricing model. As part of the debt extinguishment, the 2,350 Exchange Warrants were valued at approximately $3.7 million.

In February 2025, the Company exchanged the remaining 2,056 warrants not previously exercised into warrants which were substantially equivalent to the Series B Warrants which were two and one-half (2.5) year warrants in the form of the Series B Warrants with an exercise price of $892.50 per share.

February 2025 Private Placement

On February 19, 2025, the Company consummated a private placement pursuant to a securities purchase agreement ("Purchase Agreement") with institutional investors (the "Purchasers") for the purchase and sale of approximately $25.0 million of shares of the Company's Class A common stock and investor warrants at a price of $892.50 per Common Unit. The entire transaction was priced at the market under Nasdaq rules. The offering consisted of the sale of Common Units (or Pre-Funded Units), each consisting of (i) one (1) share of Common Stock or one (1) Pre-Funded Warrant, (ii) one (1) Series A PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $1,115.63 (the "Series A Warrant") and (iii) one (1) Series B PIPE Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of $2,231.25 (the "Series B Warrant" and together with the Series A Warrant, the "Warrants"). The initial exercise price of each Series B Warrant is $2,231.25 per share of Common Stock or pursuant to an alternative cashless exercise option.

The initial exercise price of each Series A Warrant is $1,115.63 per share of Common Stock. The Series A Warrants are exercisable following stockholder approval and expire five (5) years thereafter. The number of securities issuable under the Series A Warrant is subject to adjustment as described in more detail in the Series A Warrant. The initial exercise price of each Series B Warrant is $2,231.25 per share of Common Stock or pursuant to an alternative cashless exercise option. The Series B Warrants are exercisable following stockholder approval and expire two and one-half (2.5) years thereafter. The number of securities issuable under the Series B Warrant is subject to adjustment as described in the Series B Warrant.

In connection with the Private Placement, the Company entered into a registration rights agreement with the Purchasers on February 18, 2025 (the "Registration Rights Agreement"), pursuant to which the Company is required to file a registration statement covering the resale of the Securities within 30 calendar days of the closing of the offering.

As part of the Purchase Agreement, the Company agreed to place $2.5 million into an escrow account to secure certain indemnification obligations in connection with the private placement. As of December 31, 2025, $1.7 million of the escrow balance had been returned to the Company and $0.8 million had been credited to the Purchasers as a result of late filings by the Company.

October 2025 PIPE Transaction

Securities Purchase Agreements

On October 20, 2025, the Company entered into subscription agreements with certain accredited investors for a private placement funded in U.S. dollars, USDC or USDT. In connection with the cash-funded leg of the transaction, the Company agreed to issue 3,328,012 shares of Common Stock and pre-funded warrants to purchase 9,789,166 shares of Common Stock. Gross consideration for the overall October 2025 PIPE transaction was approximately $109.9 million, consisting of cash, stablecoins and BERA.

Each of the Cash Pre-Funded Warrants is exercisable for one share of Common Stock at the remaining exercise price of $0.01 per Cash Pre-Funded Warrant Share, and may be exercised at any time following the closing of the Cash Offering until all of the Cash Pre-Funded Warrants issued in the Cash Offering are exercised in full. Each Cash Subscriber's ability to exercise its Cash Pre-Funded Warrants in exchange for shares of Common Stock is subject to certain beneficial ownership limitations set forth therein.

On October 20, 2025, the Company also entered into subscription agreements with certain accredited investors for a private placement funded with BERA. In connection with the cryptocurrency-funded leg of the transaction, the Company agreed to issue pre-funded warrants to purchase 15,504,902 shares of Common Stock. For purposes of the transaction, BERA was valued at $1.9477 per token based on a seven-day trailing VWAP using Binance 1-hour Kline data, or $0.9836 per token in the case of the Berachain Foundation, reflecting a 49.5% discount. The cryptocurrency-funded pre-funded warrants have an exercise price of $0.01 per share.

In connection with the October 2025 PIPE transaction, the Company agreed to certain contractual transfer restrictions on a portion of the BERA received. As of December 31, 2025, while these contractual provisions were in place, no operational lockup mechanism had been implemented, and the Company retained the ability to utilize such BERA, including for staking activities. An operational lockup mechanism was implemented in mid-February 2026, with restrictions scheduled to expire on April 23, 2026. Management concluded that, as of December 31, 2025, these contractual provisions did not impact the fair value measurement or classification of the Company's BERA holdings.

The exercise of the Cryptocurrency Pre-Funded Warrants into shares of Common Stock was subject to stockholder approval. The Company obtained such stockholder approval at a special meeting of stockholders held on December 16, 2025. Following stockholder approval, certain of the Cryptocurrency Pre-Funded Warrants became exercisable for one share of Common Stock at an exercise price of $0.01 per share and remain exercisable until exercised in full, subject to the beneficial ownership limitations set forth therein. Certain of the Cryptocurrency Pre-Funded Warrants are subject to lock-up agreements that expire on April 18, 2026, after which they become exercisable for one share of Common Stock at an exercise price of $0.01 per share and remain exercisable until exercised in full, subject to the beneficial ownership limitations set forth therein.

The Company received aggregate gross consideration of approximately $110 million in the Offerings, consisting of cash, stablecoins and BERA. The Company intends to use the net cash proceeds to support its BERA treasury operations, working capital, general corporate purposes and transaction-related fees and expenses.

In connection with the October 2025 PIPE transaction, the Company engaged Aegis Capital Corp. ("Aegis") as placement agent. The Company paid Aegis a cash placement fee equal of $5 million, as well as a non-accountable commission equal to 2% of the private placement (or 1.0% placement commission for any investors introduced by the Company, Polychain Capital LP or the Berachain Foundation (or any affiliate of any of the foregoing) to Aegis). In addition, the Company issued to Aegis or its designees warrants to purchase shares of the Company's common stock equal to approximately 5.0% of the aggregate number of shares sold in the offering (the "Placement Agent Warrants"). The Placement Agent Warrants have an exercise price equal to 125% of the offering price of the securities sold in the private placement and are exercisable for a period of five years from the date of issuance. The Placement Agent Warrants were classified as equity instruments and recorded in additional paid-in capital based on their relative fair value at the date of issuance.

Warrants

The Company has issued warrants in connection with equity financing transactions, debt restructuring and exchange transactions, and strategic advisory arrangements entered into in connection with its transition to a digital asset treasury strategy. These warrants are classified as equity instruments because they are exercisable for a fixed number of shares at a fixed exercise price and do not include provisions requiring cash settlement.

The Company accounts for warrants issued in connection with equity financings and services in accordance with ASC 815-40, ASC 718, and ASC 505-50. Warrants are classified as equity instruments when they are indexed to the Company's own stock and meet the criteria for equity classification. Warrants issued in connection with financing transactions are recorded in additional paid-in capital at their relative fair value on the date of issuance and are not subsequently remeasured. Warrants issued in exchange for services are measured at fair value on the grant date. Where no substantive service period exists, the full fair value is recognized immediately in general and administrative expense; where a substantive service period exists, expense is recognized over the service period.

During the year ended December 31, 2025, the Company issued warrants and warrant-like instruments in connection with the October 2025 private placement and related cryptocurrency subscription agreements, as well as strategic advisory arrangements. A significant portion of these instruments consisted of pre-funded warrants with a nominal exercise price of $0.01 per share. Because these warrants were substantially pre-funded, they are considered equity instruments and their exercise is generally expected.

Advisory warrants totaling 5,264,752 shares of common stock were issued to certain strategic advisors and service providers in lieu of or in addition to cash compensation. Advisory warrants issued under the Company's master strategic advisory agreement were not subject to vesting, forfeiture, or performance conditions and were determined to have no substantive service period; accordingly, the related expense was recognized in full at the grant date. In contrast, warrants issued under certain advisory arrangements with defined service periods are recognized over the term of the arrangement.

During the year ended December 31, 2025, a total of 1,375,435 warrants were exercised, including 1,353,658 pre-funded warrants and 21,777 additional pre-funded warrants. Because pre-funded warrants are fully funded at issuance and have a nominal exercise price, exercises do not result in material cash proceeds and are reflected as reclassifications within stockholders' equity.

Warrant activity for the years ending December 31, 2025 and 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2023	1,032	$ 0.15
Issued	13,885	0.01
Expired	—	—
Exercised	(1,899)	0.01
Balance, December 31, 2024	13,018	0.01
Issued	32,433,940	0.01
Expired or rescinded	(9,486)	0.01
Exercised	(1,375,435)	0.01
Balance, December 31, 2025	31,062,037	$ 0.01

As of December 31, 2025, outstanding warrants have a weighted average remaining life of 3.32 years.

The increase in warrants issued during the year ended December 31, 2025 primarily relates to warrants issued in connection with (i) the October 2025 private placement and related cryptocurrency subscription agreements and (ii) strategic advisory arrangements entered into during the year.

The Company did not have any material warrant forfeitures or cancellations during the period.

The weighted-average exercise price reflects a mix of financing warrants, which were issued at market-based terms, and advisory warrants, which were measured at fair value at grant date based on option pricing models.

For the year ended December 31, 2025, the Company recognized $18.6 million of non-cash stock-based compensation expense related to warrants issued to non-employee service providers and strategic advisors. This expense is included within general and administrative expenses in the consolidated statements of operations.

Warrants issued during the year are reflected as increases to additional paid-in capital within the consolidated statements of stockholders' equity.

