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

*You should read the following discussion and analysis of our financial condition and results of operations together with the financial information and the notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our outlook, plans and strategy for our business and related financing, includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or "forward-looking information" within the meaning of Canadian securities laws. These statements are often identified by the use of words such as "anticipate," "believe," "continue," "remain," "could," "estimate," "expect," "intend," "may," "plan," "project," "will," "would," "should," "potential," "intention," "strategy," "strategic," "approach," "subject to," "possible," "pending," "if," or the negative or plural of these words or similar expressions or variations. Such forward-looking statements and forward-looking information are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by the forward-looking statements or forward-looking information. Factors that could cause or contribute to such differences include, but are not limited to, those identified in this Quarterly Report on Form 10-Q and those discussed in the section titled "Risk Factors" set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020 and in our other SEC and Canadian public filings. Such forward-looking statements reflect our beliefs and opinions on the relevant subject based on information available to us as of the date of this report, and while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. You should not rely upon forward-looking statements or forward-looking information as predictions of future events. Furthermore, such forward-looking statements or forward-looking information speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements or forward-looking information to reflect events or circumstances after the date of such statements.*

Amounts are presented in United States dollars, except as otherwise indicated.

***Overview of the Company***

Goodness Growth is a physician-led, science-focused company and IP developer focused on building long-term, sustainable value by bringing the best of medicine, science, and engineering to the cannabis industry. With our core operations strategically located in four limited-license markets through our state-licensed subsidiaries, we cultivate and manufacture cannabis products and distribute these products through our growing network of Green Goods® and other retail dispensaries we own or operate as well as to third-party dispensaries in the markets in which our subsidiaries hold operating licenses.

In addition to developing and maintaining cannabis businesses in our core limited-license jurisdictions, our team of scientists, engineers and attorneys also are focused on driving innovation and securing meaningful and protectable intellectual property. We believe this dual-path approach to long-term value creation enhances the potential for shareholder returns.

Our wholly-owned subsidiary Resurgent Biosciences, Inc. is a non-plant-touching entity that was formed with the intent of commercializing our intellectual property portfolio. This portfolio includes two patents for harm reduction in tobacco products as well as many other patent-pending opportunities that we believe could have potential to create additional value for shareholders through partnerships or other strategic alternatives.

While we are not currently focused on substantial capital investment or expansion outside of our core markets, we do own or effectively control additional non-core medical cannabis licenses or operations that may present opportunities in the future.

On January 31, 2022, we entered into an Arrangement Agreement (the "Arrangement Agreement") with Verano Holdings Corp. ("Verano"), pursuant to which Verano will acquire all of the issued and outstanding shares of Goodness Growth pursuant to a plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia) (the "Arrangement"). Subject to the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement, holders of Goodness Growth Shares will receive 0.22652 of a subordinate voting share of Verano (each a "Verano Subordinate Voting Share"), subject to adjustment as described below (the "Exchange Ratio"), for each Subordinate Voting Share held, and 22.652 Verano Subordinate Voting Shares for each Multiple Voting Share and Super Voting Share held, immediately prior to the effective time of the Arrangement. The Arrangement is subject to the approvals of the Supreme Court of British Columbia; receipt of U.S. regulatory approvals, and other customary conditions of closing

***COVID-19***

Since being declared a global pandemic on March 11, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. Due to COVID-19, governments have imposed restrictions on travel and business operations, temporarily closed businesses, and implemented quarantines and shelter-in-place orders. Consequently, the COVID-19 pandemic has negatively impacted global economic activity, caused significant volatility and disruption in global financial markets, and generally introduced significant uncertainty and unpredictability throughout the world. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. During 2021, the Company's revenue, gross profit and operating income were not negatively impacted by COVID-19 and the Company generally maintained the consistency of its operations. However, the uncertain nature of the spread of COVID-19 may impact its business operations for reasons including the potential quarantine of Goodness Growth employees or those of its supply chain partners.

***Three months ended March 31, 2022, Compared to Three months ended March 31, 2021***

<u>Revenue</u>

We derived our revenue from cultivating, processing, and distributing cannabis products through our eighteen dispensaries in four states and our wholesale sales to third parties in four states. For the three months ended March 31, 2022, 79% of our revenue was generated from retail dispensaries and 21% from wholesale business. For the three months ended March 31, 2021, 79% of our revenue was generated from retail business and 21% from wholesale business.

