

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

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 19, 2025**

**SmartKem, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-42115**  
(Commission  
File Number)

**85-1083654**  
(I.R.S. Employer  
Identification No.)

**Manchester Technology Center, Hexagon Tower  
Delaunays Road, Blackley  
Manchester, M9 8GQ U.K.**  
(Address of principal executive offices, including zip code)

**011-44-161-721-1514**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value \$0.0001 per share	SMTK	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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. ☐

**Item 1.01 Entry into a Material Definitive Agreement.**

On June 19, 2025, SmartKem Limited ("SmartKem"), a wholly owned subsidiary of SmartKem, Inc. (the "Company"), entered into a letter of variation (the "Letter of Variation") with CPI Innovation Services Limited ("CPIIS") pursuant to which the term of the framework services agreement, dated March 22, 2024 (as amended, the "Framework Services Agreement"), between SmartKem and CPIIS, which had previously been extended to June 30, 2025, was further extended to December 31, 2025. Pursuant to the Framework Services Agreement, the Company purchases services consisting primarily of access to the Centre for Process Innovation ("CPI") process equipment required for fabrication, as well as access to staff with specific skills. Under the terms of the Letter of Variation, CPIIS has agreed to waive the Company's minimum usage obligations during the extension period. In addition, pursuant to the Letter of Variation, the Company is obligated to share a portion of the cost of relocating certain equipment as part of the consolidation of CPIIS's operations. Under the Letter of Variation, the Framework Services Agreement shall automatically terminate on the earlier of (i) the commencement of a license agreement between the Company and CPIIS and (ii) December 31, 2025.

The Letter of Variation is attached as Exhibit 10.1 hereto. The description of the Letter of Variation is not intended to be complete and is qualified in its entirety by reference to such exhibit.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits:

Exhibit No.	Description
<u>10.1 *</u>	<u>Letter of Variation, dated June 19, 2025, by and between SmartKem Limited and CPI Innovation Services Limited.</u>
104	Cover Page Interactive Date File (embedded within the Inline XBRL document).

\* The Company has omitted portions of the referenced exhibit pursuant to Item 601(b) of Regulation S-K, because they (a) are not material and (b) are the type that the Company treats as private or confidential.

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**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SMARTKEM, INC.**

Dated: June 24, 2025

By: /s/ Barbra C. Keck  
Barbra C. Keck  
Chief Financial Officer

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CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND IS THE TYPE OF INFORMATION THAT THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE AND CONFIDENTIAL. REDACTED INFORMATION IS INDICATED BY [\*\*\*]



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Smartkem Limited,  
Manchester Technology Centre,  
Hexagon Tower,  
Delaunays Road,  
Blackley,  
Manchester, M9 8GQ

18 June 2025

Dear Sirs,

**Letter of Variation No3 to further extend the Framework Supply Agreement dated 22 March 2024 (“Agreement”) between CPI Innovation Services Limited (“CPIIS”) and Smartkem Limited (“Smartkem”).**

This letter agreement is made between CPIIS and Smartkem (together the “Parties”).

By both Parties executing this letter agreement and in consideration of the Parties agreeing to the obligations contained hereunder, the Parties have agreed to vary the Agreement to further extend the Term (as defined in the Agreement) and agree a final extension fee for this final extended period, as set out as follows:

### 1. Extension of the Term

The Term of the Agreement (previously extended via Letters of Variation dated 28 March 2025 and 18 May 2025 is to be extended for a maximum period of 6 months commencing from 1st July 2025 up to 31st December (the Final Extended Period).

### 2. Extension Fee

(a) During the Final Extended Period, Smartkem shall pay CPIIS a fixed extension fee of £[\*\*\*] (plus VAT) (the Extension Fee).

(b) The Extension Fee compensates CPIIS for further extending the Agreement and is intended to align more closely with the fee structure currently being discussed as part of a proposed new licence agreement between the Parties, relating to Smartkem’s use of CPIIS equipment and Clean Room 2.

(c) The Extension Fee shall be payable in advance by Smartkem via two equal quarterly instalments of £[\*\*\*] (plus VAT) with the respective instalments to be invoiced by CPIIS on:

- (i) 1st July 2025 (covering the period 1st July to 30th September 2025); and
- (ii) 1st October 2025 (covering the period 1st October to 31st December 2025).

(d) Smartkem must pay CPIIS each instalment no later than 30 days from the respective invoice date.



Centre for Process Innovation Limited trading as CPI, registered in England and Wales, company number 05002194, registered office: Wilton Centre, Wilton, Redcar, TS10 4RF, United Kingdom  
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(e) CPIIS have agreed to waive Smartkem’s Minimum Spend and Take or Pay obligations under the Agreement on the basis the Extension Fee is fixed, will not be subject to refund or reduction and shall fully compensate CPIIS for Smartkem’s continued use and access to CPIIS equipment and associated services CPIIS provide under the Agreement during the Final Extended Period.

(f) The Extension Fee shall not create any further or additional obligations on CPIIS, nor shall it confer any increased rights or entitlements to Smartkem beyond those already in existence and operation under the Agreement.

### 3. Utilities and Consumables

(a) The Extension Fee includes a sum of £[\*\*\*] to cover Smartkem’s allocated share of utilities and consumable costs during the Final Extended Period.