Valuation assumptions used for warrants measured at fair value on issuance:

The Company estimated the fair value of certain warrants using the Black-Scholes option pricing model at the date of issuance. The use of this model requires management to make significant estimates and assumptions, including the expected term of the warrants, expected volatility of the Company's stock price, risk-free interest rate, and expected dividend yield.

Expected volatility was determined using a combination of the Company's historical stock price volatility and the volatility of comparable publicly traded companies, due to the Company's limited trading history and significant changes in its business model during the periods presented.

The risk-free interest rate was based on U.S. Treasury yields in effect at the time of grant for instruments with similar expected terms. The expected term represents the contractual life of the warrants. The expected dividend yield was assumed to be zero, as the Company has not historically paid dividends and does not expect to do so in the foreseeable future.

Pre-funded warrants, which have nominal exercise prices and are fully funded at issuance, were not valued using the Black-Scholes model.

The following table summarizes the weighted-average assumptions used in the Black-Scholes model for warrants measured at fair value at issuance:

	2025	2024
Stock price	$3.46	$2,760.00 - $3,037.50
Risk-free interest rate	4.25%	3.79% - 4.39%
Expected term (in years)	4.0	5.8 to 6.0
Expected share price volatility	120.00%	79.85%
Expected dividend yield	-%	-%

Net Loss Per Share

Basic net loss per share of Class A common stock is computed by dividing net loss attributable to Greenlane by the weighted-average number of shares of Class A common stock outstanding during the period. Diluted net loss per share of Class A common stock is computed by dividing net loss attributable to Greenlane by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive elements.

A reconciliation of the numerator and denominator used in the calculation of basic and diluted net loss per share of our Class A common stock is as follows (in thousands, except share and per share amounts):

	For the year ended December 31,	
(in thousands, except per share data)	**2025**	**2024**
Numerator:		
Net loss	$ (85,580)	$ (17,657)
Less: Net loss attributable to non-controlling interests	—	17
Net loss attributable to Class A common stockholders	$ (85,580)	$ (17,640)
Denominator:		
Weighted average shares of Class A common stock outstanding*	7,491,560	1,212,000
Net loss per share of Class A common stock - basic and diluted*	$ (11.42)	$ (14.56)

* After giving effect to the June 2025 1-for-750 Reverse Stock Split.

Pre-funded warrants with nominal exercise prices were included in the weighted-average number of shares outstanding for purposes of calculating basic net loss per share beginning on their respective issuance dates, as the exercise price is non-substantive and exercise is considered virtually assured.

For the years ended December 31, 2025 and 2024, stock options and warrants to purchase Class A common stock were excluded from the computation of diluted net loss per share because their inclusion would have been anti-dilutive due to the net loss reported for each period.

Potentially dilutive securities include stock options, warrants, and pre-funded warrants; however, these instruments were excluded from diluted net loss per share as their inclusion would have been anti-dilutive.

The following table presents the total number of potential common shares excluded from the computation of diluted net loss per share because their effect would have been anti-dilutive (in common stock equivalent shares):

	For the year ended	
	December 31, 2025	**December 31, 2024**
Stock options to purchase common stock	1,880,000	5
Warrants to purchase common stock	31,062,037	1,032
	32,942,037	1,037

NOTE 11. COMPENSATION PLANS

Amended and Restated 2019 Equity Incentive Plan

In April 2019, the Company adopted the Greenlane Holdings, Inc. 2019 Equity Incentive Plan (the "2019 Plan"). The Plan has been amended and restated several times since adoption. As of December 31, 2025, the Company's equity incentive plan balances, including the total shares authorized for issuance, awards outstanding, and shares available for future grant, reflect all amendments approved through that date, including the plan's evergreen feature.

In October 2025, Company included in its proxy statement a proposal to increase the share reserve under the Company's equity incentive plan to 3,000,000 shares. The plan already includes a 15% evergreen feature. Based on shares outstanding as of the record date described in the proxy, the evergreen provision would add approximately 2.9 million incremental shares. The Company filed a registration statement on Form S-8 to register any additional shares following stockholder approval.

Stock Options

Stock option awards are granted with an exercise price equal to the fair market value of the Company's common stock at the date of grant based on the closing market price of its common stock as reported on The Nasdaq Global Market. The option awards include service-based vesting conditions tied to specific service dates. The requisite service period is generally shorter in duration and varies by employee based on individual award terms. The stock options expire five years after the date of grant.

During the year ended December 31, 2025, the Company granted 3,000,000 nonqualified stock options with a weighted-average exercise price of $3.84. The grant-date fair value of these awards was determined using the Black-Scholes option pricing model. Key assumptions included a stock price of $3.46, an expected term of four years, expected volatility of 120%, a risk-free rate based on U.S. Treasury yields of 4.2%, and a dividend yield of zero. The expected term reflects the contractual life of the awards (five years) and expected exercise behavior, as the options were granted out-of-the-money and are expected to be exercised upon sufficient appreciation in the Company's stock price. The resulting aggregate grant-date fair value is recognized as compensation expense over the requisite service period in accordance with ASC 718.

The Company recorded stock-based compensation expense of approximately $4.6 million and $0.1 million for the years ended December 31, 2025 and 2024, respectively, related to stock options. The 2025 expense reflects amortization of the grant-date fair value of the awards granted in October 2025 over the applicable service periods, as well as the impact of the forfeitures recognized during the period. Gross stock-based compensation expense related to these awards was approximately $7.6 million, which was reduced by approximately $3.0 million of expense reversals associated with forfeited awards.

Because the awards were granted in October 2025, only a portion of the total grant-date fair value was recognized during the year ended December 31, 2025, with the remaining unrecognized compensation cost to be recognized over the remaining service periods.

There were no stock options exercised during the year ended December 31, 2025. Based on the fair market value of the Company's common stock at December 31, 2025 the total intrinsic value of all outstanding options was none.

The following table summarizes the Company's stock option activity:

	Stock options outstanding	Weighted average exercise price
Outstanding at December 31, 2024	-	$ -
Granted	3,000,000	3.84
Forfeited	(1,120,000)	3.84
Outstanding at December 31, 2025	1,880,000	3.84

Options outstanding at December 31, 2025 include awards subject to ongoing service-based vesting conditions. The difference between options granted and compensation expense recognized reflects the timing of expense recognition over the requisite service periods, as well as the impact of forfeitures recorded during the period.

The intrinsic value represents the difference between the fair market value of the Company's common stock on the date of exercise and the exercise price of each option. Based on the fair market value of the Company's common stock at December 31, 2025 the total intrinsic value of all outstanding options was none.

Stock options outstanding, vested and expected to vest and exercisable are as follows:

	As of December 31, 2025		
	Number of shares	Remaining contractual life (years)	Weighted- average exercise price
Outstanding, vested and or expected to vest	1,486,000	9.8	$ 3.84

Restricted Stock Units

During the year ended December 31, 2025, the Company granted 115,000 RSUs to members of its senior management and certain other employees pursuant to the 2019 Plan. There were 115,000 RSUs that vested during the year ended December 31, 2025. The Company accounts for RSUs issued to employees at fair value, based on the market price of the Company's common stock on the date of grant. The weighted-average grant date fair value of RSUs granted during the year ended December 31, 2025 was $3.24. The fair values of RSUs that vested during the years ended December 31, 2025 was approximately $0.4 million. During the year ended December 31, 2025, the Company recorded $0.2 million of stock-based compensation related to RSUs.

As of December 31, 2025, there was no unrecognized compensation expense related to unvested RSUs.

Equity-Based Compensation Expense

Equity-based compensation expense is included within "salaries, benefits and payroll taxes" in our consolidated statements of operations and comprehensive loss. We recognized equity-based compensation expense as follows:

	For the year ended December 31,	
(in thousands)	**2025**	**2024**
Stock options - Class A common stock	$ 4,594	$ —
Restricted shares - Class A common stock	243	86
Total equity-based compensation expense	$ 4,837	$ 86

There were no stock options granted during the year ended December 31, 2024.

As of December 31, 2025, there was remaining unrecognized compensation expense of $0.5 million related to unvested stock option awards, which will be recognized over the remaining service periods.

NOTE 12. INCOME TAXES

Prior to December 31, 2022, the Operating Company was treated as a partnership for U.S. federal and most applicable state and local income tax purposes, and its taxable income or loss was generally passed through to its members. Effective December 31, 2022, the Operating Company became wholly owned by the Company and is treated as a disregarded entity for U.S. tax purposes. Beginning in 2023, 100% of the Operating Company's U.S. income and expenses have been included in the Company's U.S. federal and state income tax returns. The Company also files in various state jurisdictions and certain foreign jurisdictions, including Canada and the Netherlands.

For the year ended December 31, 2025, the Company recorded a current state income tax provision of approximately $7 thousand. No federal, foreign or additional state current income tax provision was recorded for 2025. The Company recorded no net deferred tax provision for 2025 because changes in gross deferred tax assets and liabilities were substantially offset by corresponding changes in the valuation allowance.

Beginning with annual reporting for 2025, the Company adopted ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740), prospectively. For the year ended December 31, 2025, the Company's effective tax rate primarily reflects state income taxes, permanent differences, and changes in valuation allowance. Because the Company continues to maintain a full valuation allowance against its deferred tax assets, no material net deferred tax expense or benefit was recognized for 2025.