For the three months ended March 31, 2022, Minnesota operations contributed approximately 45% of revenues, New York contributed 22%, Arizona contributed 6%, New Mexico contributed 6%, and Maryland contributed 21%. For the three months ended March 31, 2021, Minnesota operations contributed approximately 40% of revenues, New York contributed 24%, Arizona contributed 26%, New Mexico contributed 5%, and Maryland contributed 5%.

Revenue for the three-months ended March 31, 2022 was $15,638,572, an increase of $2,448,683 or 19% compared to revenue of $13,189,889 for the three-months ended March 31, 2021. The increase is primarily attributable to increased revenue contributions from the retail businesses in Minnesota and Maryland of $1.4 million and $1.9 million respectively, partially offset by the lack of first quarter 2022 retail revenues in Arizona, which was divested in the fourth quarter of 2021. Key revenue drivers are the opening of the Maryland dispensaries in 2021, and increased patient demand in Minnesota, which is partially the result of the addition of cannabis flower to the Minnesota medical program in March of 2022.

Retail revenue for the three months ended March 31, 2022 was $12,412,223 an increase of $2,038,593 or 20% compared to retail revenue of $10,373,630 for the three months ended March 31, 2021 primarily due to revenue contributions from Minnesota and Maryland.

Wholesale revenue for the three months ended March 31, 2022 was $3,226,349, an increase of $410,090 compared to wholesale revenue of $2,816,259 for the three months ended March 31, 2021. The increase in revenue contributions was primarily due to increased wholesale demand in Minnesota and Maryland, partially offset by declining revenues in Arizona.

| | Three Months Ended March 31, 2022 | Three Months Ended March 31, 2021 | $ Change | % Change |
|---|---|---|---|---|
| **Retail:** | | | | |
| MN | $ 6,664,088 | $ 5,226,090 | $ 1,437,998 | 28 % |
| NY | 2,858,893 | 2,917,864 | (58,971) | (2)% |
| AZ | — | 1,525,863 | (1,525,863) | (100)% |
| NM | 923,353 | 646,297 | 277,056 | 43 % |
| MD | 1,965,889 | 57,516 | 1,908,373 | 3,318 % |
| **Total Retail** | **$ 12,412,223** | **$ 10,373,630** | **$ 2,038,593** | **20 %** |
| **Wholesale:** | | | | |
| AZ | $ 1,011,063 | $ 1,965,934 | $ (954,871) | (49)% |
| MD | 1,262,588 | 592,096 | 670,492 | 113 % |
| NY | 509,238 | 191,546 | 317,692 | 166 % |
| MN | 443,460 | — | 443,460 | 100 % |
| OH | — | 66,683 | (66,683) | (100)% |
| **Total Wholesale** | **$ 3,226,349** | **$ 2,816,259** | **$ 410,090** | **15 %** |
| **Total Revenue** | **$ 15,638,572** | **$ 13,189,889** | **$ 2,448,683** | **19 %** |
| AZ Retail and OH Revenue | $ — | $ (1,592,546) | $ 1,592,546 | (100)% |
| **Total Revenue excluding AZ Retail and OH** | **$ 15,638,572** | **$ 11,597,343** | **$ 4,041,229** | **35 %** |

*Cost of Goods Sold and Gross Profit*

Gross profit reflects total net revenue less cost of goods sold. Cost of goods sold represents the costs attributable to producing bulk materials and finished goods, which includes direct materials, labor, and certain indirect costs such as depreciation, insurance and utilities. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes.

Cost of goods sold are determined from costs related to the cultivation and processing of cannabis and cannabis-derived products as well as the cost of finished goods inventory purchased from third parties.

Cost of goods sold for the three months ended March 31, 2022 was $13,149,894, an increase of $5,575,846 compared to the three months ended March 31, 2021 of $7,574,048, driven by higher throughput and sales, as well as an increase in inventory valuation adjustments of $3,398,917.

Gross profit for the three months ended March 31, 2022 was $2,488,678, representing a gross margin of 16%. This is compared to gross profit for the three months ended March 31, 2021 of $5,615,841 or a 43% gross margin. The decrease in margin was driven by an increase in inventory valuation adjustments of $3,398,917 compared to the three months ended March 31, 2021. Excluding inventory valuation adjustments, margins were relatively flat. These inventory valuation adjustments were driven by substantial write downs of Arizona inventory to net realizable value.

Our current production capacity has not been fully realized and we expect future gross profits to increase with revenue growth reflective of higher demand, increased product output and new product development. However, we expect gradual price compression as markets mature that could place downward pressure on our retail and wholesale gross margins.

*Total Expenses*

Total expenses other than the cost of goods sold consist of selling costs to support customer relationships, marketing, and branding activities. It also includes a significant investment in the corporate infrastructure required to support ongoing business.