(b) Where CPIIS, acting reasonably and to the extent it is reasonably able to do so determines that the cost of providing utilities and consumables to Smartkem deviates significantly from this amount, CPIIS shall adjust the amount due accordingly providing that any adjustment made shall not exceed 10% of the Extension Fee

(c) If CPIIS proposes an adjustment under clause 3(b), it shall notify Smartkem, and both Parties, acting reasonably and in good faith, shall agree on a final adjustment within the 10% variable limit and establish a plan to address any necessary credit for overpaid amounts or additional payment for any shortfall.

(d) It is acknowledged that as part of any such discussions CPIIS shall not be obliged to disclose any information or material it reasonably considers (in its discretion) to be of commercially sensitive or confidential nature.

(e) During the Final Extended Period, both Parties agree to work together in good faith to optimize their own respective usage and costs relating to utilities and consumables to the extent reasonably possible and feasible for either Party.

#### 4. Smartkem Contribution to CPIIS Clean Room 2 Set Up and Equipment Moves

(a) Smartkem agrees (in addition to the Extension Fee) to contribute a sum of £[\*\*\*] (plus VAT) towards the equipment and relocation costs incurred by CPIIS in connection with the move of equipment to Clean Room 2.

(b) Payment shall be made in two instalments as follows:

- (i) 50% of the contribution amount (£[\*\*\*] plus VAT) shall be payable by Smartkem no later than 30 days from 19 June 2025; and
- (ii) The remaining 50% (£[\*\*\*] plus VAT) shall be payable by Smartkem within 30 days of receipt of a valid invoice from CPIIS, issued upon completion of the equipment move and once Clean Room 2 is ready to be used by Smartkem.



For the purposes of this clause, "ready to be used by Smartkem" means that the equipment has been fully relocated and installed in Clean Room 2 and is capable of being used by Smartkem for its intended operational purpose.

#### 5. Machine Unavailability (relating to Clean Room 2 set up & equipment moves)

It is agreed any machine or equipment unavailability due to relocation of machinery, equipment and/or alterations to Clean Room 2 carried out by CPIIS during the Final Extended Period in anticipation of the new contractual arrangements (currently being negotiated between the parties) shall not result in any deduction or reduction to the Extension Fee.

#### 6. Failure to comply with Payment Obligations

(a) If Smartkem fails to make payment of any sums due in accordance with this Letter of Variation No3 (or where Smartkem fails to pay any previously incurred sums under the Agreement), then CPIIS without prejudice to any other right or remedy reserves the right, at its sole discretion, to (i) suspend the provision of all services provided by CPIIS until all outstanding amounts have been paid; and/or (b) revoke Smartkem's access to CPIIS facilities and/or the Centre, either temporarily or permanently, until such time as all overdue amounts are settled.

(b) Where any payment is outstanding more than 30 days after the final date upon which payment must be made, CPIIS shall reserve the right to terminate the Agreement with immediate effect in which case Smartkem shall be liable to pay on demand all outstanding fees under the Agreement including the entire Extension Fee and Clean Room 2 equipment and move costs up to and including 31st December 2025.

#### 7. Termination upon Commencement of Clean Room 2 Licence

(a) The Parties agree that, upon the commencement date of the licence agreement in respect of Clean Room 2 (the *Clean Room 2 Licence*), the Agreement shall automatically terminate without the need for further notice.

(b) In such event, the Extension Fee payable under this Letter of Variation No3 shall be calculated on a pro rata basis up to the date of termination and any outstanding amounts under the Agreement must be paid no later than the termination date.

(c) If applicable any amount of the Extension Fee already paid by Smartkem in respect of any period falling after the termination date shall be credited against or offset by CPIIS against any amounts that become payable by Smartkem under the Clean Room 2 Licence.

(d) The Smartkem contribution to CPIIS Clean Room 2 set up and equipment moves under para 4 above shall remain payable irrespective of the Clean Room 2 Licence commencing and will survive termination.

(e) Where the Parties do not enter the Clean Room 2 Licence then the Agreement shall automatically determine on 31st December 2025



#### 8. Relationship to Existing Agreement & Variation Letters Dated 28th March and 18 May 2025.

The Extension Fee under this Letter of Variation No3 are separate from, and in addition to, any Minimum Spend and/or Monthly Extension Fees payable previously under the Agreement and/or previous Variation Letters dated 28th March and 18 May 2025.

In the event of any conflict between the provisions of this Letter of Variation No3 and the Agreement (including previous variations), the provisions of this Letter of Variation No3 shall prevail, but for the avoidance of doubt, to the extent that the provisions of this Letter of Variation No3 merely expand upon and supplement the provisions of the Agreement (including previous variations), they shall not be held to be in conflict with them.

This Letter of Variation No3 and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and interpreted in accordance with the law of England and Wales, and any such dispute or claim shall be subject to the exclusive jurisdiction of the courts of England and Wales.

The Parties agree that this Letter of Variation No3 shall be legally binding and shall validly vary the Agreement (including the previous variations that occurred prior to this variation) with full force and effect from the date this Letter of Variation No3 is executed by both Parties. In all other respects the Parties confirm all other provisions in the Agreement (including previous variations) will remain unchanged.

**This letter agreement shall not be legally binding or take effect until it has been duly executed by both Parties.**

Signed for and on behalf of  
**CPI Innovation Services Limited:-**

Signature: /s/ Frank Miller

Name: Frank Miller

Position: CEO

Date: 19-Jun-25

Signed for and on behalf of  
**Smartkem Limited:-**

Signature: /s/ Ian Jenks

Name: Ian Jenks

Position: CEO

Date: 19-Jun-25