The Company's United States and foreign operations components of income (loss) from continuing operations before income taxes are as follows:

	For the year ended December 31,	
(in thousands)	**2025**	**2024**
United States	$ (85,191)	$ (15,563)
Foreign	$ (382)	$ (2,094)
Total	$ (85,573)	$ (17,657)

Income Tax Expense

The income tax (benefit) expense for the years ended December 31, 2025 and 2024 consisted of the following:

	For the year ended December 31, 2025				For the year ended December 31, 2024			
(in thousands)	**Federal**	**Foreign**	**State**	**Total**	**Federal**	**Foreign**	**State**	**Total**
Current tax (benefit) expense								
Current year	$ —	$ —	$ 7	$ 7	$ —	$ —	$ —	$ —
Total current year	—	—	7	7	—	—	—	—
Deferred tax (benefit) expense								
Current year	(7,992)	80	12	(7,914)	(3,325)	(277)	(998)	(4,600)
Change in valuation allowance	7,992	(80)	(5)	7,907	3,325	277	998	4,600
Total deferred tax (benefit) expense	—	—	7	7	—	—	—	—
Income tax (benefit) expense	$ —	$ —	$ 7	$ 7	$ —	$ —	$ —	$ —

The difference between the income tax provision at the U.S. federal statutory rate and the recorded provision is primarily due to the valuation allowance recorded on all deferred tax assets. A reconciliation of the provision for income taxes to the amount computed by applying the 21% statutory U.S. federal income tax rate to income before income taxes after the adoption of ASU 2023-09 is as follows:

	Year Ended December 31,	
	2025	
U.S. Federal statutory income tax rate	$ (16,491)	21.00%
State and local income taxes, net of federal income tax effect	5	(0.01)%
Canada		
Other	326	0.42%
Netherlands		
Other	(246)	0.31%
Changes in valuation allowances	7,907	(10.07)%
Deferred only adjustments		
Net operating loss	8,246	10.50%
Other adjustments	259	0.33%
Effective income tax rate	$ 7	0.01%

A reconciliation of the income tax (benefit) expense computed at the U.S. federal statutory income tax rate to the income tax expense recognized is as follows:

	For the year ended December 31,	
(in thousands)	**2025**	**2024**
Expected federal income tax (benefit) expense at statutory rate	$ (16,941)	$ (3,331)
State tax expense, net of federal benefit	—	(840)
Net operating loss	8,246	—
Change in valuation allowance	7,907	4,171
Other, net	781	—
Income tax (benefit) expense	$ 7	$ —

Due to cumulative losses and the full valuation allowance recorded against deferred tax assets, the Company did not recognize a material tax benefit on its 2025 pretax loss.

Deferred Tax Assets and Liabilities

The components of deferred tax assets and liabilities were as follows:

	As of December 31,	
(in thousands)	**2025**	**2024**
Deferred tax assets:		
Goodwill and other intangible assets	$ 33,538	$ 35,225
Fixed assets	226	394
Inventory	3,410	2,364
Allowance for doubtful accounts	335	688
Operating lease liability	93	265
Equity-based compensation	4,287	2,598
Business interest carryforward	8,871	8,710
Net operating loss carryforwards	74,974	74,609
Unrealized gain/loss	8,866	—
Other	221	130
Total deferred tax assets	134,821	124,983
Valuation allowance	(134,028)	(124,709)
Net deferred tax assets	793	(274)
Deferred tax liability:		
Right of use assets	(21)	(274)
Section 481 (a) adjustment	(772)	—
Total deferred tax liabilities	(793)	(274)
Net deferred tax assets and liabilities	$ —	$ —

Deferred tax assets and liabilities are presented on a net basis by jurisdiction. As of December 31, 2025, deferred tax assets were fully offset by valuation allowances and deferred tax liabilities, resulting in a net deferred tax liabilities, resulting in a net deferred tax position of $0.

Certain deferred tax asset balances, including those related to goodwill and other intangible assets and equity-based compensation, reflect historical tax positions and methodologies that continue to be evaluated by management. The Company will refine such balances, if necessary, as additional analysis is completed.

As of December 31, 2025, the Company had approximately $270.3 million of federal net operating loss carryforwards, of which approximately $9.8 million expire beginning in 2038 and the remainder do not expire. Utilization of the federal net operating losses generated after 2017 is generally limited to 80% of future taxable income. The Company also had approximately $239.0 million of state net operating loss carryforwards that begin expiring in 2038, approximately $14.9 million of Dutch net operating loss carryforwards that begin expiring in 2029, and approximately $0.2 million of Canadian net operating loss carryforwards that begin expiring in 2026.

The Company has not yet completed a formal analysis of potential limitations on utilization under Section 382 of the Internal Revenue Code and similar state provisions. While management does not currently expect such limitations to materially impact the net deferred tax asset balance due to the full valuation allowance, this assessment remains subject to further analysis.

In addition, the deduction for business interest expense is limited to 30% of taxable income under Section 163(j). Disallowed interest is carried forward to future periods and remains subject to the Section 163(j) limitation in those periods. As of December 31, 2025, the Company had approximately $26.3 million of business interest carryforwards, including approximately $17.6 million related to the KushCo merger.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which temporary differences become deductible and carryforwards are available. Management considered all available positive and negative evidence, including cumulative losses in recent years, the Company's historical operating results, projected future taxable income, the scheduled reversal of deferred tax liabilities, and available tax planning strategies. Based on this evaluation, management concluded that a full valuation allowance was required as of December 31, 2025 and 2024.

The utilization of the Company's net operating loss carryforwards and tax credit carryovers may be subject to annual limitations under Sections 382 and 383 of the Internal Revenue Code and similar state provisions if an ownership change has occurred or occurs in the future. The Company has not completed a formal Section 382 study. Accordingly, the disclosed carryforward balances do not reflect any reduction that may result from such a study.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provision of the Tax Cuts and Jobs Act, modification to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and other implemented through 2027. The bill does not materially impact the Company's 2025 income tax provision.

The Company does not record U.S. income taxes on the undistributed earnings of its foreign subsidiaries, other than the Canadian subsidiary, because such earnings are intended to be permanently reinvested in those jurisdictions. If funds are repatriated in the future, such repatriation may be subject to local laws and applicable tax consequences.

Uncertain Tax Positions

The Company evaluates uncertain tax positions in accordance with ASC 740. As of December 31, 2025, 2024 and 2023, the Company had no unrecognized tax benefits. The Company does not expect material interest or penalties related to uncertain tax positions due to its historical losses, significant net operating loss carryforwards and full valuation allowance position.

Tax Receivable Agreement (TRA)

The Company is party to a tax receivable agreement ("TRA") that provides for the payment to certain former holders of interests in the Operating Company of 85% of certain tax benefits, if any, that the Company actually realizes, or in some circumstances is deemed to realize, as a result of increases in tax basis and certain other tax benefits.

As of December 31, 2025 and 2024, the Company had recorded no liability under the TRA because, based on its valuation allowance assessment, the related tax benefits were not considered realizable and the amount and timing of any future payments were not probable or reasonably estimable.

If realization of the deferred tax assets subject to the TRA becomes more likely than not in a future period, the Company may record a liability related to the TRA, which would be recognized as expense in the consolidated statements of operations and comprehensive loss.

No payments were made under the TRA during the years ended December 31, 2025 and 2024.

NOTE 13. SEGMENT REPORTING

We define our segments as those operations whose results are regularly reviewed by our CODM to analyze performance and allocate resources. Therefore, segment information is prepared on the same basis that management reviews financial information for operational decision-making purposes. Our CODM is a committee comprised of our CEO and our CFO.

Due to the launch of the digital asset treasury reserve strategy in October 2025 and continual assessment of the requirements under ASC 280, Segment Reporting, the Company has reassessed its segment conclusions and determined that effective with this Annual Report on Form 10-K, the Company is presenting two operating and reportable segments: one reportable segment that develops and distributes wholesale accessories, vape devices, and lifestyle products (the "Wholesale Segment"); and one segment that manages the Company's digital asset treasury (the "Digital Asset Segment"). In the Wholesale Segment, all brands are predominantly wholesale and distribution products that are manufactured using similar production processes, generally fall under the same regulatory environment, and are sold to the same types of customers in similar size quantities at similar price points and with similar profit margins. In the Digital Asset Segment, the Company's digital asset investments are maintained and managed to make a return on investment through validation and staking activities to generate revenue.

The Company's chief operating decision maker ("CODM") is the chief executive officer. The CODM assesses performance for each segment based on revenue and gross profit, which are reported in the condensed consolidated statement of operations. Other costs and expenses of the Company are analyzed by segment. The accounting policies for segment reporting are the same as for the Company's consolidated financial statements. As the Company continues its operations of the digital asset strategy, it may provide additional data points to the CODM to assist with decision making that will be evaluated for inclusion in the Company's reportable segment disclosure.

There were no Digital Asset Segment activities for the year ended December 31, 2024.

Our CODM assesses the performance of our one operating segment based on the operating segments' net sales and gross profit. The following table sets forth information by reportable segment for the years ended December 31, 2025 and 2024 for the Wholesale / Distribution segment.

	For the year ended December 31,	
(in thousands)	**2025**	**2024**
Net revenue	$ 4,142	$ 13,275
Cost of revenue	16,820	6,993
Gross profit (loss)	$ (12,678)	$ 6,282

The following table sets forth information by reportable segment for the years ended December 31, 2025 and 2024 for the digital asset segment.