Selling costs generally correlate to revenue. In the short-term as a percentage of sales, we expect selling costs to remain relatively flat. However, as positive regulatory developments in our core markets occur, we expect selling costs as a percentage of sales to decrease via growth in our retail and wholesale channels.

General and administrative expenses also include costs incurred at the corporate offices, primarily related to personnel costs, including salaries, benefits, and other professional service costs, as well as corporate insurance, legal and professional fees associated with being a publicly traded company. We expect general and administrative expenses as a percentage of sales to decrease as we realize revenue growth organically and through positive regulatory developments in our core markets.

Total expenses for the three months ended March 31, 2022 were $10,248,838 a decrease of $211,776 compared to total expenses of $10,460,614 for the three months ended March 31, 2021. The decrease in total expenses was attributable to a decrease in stock-based compensation expenses of approximately $1.4 million partially offset by an increase general and administrative expenses of $1.2 million which was driven by an increase in professional fees related to the merger and salaries.

*Operating Loss before Income Taxes*

Operating loss before other income (expense) and provision for income taxes for the three months ended March 31, 2022 was $(7,760,160), an increase of $2,915,387 compared to $(4,844,773) for the three months ended March 31, 2021.

*Total Other Income (Expense)*

Total other expense for the three months ended March 31, 2022 was $(8,546,622), a change of $8,014,251 compared to other expense of $(532,371) for the three months ended March 31, 2021. This change is primarily attributable to the loss on impairment of long-lived assets of $5,313,176 and increased interest expense driven by the Credit Facility.

*Provision for Income Taxes*

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. For the three months ended March 31, 2022, tax recoveries totaled $1,740,000 compared to a tax expense of $1,500,000 for the three months ended March 31, 2021. The decrease in tax expense is primarily attributable to the increase in inventory valuation adjustments, which drove lower margins compared to the prior year quarter.

## NON-GAAP MEASURES

EBITDA and Adjusted EBITDA are non-GAAP measures and do not have standardized definitions under GAAP. The following information provides reconciliations of the supplemental non-GAAP financial measures presented herein to the most directly comparable financial measures calculated and presented in accordance with GAAP. We have provided the non-GAAP financial measures, which are not calculated or presented in accordance with GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These supplemental non-GAAP financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believes that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| **Net income (loss)** | $ (14,566,782) | $ (6,877,144) |
| Interest expense, net | 4,601,799 | 1,026,146 |
| Income taxes | (1,740,000) | 1,500,000 |
| Depreciation & Amortization | 328,363 | 378,005 |
| Depreciation included in cost of goods sold | 700,193 | 508,359 |
| **EBITDA (non-GAAP)** | $ (10,676,427) | $ (3,464,634) |
| Inventory adjustment | 3,466,917 | 68,000 |
| Loss on impairment of long-lived assets | 5,313,176 | — |
| Stock-based compensation | 642,506 | 2,046,618 |
| Other income | (1,190,619) | — |
| Gain on disposal of assets | (168,359) | (437,107) |
| **Adjusted EBITDA (non-GAAP)** | $ (2,612,806) | $ (1,787,123) |

**Liquidity, Financing Activities During the Period, and Capital Resources**

We are an early-stage growth company. We are generating cash from sales and deploying our capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and near term. Capital reserves are being utilized for acquisitions in the medical and adult-use cannabis markets, for capital expenditures and improvements in existing facilities, product development and marketing, as well as customer, supplier, investor, and industry relations.

Current management forecasts and related assumptions support the view that we can adequately manage the operational needs of the business.

*Credit Facility*

During the year ended December 31, 2017, the Company signed a promissory note payable in the amount of $1,010,000. The note bears interest at a rate of 15% per annum with interest payments required on a monthly basis. Effective November 13, 2019, the Company's promissory note payable in the amount of $1,010,000 was modified to increase the amount payable to $1,110,000 and extend the maturity date to December 31, 2021. On December 28, 2021, the Company's promissory note payable in the amount of $1,110,000 was modified to extend the maturity date to December 31, 2023, and the Company paid off $60,000 in principal.

On March 25, 2021, the Company entered into a credit agreement for a senior secured delayed draw term loan with an aggregate principal amount of up to $46,000,000 (the "Credit Facility"), and executed a draw of $26,000,000 in principal. Net of fees and closing costs of $1,971,705, the Company received $24,028,295 of the first tranche on March 25, 2021. Additionally, the Company incurred fees and closing costs of $1,083,422 which were paid in cash. The unpaid principal amounts outstanding under the Credit Facility bear interest at a rate of (a) 13.625% per annum payable monthly in cash, and (b) 2.75% per annum paid in kind interest payable monthly. The Credit Facility matures on March 31, 2024.

On March 25, 2021, in connection with closing the Credit Facility, Goodness Growth issued (a) five year warrants to the agent and each lender to purchase an aggregate of 2,803,984 subordinate voting shares at an exercise price of C$3.50 per share, and (b) a five year warrant to the broker to purchase 233,665 subordinate voting shares at an exercise price of C$3.50 per share. Each warrant provides customary anti-dilution provisions. The fair value of these warrants at the time of issuance was $5,395,759 (Note 16) which is treated as a deferred financing cost.

On November 18, 2021, the Company and lender amended the Credit Facility to provide for an additional loan of $4,200,000 with a cash interest rate of 15% per annum and PIK interest of 2% and no warrants were issued in connection with this loan. Cash received net of $156,900 in financing costs was $4,043,100. Obligations under the Credit Facility are secured by substantially all the assets of the Company.

On January 31, 2022, we entered into a Third Amendment to our Credit Facility (the "Third Amendment") providing for additional delayed draw term loans of up to $55 million (the "Delayed Draw Loans"). Subject to certain conditions to be satisfied prior to the initial funding thereunder, we may borrow a portion of the $55 million for working capital and other general corporate purposes and may borrow the remainder for other specific purposes, including relating to our ongoing expansion in New York. The Delayed Draw Loans have a maturity date of April 30, 2023 with an option to extend another 12 months for an additional fee of $1,375,000. The cash interest rate on the Delayed Draw Loans under the Third Amendment is equal to the U.S. prime rate plus 10.375%, with a minimum required rate of 13.375% per annum, in addition to paid-in-kind interest of 2.75% per annum. Pursuant to the Arrangement Agreement, Verano will reimburse us for all interest expenses related to the Third Amendment in excess of 10% per annum until the earlier of either the completion of the Arranagement or termination of the Arrangement Agreement.

On March 3, 2022, we drew $4,075,000 in principal debt from the Delayed Draw Loans. Proceeds received, net of deferred financing fees of $1,075,000, were $3,000,000. Additionally, we incurred $115,863 of third party legal fees related to the draw. We expect to be reimbursed by Verano for the $1,075,000 in deferred financing fees netted against the proceeds received pursuant to the Arrangement Agreement, and as such these are fees are included in our receivables balance (Note 5) as of March 31, 2022.

Unless otherwise specified, all deferred financing costs are treated as a contra-liability, to be netted against the outstanding loan balance and amortized over the remaining life of the loan.

On November 19, 2021, we signed a promissory note payable in the amount of $2,000,000 in connection with the acquisition of Charm City Medicus, LLC (Note 3). The note bears an interest rate of 8% per annum with interest payments required due on the last day of each calendar quarter. The maturity date of the note is November 19, 2023, and the note is secured by 25% of the membership interests in Vireo Health of Charm City, LLC

*Cash Used in Operating Activities*

Net cash used in operating activities was $6.8 million for the three months ended March 31, 2022, an increase of $1.8 million as compared to the three months ended March 31, 2021. The increase is primarily attributed to a net build in working capital items.

*Cash Used in Investing Activities*

Net cash used in investing activities was $2.2 million for the three months ended March 31, 2022, compared to net cash used in investing activities of $5.4 million for the three months ended March 31, 2021. The decrease is primarily attributable to decreased property, plant, and equipment additions relative to the prior year quarter.

*Cash Provided by Financing Activities*

Net cash provided by financing activities was $2.4 million for the three months ended March 31, 2022, a decrease of $21.4 million as compared to the three months ended March 31, 2021. The decrease was principally due to the receipt of approximately $23 million in net proceeds from the Credit Facility in the first quarter of 2021, compared to the receipt of approximately $3 million in net proceeds in the first quarter of 2022.

**Lease Transactions**

As of March 31, 2022, we have entered into lease agreements for the use of buildings used in cultivation, production and/or sales of cannabis products in Arizona, Maryland, Minnesota, Nevada, New Mexico, New York, and Puerto Rico.

The lease agreements for all of the retail space used for our dispensary operations are with third-party landlords and remaining duration ranges from 1 to 6 years. These agreements are short-term facility leases that require us to make monthly rent payments as well as funding common area costs, utilities and maintenance. In some cases, we have received tenant improvement funds to assist in the buildout of the space to meet our operating needs. As of March 31, 2022, we operated 18 retail locations secured under these agreements.