	For the year ended December 31,	
(in thousands)	**2025**	**2024**
Net revenue	$ 214	$ -
Cost of revenue	-	-
Gross profit (loss)	$ 214	$ -

The following table sets forth information by reportable segment for the years ended December 31, 2025.

(in thousands)	**Wholesale and Distribution**	**Digital Asset**	**Total**
Operating expenses			
Salaries, benefits and payroll taxes	$ 9,506	$ 441	$ 9,947
Stock based compensation – strategic advisory warrants	18,553	—	18,553
General and administrative	9,112	1,534	10,646
Restructuring expenses	1,492	—	1,492
Impairment	650	—	650
Depreciation	493	—	493
Total operating expenses	$ 39,806	$ 1,974	$ 41,781

The following table sets forth specific asset categories which are reviewed by our CODM in the evaluation of operating segments:

	For the year ended December 31,	
(in thousands)	**2025**	**2024**
Accounts receivable, net	$ 1,572	$ 4,262
Inventories	$ -	$ 14,215
Vendor deposits	$ -	$ 3,091

None of the above assets were present in our digital asset segment.

The following table sets forth net sales disaggregated by geography:

	For the year ended December 31,	
(in thousands)	**2025**	**2024**
United States	$ 4,351	$ 10,900
Canada	4	157
Europe	-	2,218
Total net sales	$ 4,355	$ 13,275

The following table sets forth our long-lived assets by geographic area, which consist of property and equipment, net, and operating lease right-of-use assets:

	As of December 31,	
(in thousands)	**2025**	**2024**
United States	$ 397	$ 2,459
Canada	-	4
Europe	-	-
Total long-lived assets	$ 397	$ 2,463

There were no long-lived assets within our digital asset segment. The Company's digital asset activities are primarily comprised of liquid crypto holdings, stablecoins, and related treasury activities, which are presented within current assets based on their nature and liquidity profile.

NOTE 14. SUBSEQUENT EVENTS

Digital Asset Transactions and Strategic Arrangements

In connection with the Company's digital asset treasury strategy, the Company entered into a series of related transactions with third parties involving the purchase, sale, and financing of digital assets. These arrangements include lending and trading activities with counterparties and are designed to facilitate the Company's acquisition and management of digital assets. The Company does not control the counterparties' trading activities or pricing execution and is exposed to economic risk through its lending and purchase commitments. Management continues to evaluate these arrangements to determine the appropriate accounting treatment, including consideration of whether the Company is acting as principal or agent in the underlying transactions.

Delisting Notice

On March 25, 2026, we received a notification letter from the Listing Qualifications Department of Nasdaq (the "Delisting Notice"), notifying us that we were not in compliance with the minimum bid price requirement for continued listing on The Nasdaq Capital Market and its staff has determined to delist our securities pursuant to its discretionary authority under Listing Rule 5550(a)(2). Due to having effected two reverse stock splits over the prior two-year period, we are not eligible for the 180-day period to regain compliance under Rule 4810(c)(3)(A). Pursuant to the Delisting Notice, we plan to appeal this determination before a Nasdaq Hearings Panel, staying the suspension of our common stock.

Reverse Stock Split

On March 25, 2026, the Company's stockholders approved an amendment to the Company's amended and restated certificate of incorporation to effect a reverse stock split of the Company's issued and outstanding common stock at a ratio within a range of 1-for-5 to 1-for-15, with the final ratio and timing to be determined at the discretion of the Company's Board of Directors. As of the date of issuance of these financial statements, the Board has not determined the final split ratio and the reverse stock split has not been effected. Accordingly, the Company's financial statements, including share and per share amounts, have not been adjusted to reflect the reverse stock split.

The Company expects to effect the reverse stock split shortly following the issuance of these financial statements.

ATM Offering

On January 7, 2026, the "Company" entered into a Sales Agreement (the "Sales Agreement") with Yorkville Securities, LLC ("Yorkville") pursuant to which the Company may, from time to time, offer and sell shares (the "ATM Shares") of its Class A common stock, par value $0.01 per share (the "Common Stock"), through or to Yorkville, acting as sales agent or principal (the "ATM Offering"). On January 7, 2026, the Company filed a prospectus supplement in connection with the ATM Offering for up to $5,355,687 of shares of Common Stock (the "Prospectus Supplement").

Subject to the terms and conditions of the Sales Agreement, Yorkville will use its commercially reasonable efforts consistent with its normal trading and sales practices to sell the ATM Shares from time to time, based upon the Company's instructions. The Company has provided Yorkville with customary indemnification and contribution rights, and Yorkville will be entitled to a commission of up to 3.0% of the gross proceeds from each sale of the ATM Shares pursuant to the Sales Agreement.

Token Purchase and Sale Agreement

On February 4, 2026, Greenlane Subsidiary Inc. (the "Subsidiary"), a wholly-owned subsidiary of the Company, entered into (a) a Token Purchase and Sale Agreement (the "Purchase and Sale Agreement") and (b) a Token Lending Agreement (the "Lending Agreement," and together with the Purchase and Sale Agreement, the "Transaction Agreements") with Berachain Operations Corporation, a British Virgin Islands Business Company (the "Counterparty").

Pursuant to the Lending Agreement, the Subsidiary (as Lender) may agree to lend to the Counterparty (as Borrower) an amount of USDC and/or USDT stablecoins (the "Lent Tokens") pursuant to loan confirmation agreements to be agreed between the parties from time to time, accruing interest at a rate to be determined in such agreements. The Counterparty intends to use the Lent Tokens to acquire BERA tokens in the open market or in privately negotiated transactions from various counterparties.

Pursuant to the Purchase and Sale Agreement, the Subsidiary (as Buyer) may request to purchase tranches of BERA tokens from the Counterparty (as Seller), pursuant to tranche notices to be agreed between the parties from time to time. The purchase price for each tranche is determined through a combination of time-weighted average price and other pricing mechanics, including protective "market out" provisions. Furthermore, the Purchase and Sale Agreement permit flexible transaction sizing set within a pre-negotiated percentage range.

Under the Purchase and Sale Agreement, the Subsidiary may satisfy its payment obligation for any tranche, in whole or in part, by reducing the outstanding amount of Lent Tokens under the Lending Agreement, whereby the Counterparty retains the corresponding portion of the Subsidiary's previously-lent stablecoins as consideration. Together, the Transaction Agreements facilitate the Subsidiary to lending of stablecoins to the Counterparty for the purpose of executing BERA token purchases. Following such purchases, the Counterparty can resell the acquired BERA to the Subsidiary at a predetermined price. In settlement of these transactions, the Counterparty may retain the stablecoin principal and realize any associated trading gains or losses.

Appointment of a New CEO

On February 11, 2026, the Board of Directors (the "Board") of the Company unanimously appointed Jason Hitchcock as Chief Executive Officer of the Company. Mr. Hitchcock was granted an option to purchase up to 250,000 shares of the Company's common stock subject to customary vesting and other terms as determined by the Compensation Committee of the Board, under the Company's 2019 Equity Incentive Plan.

Related Party Transaction

The Counterparty has the right, in its discretion, to execute the underlying BERA acquisitions through one or more liquidity providers or market participants. One such liquidity provider is BSQD Corp. ("BSQD"), an entity that is wholly owned by Ben Isenberg, Greenlane's Chief Investment Officer. Although the Transaction Agreements do not require the Counterparty to route any trades through BSQD, the Counterparty has informed the Subsidiary that it may, from time to time, conduct significant transactions with BSQD to source BERA to fulfill its obligations under the Purchase and Sale Agreement. Any such transactions with BSQD would be conducted on an arm's-length basis at prevailing market prices and conditions.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On November 20, 2024, the Audit Committee dismissed Marcum LLP (*"Marcum"*) was dismissed as the Company's independent registered public accounting firm, effective as of that date. Marcum's report on the Company's consolidated financial statements as of December 31, 2023 and December 31, 2022, did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles, other than in the year ended December 31, 2023, it included an explanatory paragraph regarding substantial doubt as to the Company's ability to continue as a going concern, and in the year ended December 31, 2022, it included an explanatory paragraph regarding restatement of previously issued financial statements to correct certain misstatements.

During the years ended December 31, 2023 and December 31, 2022 and the subsequent interim period through December 20, 2023, there were no "disagreements" (as such term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304) with Marcum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of Marcum would have caused Marcum to make reference to the subject matter of the disagreements or reportable events in connection with its reports on the financial statements for such years and interim periods.

During the years ended December 31, 2023 and December 31, 2022, and the subsequent interim period through November 20, 2024, the Company disclosed several material weaknesses in its internal control over financial reporting in the Company's Annual Reports on Form 10-K for the years ended December 31, 2023 and 2022 (the "Form 10-K"). As disclosed in Item 9A to the Form 10-K, the Company's management concluded that as of December 31, 2023 and 2022, the Company's disclosure controls and procedures were not effective due to material weaknesses identified in internal control over financial reporting, However, after giving full consideration to the material weakness, management believes that the consolidated financial statements included in the Form 10-K were prepared in accordance with US generally accepted accounting principles. Marcum provided written communication to the Audit Committee regarding this material weakness, and the subject matter of this material weakness was discussed by the Company's management and the Audit Committee with Marcum.

There have been no other "reportable events" (as such term is defined in Item 304(a)(1)(v) of Regulation S-K).

In accordance with Item 304(a)(3) of Regulation S-K, the Company provided Marcum with a copy of the disclosure it is making in this Current Report on Form 8-K and requested that Marcum furnish the Company with a copy of its letter addressed to the Securities and Exchange Commission stating whether Marcum agrees with the statements made by the Company in response to Item 304(a) of Regulation S-K. A copy of Marcum's letter to the SEC dated December 20, 2023 is filed as Exhibit 16.1 to this Current Report on Form 8-K.

Subsequently, on November 20, 2024, the Audit Committee approved the engagement of PKF O'Connor Davies (*"PKF"*) as the Company's new independent registered public accounting firm for the fiscal year ending December 31, 2024, effective immediately. During the years ended December 31, 2023 and 2022 and through the subsequent interim period as of November 20, 2024, neither the Company, nor any party on behalf of the Company, consulted with PKF regarding either (a) the application of accounting principles to a specified transaction, either completed or proposed, or the audit opinion that might be rendered regarding the Company's consolidated financial statements, and no written report or oral advice was provided to the Company that PKF concluded was an important factor considered by the Company in deciding on any accounting, auditing or financial reporting issue, or (b) any matter subject of any "disagreement" (as such term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a "reportable event" (as such term is defined in Item 304(a)(1)(v) of Regulation S-K).

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation (pursuant to Rule 13a-15(b) of the Exchange Act) of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act as of December 31, 2025.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. During the fourth quarter of 2025, management began implementing additional controls related to digital asset custody, wallet access authorization, fair value measurement, and reconciliation between blockchain records and the general ledger. These controls were not fully implemented as of December 31, 2025.

Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were ineffective as of December 31, 2025 due to the material weaknesses identified and described below.

Management's Report on Internal Control Over Financial Reporting

Our management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025, based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2013 framework). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2025, the Company has not maintained effective internal control over financial reporting due to the material weaknesses identified and described below.

Material Weaknesses

The following material weaknesses have been identified by management and will serve as the basis of active remediation efforts during 2026:

Information Systems (IT) Access Controls

Among the previously reported design and operating deficiencies which contributed to material weaknesses in our control activities, management noted ineffective user access controls over certain IT systems to appropriately segregate duties and adequately restrict user access to financial applications and data to the appropriate personnel. While certain compensating control activities have been designed and implemented to mitigate the risks related to ineffective user access controls, these compensating control activities are not expected to operate at a level of precision that would prevent or detect a misstatement that could be material.

Digital Asset Treasury Controls

Upon completion of the Company's transformation to a digital asset treasury strategy in October 2025, management began implementing additional controls related to digital asset custody, wallet access authorization, fair value measurement, and reconciliation between blockchain records and the general ledger. In this regard, effective controls must be established related to the processing, recording and valuation of digital assets. Such controls were not fully implemented by December 31, 2025.

Control Environment

We did not maintain an effective control environment to enable the identification and mitigation of risks of material accounting errors and ensure corrective activities were appropriately applied, prioritized, and implemented in a timely manner.

Control Activities

As part of our remediation efforts related to the material weaknesses identified in the prior year, we continued our efforts during 2025 to design and implement control activities, however, design efforts relating to control activities were not fully implemented. Control deficiencies were identified associated with control activities. Specifically, these control deficiencies constitute material weaknesses, either individually or in the aggregate, relating to: (i) selecting, developing, and documenting control activities that contribute to the mitigation of risks and support achievement of objectives, (ii) selecting and developing general control activities over technology to support the achievement of objectives, and (iii) effectively communicating and deploying control activities within the organization through policies that establish what is expected and procedures that put policies into action.

Information and Communication

We did not implement effective information and communication control activities. A control deficiency was identified which constitutes a material weakness relating to information technology controls, which includes information security, systems change management and computer operations for systems and applications that are critical to processing financial transactions and capturing and reporting information in the financial reporting process. These ineffective information technology controls contributed to ineffective data validation of spreadsheets and system-generated reports utilized in the preparation of the financial statements and disclosures.

Monitoring

We did not implement effective monitoring activities. Control deficiencies were identified which constitute material weaknesses, individually and in the aggregate, relating to: (i) selecting, developing, and performing ongoing evaluation to ascertain whether the components of internal controls are present and functioning, and (ii) evaluating and communicating internal control deficiencies in a timely manner to those parties responsible for taking corrective action.

Remediation Plan and Status

Management is committed to remediating the material weaknesses in internal control over financial reporting described above and has developed a comprehensive remediation plan to be implemented throughout fiscal year 2026. The remediation efforts are focused on strengthening the Company's control environment, enhancing information technology general controls, formalizing control activities, and implementing robust processes over the Company's digital asset treasury operations. As part of this plan, the Company intends to enhance its finance, accounting, and information technology resources, including the hiring of additional personnel with expertise in internal controls and digital asset accounting, upgrading its ERP system, and engaging third-party specialists to assist in the design, implementation, and testing of controls.

With respect to information systems and access controls, the Company will be upgrading its ERP system and implementing improvements to user access management, including the establishment of role-based access controls, enhanced segregation of duties, and formalized processes for provisioning, modifying, and terminating user access. The Company is also implementing multi-factor authentication, performing periodic user access reviews, and strengthening controls over system changes and computer operations. These efforts are intended to establish effective information technology general controls that support the reliability of financial reporting.

To address the material weaknesses related to its digital asset treasury activities, the Company is designing and implementing controls over digital asset custody, wallet access authorization, transaction processing, valuation, and reconciliation. These enhancements include the implementation of multi-signature authorization protocols, independent reconciliation processes between blockchain records and the general ledger, and formalized fair value methodologies using approved pricing sources. The Company will also be implementing enhanced review controls over digital asset transactions and balances.

In addition, the Company plans to strengthen its overall control environment and control activities by formalizing accounting policies and procedures, improving the financial statement close process, and reducing reliance on manual and off-platform tools through increased use of system-based solutions. The Company is implementing standardized processes for account reconciliations, journal entry preparation and review, and financial reporting, supported by enhanced documentation and training of personnel. Further, the Company is improving information and communication controls by establishing controls over the completeness and accuracy of system-generated reports and spreadsheets utilized in financial reporting.

The Company is also enhancing its monitoring activities by implementing ongoing evaluation processes, including periodic management reviews and internal control testing, to assess the effectiveness of its internal control over financial reporting. Deficiencies identified through these monitoring activities will be evaluated and communicated in a timely manner, and remediation actions will be tracked to completion. The Company will provide regular updates to senior management and the Audit Committee regarding the status of its remediation efforts.

While management believes the measures described above will remediate the identified material weaknesses, the implementation and testing of these enhancements will require time, and the material weaknesses will not be considered remediated until the applicable controls have been designed, implemented, and have operated effectively for a sufficient period of time.

Changes in Internal Control Over Financial Reporting

Upon completion of the Company's transformation to a digital asset treasury strategy in October 2025, management began implementing additional controls related to digital asset custody, wallet access authorization, fair value measurement, and reconciliation between blockchain records and the general ledger. In this regard, effective controls must be established related to the processing, recording and valuation of digital assets. Such controls were not fully implemented by December 31, 2025.

Inherent Limitations on Effectiveness of Controls

Management recognizes that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the quarterly period ended December 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference from the information contained in the Company's definitive proxy statement relating to the 2026 Annual Meeting of Stockholders (the "2026 Proxy Statement"), which we expect to file not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K. To the extent that we do not file the 2026 Proxy Statement by such date, we will file an amendment to this Annual Report on Form 10-K that includes the information required by this Item 10.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from the information contained in the 2026 Proxy Statement, which we expect to file not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K. To the extent that we do not file the 2026 Proxy Statement by such date, we will file an amendment to this Annual Report on Form 10-K that includes the information required by this Item 11.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference from the information contained in the 2026 Proxy Statement, which we expect to file not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K. To the extent that we do not file the 2026 Proxy Statement by such date, we will file an amendment to this Annual Report on Form 10-K that includes the information required by this Item 12.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference from the information contained in the 2026 Proxy Statement, which we expect to file not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K. To the extent that we do not file the 2026 Proxy Statement by such date, we will file an amendment to this Annual Report on Form 10-K that includes the information required by this Item 13.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference from the information contained in the 2026 Proxy Statement, which we expect to file not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K. To the extent that we do not file the 2026 Proxy Statement by such date, we will file an amendment to this Annual Report on Form 10-K that includes the information required by this Item 14.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

We have filed the following documents as part of this Form 10-K:

(1) Consolidated Financial Statements

Index to Consolidated Financial Statements	Page
Reports of Independent Registered Public Accounting Firm PKF O'Connor Davies PCAOB ID: 127	F-1
Consolidated Balance Sheets	F-3
Consolidated Statements of Operations and Comprehensive Loss	F-4
Consolidated Statements of Stockholders' Equity	F-5
Consolidated Statements of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-8

(2) Financial Statement Schedules

All financial statement schedules are omitted since they are not required or are not applicable, or the required information is included in the consolidated financial statements and accompanying notes included in this Form 10-K.