We have also entered into sale and leaseback arrangements for our cultivation and processing facilities in Minnesota and New York with a special-purpose real estate investment trust. These leases are long-term agreements that provide, among other things, funds to make certain improvements to the property that will significantly enhance production capacity and operational efficiency of the facility.

Excluding any contracts under one year in duration, the future minimum lease payments (principal and interest) on all our leases are as follows:

| | Operating Leases March 31, 2022 | Finance Leases March 31, 2022 | Total |
|---|---|---|---|
| 2021 | $ 1,900,915 | $ 5,796,195 | $ 7,697,110 |
| 2022 | 2,470,614 | 10,492,227 | 12,962,841 |
| 2023 | 2,194,068 | 10,597,822 | 12,791,890 |
| 2024 | 1,979,678 | 10,683,979 | 12,663,657 |
| 2025 | 1,557,311 | 11,001,044 | 12,558,355 |
| Thereafter | 2,625,449 | 206,379,022 | 209,004,471 |
| Total minimum lease payments | $ 12,728,035 | $ 254,950,289 | $ 267,678,324 |
| Less discount to net present value | (4,300,836) | (180,627,862) | (184,928,698) |
| Less liabilities held for sale | — | (1,129,249) | (1,129,249) |
| Present value of lease liability | $ 8,427,199 | $ 73,193,178 | $ 81,620,377 |

## ADDITIONAL INFORMATION

### Outstanding Share Data

As of May 9, 2022, we had 84,551,625 shares issued and outstanding, consisting of the following:

*(a) Subordinate voting shares*

84,111,628 shares issued and outstanding. The holders of subordinate voting shares are entitled to receive dividends which may be declared from time to time and are entitled to one vote per share at all shareholder meetings. All subordinate voting shares are ranked equally with regards to the Company's residual assets. The Company is authorized to issue an unlimited number of no-par value subordinate voting shares.

*(b) Multiple voting shares*

374,586 shares issued and outstanding. The holders of multiple voting shares are entitled to one hundred votes per share at all shareholder meetings. Each multiple voting share is exchangeable for one hundred subordinate voting shares. The Company is authorized to issue an unlimited number of multiple voting shares.

*(c) Super voting shares*

65,411 shares issued and outstanding. The holders of super voting shares are entitled to one thousand votes per share at all shareholder meetings. Each super voting share is exchangeable for one hundred subordinate voting shares. The Company is authorized to issue an unlimited number of super voting shares.

### Options, Warrants, and Convertible Promissory Notes

As of March 31, 2022, we have 26,261,054 employee stock options outstanding, 1,094,200 RSUs, as well as 3,037,649 SVS warrants denominated in C$ and 11,888 MVS warrants related to financing activities.

## Off-Balance Sheet Arrangements

As of the date of this filing, we do not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on our results of operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

## Outlook

Given the pending transaction with Verano, we withdrew our previously issued guidance and will not be issuing additional guidance at this time.

## Critical Accounting Policies

There have been no material changes to our critical accounting policies and estimates from the information provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our 2021 Annual Report on Form 10-K for the year ended December 31, 2021.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk have been omitted as permitted under rules applicable to smaller reporting companies.

## Item 4. Controls and Procedures

### *Evaluation of Disclosure Controls and Procedures*

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) are designed to ensure that information required to be disclosed by us in reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the appropriate time periods, and that such information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure.

During the year ended December 31, 2021, we identified a material weakness in our internal control environment related to the accounting treatment of warrants issued in connection with the Credit Facility, which have a Canadian dollar exercise price. Management has an established process for appropriately accounting for infrequent and unusual transactions. We believe that this material weakness was a result of the misapplication of the GAAP accounting guidance. The material weakness did not result in any material misstatements to the issued financial statements. However, the previously released financial results for the three months ended March 31, 2021 were restated in connection with the issuance of this Form 10-Q (Note 2).

Management has been implementing and continues to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated, such that these controls are designed, implemented, and operating effectively. The remediation actions include consultation with external GAAP accounting experts on non-recurring, significant, or unusual transactions. We believe that these actions will remediate the material weakness. The weakness will not be considered remediated, however, until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. Sufficient time and testing has not yet occurred, but we expect that the remediation of this material weakness will be completed prior to the end of 2022.

Management believes that our consolidated financial statements included in this Form 10-Q have been prepared in accordance with U.S. GAAP. Our CEO and CFO have certified that, based on their knowledge, the financial statements, and other financial information included in this Form 10-Q, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Form 10-Q. However, soley due to the unremediated material weakness identified in the prior year, the Company's management concluded that at March 31, 2022, the Company's internal control over financial reporting was not effective.