(3) Exhibits Required by Item 601 of Regulation S-K[23]

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Greenlane Holdings, Inc. (Incorporated by reference to Exhibit 3.1 to Greenlane's Quarterly Report on Form 10-Q, filed November 15, 2021).
3.2	Second Amended and Restated By-Laws of Greenlane Holdings, Inc. (Incorporated by reference to Exhibit 3.2 to Greenlane's Current Report on Form 8-K, filed April 25, 2019).
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Greenlane Holdings, Inc., effective August 9, 2022 (Incorporated by reference to Exhibit 3.1 to Greenlane's Current Report on Form 8-K, filed on August 4, 2022).
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Greenlane Holdings, Inc., dated April 17, 2025 (Incorporated by reference to Exhibit 3.1 to Greenlane's Current Report on Form 8-K, filed on April 17, 2025).
3.5*	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Greenlane Holdings, Inc., dated June 26, 2025
3.6	Amendment to the Second Amended and Restated Bylaws of Greenlane Holdings, Inc. (Incorporated by reference to Exhibit 3.1 to Greenlane's Current Report on Form 8-K, filed on April 12, 2023).
3.7	Certificate of Designation of the Series A Preferred Stock (Incorporated by reference to Exhibit 3.2 to Greenlane's Current Report on Form 8-K, filed on April 12, 2023).
4.1	Form of Stock Certificate (Incorporated by reference to Exhibit 4.1 to Greenlane's Registration Statement on Form S-1/A, filed on April 8, 2019).
4.2	Form of Convertible Promissory Note (Incorporated by reference to Exhibit 4.2 to Greenlane's Registration Statement on Form S-1, filed on March 20, 2019).
4.3	Description of Registrant's Securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (Incorporated by reference to Exhibit 4.3 to Greenlane's Annual Report on Form 10-K, filed on April 24, 2020).
4.4	Form of August 2021 Standard Warrant (Incorporated by reference to Exhibit 4.1 to Greenlane's Current Report on Form 8-K, filed August 10, 2021).
4.5	Form of August 2021 Pre-Funded Warrant (Incorporated by reference to Exhibit 4.2 to Greenlane's Current Report on Form 8-K, filed August 10, 2021).
4.6	Form of Stock Option Assumption Notice – KushCo Options (Incorporated by reference to Exhibit 99.2 to Greenlane's Registration Statement on Form S-8, filed August 31, 2021).
4.7	Form of Assumed June 12, 2018 KushCo Warrant, dated as of August 31, 2021 (Incorporated by reference to Exhibit 4.4 to Greenlane's Quarterly Report on Form 10-Q, filed November 15, 2021).
4.8	Form of Assumed January 18, 2019 KushCo Warrant, dated as of August 31, 2021 (Incorporated by reference to Exhibit 4.5 to Greenlane's Quarterly Report on Form 10-Q, filed November 15, 2021).
4.9	Form of Assumed August 21, 2019 KushCo Warrant, dated as of August 31, 2021 (Incorporated by reference to Exhibit 4.6 to Greenlane's Quarterly Report on Form 10-Q, filed November 15, 2021).
4.10	Form of Assumed September 30, 2019 KushCo Warrant, dated as of August 31, 2021 (Incorporated by reference to Exhibit 4.7 to Greenlane's Quarterly Report on Form 10-Q, filed November 15, 2021).

4.11	Form of Assumed February 10, 2020 KushCo Warrant, dated as of August 31, 2021 (Incorporated by reference to Exhibit 4.8 to Greenlane's Quarterly Report on Form 10-Q, filed November 15, 2021).
4.12	Form of Assumed February 24, 2021 KushCo Warrant, dated as of August 31, 2021 (Incorporated by reference to Exhibit 4.9 to Greenlane's Quarterly Report on Form 10-Q, filed November 15, 2021).
4.13	Form of June 2022 Pre-Funded Warrant (Incorporated by reference to Exhibit 4.2 to Greenlane's Current Report on Form 8-K, filed June 28, 2022).
4.14	Form of June 2022 Standard Warrant (Incorporated by reference to Exhibit 4.1 to Greenlane's Current Report on Form 8-K, filed on June 28, 2022).
4.15	Form of October 2022 Standard Warrant (Incorporated by reference to Exhibit 4.1 to Greenlane's Current Report on Form 8-K, filed on November 1, 2022).
4.16	Form of October 2022 Pre-Funded Warrant (Incorporated by reference to Exhibit 4.2 to Greenlane's Current Report on Form 8-K, filed November 1, 2022).
4.17	Form of July 2023 Standard Warrant (Incorporated by reference to Exhibit 4.1 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
4.18	Form of July 2023 Pre-Funded Warrant (Incorporated by reference to Exhibit 4.2 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
4.19	Form of July 2023 Warrant Amendment (Incorporated by reference to Exhibit 4.3 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
4.20	Form of October 2025 Cash Pre-Funded Warrant (Incorporated by reference to Exhibit 4.1 to Greenlane's Current Report on Form 8-K, filed on October 20, 2025).
4.21	Form of October 2025 Cryptocurrency Pre-Funded Warrant (Incorporated by reference to Exhibit 4.2 to Greenlane's Current Report on Form 8-K, filed on October 20, 2025).
4.22	Form of October 2025 Strategic Advisor Warrant (Incorporated by reference to Exhibit 4.3 to Greenlane's Current Report on Form 8-K, filed on October 20, 2025).
10.3	Registration Rights Agreement between Greenlane Holdings, Inc. and the Original Members of Greenlane Holdings, LLC (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed April 25, 2019).
10.4	Fourth Amended and Restated Operating Agreement of Greenlane Holdings, LLC. (Incorporated by reference to Exhibit 10.4 to Greenlane's Annual Report on Form 10-K, filed March 31, 2022).
10.5	Reorganization Agreement among Greenlane Holdings, Inc., Greenlane Holdings, LLC and the Members listed on the signature pages thereto (Incorporated by reference to Exhibit 10.3 to Greenlane's Current Report on Form 8-K, filed April 25, 2019).
10.6	Purchase and Sale Agreement, dated as of August 16, 2022, by and between 1095 Broken Sound Pwky LLC and ASC Capital LLC (Incorporated by reference to Exhibit 10.3 to Greenlane's Quarterly Report on Form 10-Q, filed November 14, 2022).
10.7	Form of Indemnification Agreement by and between Greenlane Holdings, Inc. and each of its Directors and Officers (Incorporated by reference to Exhibit 10.2 to Greenlane's September 30, 2020 Quarterly Report on Form 10-Q, filed November 16, 2020).
10.8†	Second Amended and Restated Greenlane Holdings, Inc. 2019 Equity Incentive Plan (Incorporated by reference to Exhibit 10.1 to Greenlane's Registration Statement on Form S-8, filed August 31, 2022).
10.9	Contribution Agreement, dated as of February 20, 2018, by and among Greenlane Holdings, LLC (f/k/a Jacoby Holdings LLC), the Sellers named therein and Better Life Products, Inc., as Seller Representative (Incorporated by reference to Exhibit 10.10 to Greenlane's Registration Statement on Form S-1, filed on March 20, 2019).
10.10	Contribution Agreement, dated as of January 4, 2019, by and among Greenlane Holdings, LLC, Pollen Gear Holdings, LLC and Pollen Gear LLC. (Incorporated by reference to Exhibit 10.18 to Greenlane's Registration Statement on Form S-1, filed on March 20, 2019).

10.11	Form of August 2021 Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed August 10, 2021).
10.12	Placement Agency Agreement, dated August 9, 2021 (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed August 10, 2021).
10.13	Membership Interest Purchase Agreement, dated as of July 19, 2022, by and among Warehouse Goods LLC and Portofino Partners LLC (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed July 19, 2022).
10.14	Placement Agency Agreement, dated June 27, 2022 (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed June 28, 2022).
10.15	Form of June 2022 Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed June 28, 2022).
10.16	Form of October 2022 Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed November 1, 2022).
10.17	Placement Agency Agreement, dated October 27, 2022 (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed November 1, 2022).
10.18	Loan and Security Agreement, dated as of August 8, 2022, by and between Greenlane Holdings, Inc., the subsidiaries of Greenlane Holdings, Inc. named therein as guarantors, the parties thereto from time to time as lenders, and WhiteHawk Capital Partners LP, as the agent for the Lenders (Incorporated by reference to Exhibit 10.4 to Greenlane's Quarterly Report on Form 10-Q, filed November 14, 2022).
10.19	Form of Guaranty Agreement by and between Greenlane Holdings, Inc., the subsidiaries of Greenlane Holdings, Inc. named therein as guarantors, the parties thereto from time to time as Lenders, and WhiteHawk Capital Partners LP, as the agent for the Lenders (included in Exhibit 10.23).
10.20	Form of Pledge Agreement by and between Greenlane Holdings, Inc., the subsidiaries of Greenlane Holdings, Inc. named therein as guarantors, the parties thereto from time to time as Lenders, and WhiteHawk Capital Partners LP, as the agent for the Lenders (included in Exhibit 10.23).
10.21	Form of U.S. Intellectual Property Security Agreement by and between Greenlane Holdings, Inc., the subsidiaries of Greenlane Holdings, Inc. named therein as guarantors, the parties thereto from time to time as Lenders, and WhiteHawk Capital Partners LP, as the agent for the Lenders (included in Exhibit 10.23).
10.22	Form of Canadian Security Agreement by and between Greenlane Holdings, Inc., the subsidiaries of Greenlane Holdings, Inc. named therein as guarantors, the parties thereto from time to time as Lenders, and WhiteHawk Capital Partners LP, as the agent for the Lenders (included in Exhibit 10.23).
10.23	Form of Canadian Intellectual Property Security Agreement, dated as of August 8, 2022, by and between Greenlane Holdings, Inc., the subsidiaries of Greenlane Holdings, Inc. named therein as guarantors, the parties thereto from time to time as Lenders, and WhiteHawk Capital Partners LP, as the agent for the Lenders (included in Exhibit 10.23).
10.24	Risk Participation of ERC Claim Agreement, dated as of February 16, 2023 (Incorporated by reference to Exhibit 10.2 to Greenlane's Quarterly Report on Form 10-Q, filed on May 15, 2023).
10.25	Amendment No. 2, dated as of February 9, 2023, to Loan and Security Agreement, by and between Greenlane Holdings, Inc, the subsidiaries of Greenlane Holdings, Inc. named therein as guarantors, the parties thereto from time to time as Lenders, and WhiteHawk Capital Partners LP, as the agent for the Lenders (Incorporated by reference to Exhibit 10.1 to Greenlane's Quarterly Report on Form 10-Q/A, filed January 8, 2024).
10.26	Form of July 2023 Securities Purchase Agreement (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
10.27	Placement Agency Agreement, dated as of June 29, 2023 (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed on July 3, 2023).
10.28	Loan and Security Agreement, dated as of September 22, 2023, between Greenlane and Synergy Imports, LLC. (Incorporated by reference to Exhibit 10.3 to Greenlane's Quarterly Report on Form 10-Q, filed on January 9, 2024).
10.29	Secured Promissory Note, dated as of September 22, 2023, between Greenlane and Synergy Imports, LLC. (Incorporated by reference to Exhibit 10.4 to Greenlane's Quarterly Report on Form 10-Q, filed on January 9, 2024).

10.30	Asset Purchase Agreement, effective May 1, 2024, by and among Greenlane Holdings, Inc, Warehouse Goods LLC and Synergy Imports LLC (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed on May 10, 2024).
10.31	Loan Modification Agreement, effective May 1, 2024, by and among Warehouse Goods LLC, Synergy Imports LLC and the Guarantors as defined therein (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed on May 10, 2024).
10.32	Amended and Restated Secured Promissory Note, effective May 1, 2024, by Warehouse Goods LLC and Synergy Imports LLC (Incorporated by reference to Exhibit 10.3 to Greenlane's Current Report on Form 8-K, filed on May 10, 2024).
10.33	Form of Placement Agent Agreement by and between Greenlane Holdings, Inc. and Aegis Capital Corp. (Incorporated by reference to Exhibit 1.1 to Greenlane's Current Report on Form 8-K, filed on October 20, 2025).
10.34	Form of Cash Securities Purchase Agreement between Greenlane Holdings, Inc. and each Purchaser (as defined therein) (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed on October 20, 2025).
10.35	Form of Cryptocurrency Securities Purchase Agreement between Greenlane Holdings, Inc. and each Purchaser (as defined therein) (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed on October 20, 2025).
10.36	Form of Lock-up Agreement pursuant to the October 2025 PIPE (Incorporated by reference to Exhibit 10.3 to Greenlane's Current Report on Form 8-K, filed on October 20, 2025).
10.37	Form of Strategic Advisor Agreement between Greenlane Holdings, Inc. and the Advisors (as defined therein) (Incorporated by reference to Exhibit 10.4 to Greenlane's Current Report on Form 8-K, filed on October 20, 2025).
10.38†	Employment Agreement by and between Warehouse Goods LLC and its Benjamin Isenberg, dated October 23, 2025 (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed October 27, 2025).
10.39†	Settlement Agreement and General Release by and between the Company and Barbara Sher, dated December 19, 2025 (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed December 19, 2025).
10.40	Sales Agreement, dated as of January 7, 2026, by and among Greenlane Holdings, Inc. and Yorkville Securities, LLC (Incorporated by reference to Exhibit 1.1 to Greenlane's Current Report on Form 8-K, filed January 13, 2026).
10.41	Token Purchase and Sale Agreement, dated February 4, 2026, between Greenlane Subsidiary Inc. and Berachain Operations Corporation (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed February 9, 2026).
10.42	Token Lending Agreement, dated February 4, 2026, between Greenlane Subsidiary Inc. and Berachain Operations Corporation (Incorporated by reference to Exhibit 10.2 to Greenlane's Current Report on Form 8-K, filed February 9, 2026).
10. 43†	Employment Agreement, by and between the Company and Jason Hitchcock, dated as of February 11, 2026 (Incorporated by reference to Exhibit 10.1 to Greenlane's Current Report on Form 8-K, filed February 18, 2026).
19	Insider Trading Policy (Incorporated by reference to Exhibit 19 to Greenlane's Annual Report on Form 10-K, filed on March 20, 2025)
21.1*	List of subsidiaries of Greenlane Holdings, Inc.
23.1*	Consent of PKF O'Connor Davies, LLP
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1*	Greenlane Holdings, Inc. Clawback Policy
101*	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2025, were formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Loss, (iii) Condensed Consolidated Statements of Stockholders' Equity, and (iv) Condensed Consolidated Statements of Cash Flows. The instance document does not appear in the Interactive Data File because its XBRL tags are imbedded within the Inline XBRL document.
104*	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL

* Filed herewith.
† Indicates a management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GREENLANE HOLDINGS, INC.

Date: March 31, 2026

By: */s/ Jason Hitchcock*
Jason Hitchcock
Chief Executive Officer
(Principal Executive Officer)

Date: March 31, 2026

By: */s/ Vanessa Guzmán-Clark*
Vanessa Guzmán-Clark
Chief Financial Officer
(Principal Financial and Accounting Officer)

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

Signature	Title	Date
/s/ Jason Hitchcock Jason Hitchcock	Chief Executive Officer (Principal Executive Officer)	March 31, 2026
/s/ Vanessa Guzmán-Clark Vanessa Guzmán-Clark	Chief Financial Officer (Principal Financial and Accounting Officer)	March 31, 2026
/s/ Bruce Linton Bruce Linton	Director	March 31, 2026
/s/ Michael Howe Michael Howe	Director	March 31, 2026
/s/ Jonathan Hue-Fay Ip Jonathan Hue-Fay Ip	Director	March 31, 2026
/s/ Donald Hunter Donald Hunter	Director	March 31, 2026
/s/ William Levy Wiliam Levy	Director	March 31, 2026

Exhibit 3.5

CERTIFICATE OF AMENDMENT TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF
GREENLANE HOLDINGS, INC.
a Delaware Corporation

Greenlane Holdings, Inc. (the "**Corporation**"), a corporation organized and existing under the General Corporation Law of the State of Delaware, hereby certifies as follows:

FIRST: That the undersigned is the duly elected and acting Chief Executive Officer of the Corporation.

SECOND: That, pursuant to Section 242 of the Delaware General Corporation Law (the **"DGCL"),** the first paragraph of Article IV of the Amended and Restated Certificate of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

"THIRD: The total number of shares of all classes of stock that the Corporation is authorized to issue is one billion eight hundred forty million (1,840,000,000), consisting of (i) one billion eight hundred million (1,800,000,000) shares of Class A common stock, with a par value of $0.01 per share (the "***Class A Common Stock***"); and (ii) thirty million (30,000,000) shares of Class B common stock, with a par value of $0.0001 per share (the "***Class B Common Stock***", and together with the Class A Common Stock, the "***Common Stock***"); and (iii) ten million (10,000,000) shares of preferred stock, with a par value of $0.0001 per share (the "***Preferred Stock***"). Upon this Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Corporation (this "***Certificate of Amendment***") becoming effective pursuant to the DGCL (the "***Effective Time***"), (i) the shares of Class A Common Stock issued and outstanding or held in treasury immediately prior to the Effective Time (the "***Existing Class A Common Stock***") shall be reclassified and combined into a different number of shares of Class A Common Stock (the "***New Class A Common Stock***") such that each seven hundred fifty (750) shares of Existing Class A Common Stock shall, at the Effective Time, be automatically reclassified and combined into one share of New Class A Common Stock and (ii) the shares of Class B Common Stock issued and outstanding or held in treasury immediately prior to the Effective Time (the "***Existing Class B Common Stock***," and together with the Existing Class A Common Stock, the "***Existing Common Stock***") shall be reclassified and combined into a different number of shares of Class B Common Stock (the "***New Class B Common Stock***," and together with the New Class A Common Stock, the "***New Common Stock***") such that each seven hundred fifty (750) shares of Existing Class B Common Stock shall, at the Effective Time, be automatically reclassified and combined into one share of New Class B Common Stock, in each case, with the exact ratios within the foregoing ranges to be determined by the Board of Directors and publicly announced by the Corporation prior to the Effective Time (such reclassification and combination of shares, the "***Reverse Split***"); provided that the ratios determined by the Board of Directors shall be identical for both the Class A Common Stock and the Class B Common Stock. The par value of the Common Stock following the Reverse Split shall remain at $0.01 per share for the Class A Common Stock and $0.0001 per share for the Class B Common Stock. No fractional shares of Common Stock shall be issued as a result of the Reverse Split and, in lieu thereof, upon receipt after the Effective Time by the exchange agent selected by the Corporation of a properly completed and duly executed transmittal letter and, where shares are held in certificated form, the surrender of the stock certificate(s) formerly representing shares of Existing Common Stock, any stockholder who would otherwise be entitled to a fractional share of New Common Stock as a result of the Reverse Split, following the Effective Time (after taking into account all fractional shares of New Common Stock otherwise issuable to such stockholder), shall be entitled to receive a cash payment (without interest) equal to the fractional share of New Common Stock to which such stockholder would otherwise be entitled multiplied by the average of the closing sales price of a share of the Class A Common Stock (as adjusted to give effect to the Reverse Split) on The Nasdaq Capital Market during regular trading hours for the five (5) consecutive trading days immediately preceding the Effective Time. Each stock certificate that, immediately prior to the Effective Time, represented shares of Existing Common Stock shall, from and after the Effective Time, automatically and without any action on the part of the Corporation or the respective holders thereof, represent that number of whole shares of New Common Stock into which the shares of Existing Common Stock represented by such certificate shall have been combined (as well as the right to receive cash in lieu of any fractional shares of New Common Stock as set forth above). Each holder of record of a certificate that represented shares of Existing Common Stock shall be entitled to receive, upon surrender of such certificate, a new certificate representing the number of whole shares of New Common Stock into which the shares of Existing Common Stock represented by such certificate shall have been combined pursuant to the Reverse Split, as well as any cash in lieu of fractional shares of New Common Stock to which such holder may be entitled as set forth above, provided that the Corporation may request such stockholder to exchange such stockholder's certificate or certificates that represented shares Existing Common Stock for shares held in book- entry form through the Depository Trust Company's Direct Registration System representing the appropriate number of whole shares of New Common Stock into which the shares of Existing Common Stock represented by such certificate or certificates shall have been combined. The Reverse Split shall be effected on a record holder-record holder basis, such that any fractional shares of New Common Stock resulting from the Reverse Split and held by a single record holder shall be aggregated."

Upon the filing and effectiveness (the "Effective Time") pursuant to the General Corporation Law of the State of Delaware of this Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of the Corporation, each seven hundred fifty (750) shares of Common Stock either issued and outstanding or held by the Corporation in treasury stock immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock (the "Reverse Stock Split").

No fractional shares shall be issued in connection with the Reverse Stock Split. Instead, holders who would be entitled to receive fractional shares of Common Stock because they hold a number of shares not evenly divisible by the Reverse Stock Split ratio will be issued an additional fraction share of Common Stock to round up to the next whole post-Reverse Stock Split share of Common Stock. For those stockholders who hold shares with a brokerage firm, the Company intends to round up fractional shares at the participant level. No cash will be paid in lieu of fractional shares.

FOURTH: That the foregoing Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation of the Corporation has been duly adopted and approved by the Board of Directors and stockholders of the Corporation in accordance with the applicable provisions of Sections 228 and 242 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, the undersigned hereby further declares and certifies under penalty of perjury that the facts set forth in the foregoing certificate are true and correct to the knowledge of the undersigned, and that this certificate is the act and deed of the undersigned.

Executed on this 26th day of June, 2025.

By: /s/ Barbara Sher Barbara Sher
Chief Executive Officer

Exhibit 21.1

Legal Name	Jurisdiction of Incorporation	Percentage Owned
ARI Logistics B.V.	Netherlands	100%
Better Life Holdings, LLC	Delaware	100%
Banana G's LLC	Delaware	50%
Conscious B.V.	Netherlands	100%
Global Pacific Holdings LLC	Delaware	100%
Greenlane Holdings, LLC	Delaware	100%
Greenlane Holdings EU B.V.	Netherlands	100%
GS Fulfillment LLC	Delaware	100%
HSCM LLC	Delaware	100%
HS Products LLC	Delaware	100%
KCH Distribution Inc	Canada	100%
KIM International, LLC	California	100%
Kush Energy, LLC	Colorado	100%
Kush Supply Co. LLC	Nevada	100%
Merger Sub Gotham 2, LLC (successor to KushCo Holdings, Inc.)	Delaware	100%
Pollen Gear LLC	Delaware	100%
Rocketmang LLC	Delaware	100%
Shavita B.V.	Netherlands	100%
South Atlantic Holdings LLC	Delaware	100%
Vape World Distribution LTD	Canada	100%
Warehouse Goods LLC	Delaware	100%
Greenlane Subsidiary, Inc.	Delaware	100%

Exhibit 23.1

Independent Registered Public Accounting Firm's Consent

We consent to the incorporation by reference in the Registration Statement of Greenlane Holdings, Inc. on Forms S-8 (Nos. 333-267202, 333-259211 and 333-231419), Form S-3 (Nos. 333-257654, 333-290085 and 333-291738) and Form S-1 (Nos. 333-281831 and 333-286027) of our report dated March 31, 2026, with respect to our audit of the consolidated financial statements of Greenlane Holdings, Inc. as of December 31, 2025 and 2024 and for the year then ended, which report is included in this Annual Report on Form 10-K of Greenlane Holdings, Inc. for the year ended December 31, 2025.

/s/ PKF O'Connor Davies, LLP

New York, New York
March 31, 2026

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jason Hitchcock, certify that:

1. I have reviewed this Annual Report on Form 10-K of Greenlane Holdings, 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 control 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 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 the 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 over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2026

/s/ JASON HITCHCOCK
Jason Hitchcock
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vanessa Guzmán-Clark, certify that:

1. I have reviewed this Annual Report on Form 10-K of Greenlane Holdings, 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 control 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 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 the 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 over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2026

/s/ VANESSA GUZMÁN-CLARK
Vanessa Guzmán-Clark
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 Annual Report of Greenlane Holdings, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jason Hitchcock, the Chief Executive Officer of the Company, and I, Vanessa Guzmán-Clark, the Chief Financial Officer of the Company, certify, to our knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: March 31, 2026

/s/ JASON HITCHCOCK
Jason Hitchcock
Chief Executive Officer
(Principal Executive Officer)

/s/ VANESSA GUZMÁN-CLARK
Vanessa Guzmán-Clark
Chief Financial Officer
(Principal Financial Officer)

Exhibit 97.1

GREENLANE HOLDINGS, INC.
CLAWBACK POLICY

1. Introduction

The Board of Directors (the "**Board**") of Greenlane Holdings, Inc. (the "**Company**") believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an Accounting Restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the "**Policy**"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**").

2. Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

3. Covered Executives

This Policy applies to each individual who served or serves as a current or former Covered Executive, at any time during the applicable performance period for any performance-based compensation Received by such executive on or after the Effective Date.

4. Recoupment; Accounting Restatement

In the event the Company is required to prepare an Accounting Restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, the Board will:

a) review, with respect to each Covered Executive, all performance-based compensation Received by such Covered Executive during the applicable period,

b) determine the amount of excess Incentive Compensation Received by such Covered Executive during the applicable period;

c) require reimbursement or forfeiture of any excess Incentive Compensation Received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement; and

d) reasonably promptly but in any event no later than 60 days after the date an Accounting Restatement is filed with the SEC, provide to each Covered Executive a written notice containing the amount of excess Incentive Compensation and a demand for repayment or return, as applicable.

5. Incentive Compensation

For purposes of this Policy, Incentive Compensation means any of the following; provided that, such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock.
- Restricted stock units.
- Performance shares.
- Performance units.

Financial reporting measures include:

- Company stock price.
- Total shareholder return.
- Revenues.
- Net income.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA).
- Funds from operations.
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as return on invested capital or return on assets.
- Earnings measures such as earnings per share.

6. Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board.

If the Board cannot determine the amount of excess Incentive Compensation Received by the Covered Executive directly from the information in the Accounting Restatement, then it will make its determination based on a reasonable estimate of the effect of the Accounting Restatement.

7. Method of Recoupment

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder based on all applicable facts and circumstances which may include, without limitation:

a) requiring reimbursement of cash Incentive Compensation previously paid;

b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;

c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;

d) cancelling outstanding vested or unvested equity awards; and/or

e) taking any other remedial and recovery action permitted by law, as determined by the Board.

Notwithstanding anything herein to the contrary, the Company shall not be required to seek recoupment to the extent the Board determines that recoupment would be impracticable in a manner consistent with Rule 10D-1 of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed, because either the direct expenses paid to a third party to assist in enforcing this Policy against a Covered Executive would exceed the amount to be recovered from that Covered Executive, after the Company has made a reasonable attempt to recover the excess Incentive Compensation.

8. Reporting and Disclosure

The Company shall file all disclosures with respect to this Policy with the SEC in accordance with the requirements of all applicable securities laws and shall provide any documentation with respect thereto to Nasdaq in accordance with the listing rules.

9. No Indemnification

The Company shall not indemnify any Covered Executives or their beneficiaries against the loss of any incorrectly awarded Incentive Compensation pursuant to the terms of this Policy or otherwise indemnify or provide advancement of any costs related to the Company's enforcement of this Policy.

10. Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Nasdaq Listing Rule 5608, any other applicable rules of Nasdaq and Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC.

11. Effective Date

This Policy shall be effective as of October 2, 2023 (the "**Effective Date**") and shall apply to Incentive Compensation that is Received by any Covered Executive on or after that date.

12. Amendment; Termination

The Board may amend or terminate this Policy from time to time in its discretion and shall amend this Policy as it deems necessary, including as and when it determines that it is legally required by any federal securities laws, SEC rule or rules of any national securities exchange or national securities association on which the Company's securities are listed. Notwithstanding anything herein to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

13. Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

14. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

15. Definitions

For purposes of this Policy, the following terms shall have the following meanings:

a) "**Accounting Restatement**" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

b) "**Covered Executive**" means each executive officer, as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed.

c) "**Received**" means the date of actual or deemed receipt, and for purposes of the foregoing, Incentive Compensation shall be deemed received in the Company's fiscal period during which the applicable financial reporting measure is attained, even if payment or grant of the Incentive Compensation occurs after the end of that period.

d) "**SEC**" means the U.S. Securities and Exchange Commission.