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 potential 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, 2023, as amended, 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

Vireo Growth is a cannabis company whose mission is to provide safe access, quality products and value to its customers while supporting its local communities through active participation and restorative justice programs. The Company is evolving with the industry and is in the midst of a transformation to being significantly more customer-centric across its operations, which include cultivation, manufacturing, wholesale and retail business lines. With our core operations strategically located in three 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.

The termination of the Arrangement Agreement with Verano (as more fully described in Note 17 – Commitments and Contingencies – of our notes to our consolidated financial statement contained herein) gives rise to substantial doubt about the Company's ability to continue as a going concern. Company management is working with the Company's lenders, counsel, and other applicable parties to implement a plan to effectively mitigate the conditions giving rise to substantial doubt. Elements of this plan may include, but are not limited to, asset sales, debt restructuring, and capital raises. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. However, the Company's continuance as going concern is dependent on its future profitability and implementation of the aforementioned plan. The Company may not be successful in these efforts.

Three months ended September 30, 2024, Compared to Three months ended September 30, 2023

Revenue

We derived our revenue from cultivating, processing, and distributing cannabis products through our fourteen dispensaries in three states and our wholesale sales to third parties in three states. For the three months ended September 30, 2024, 78% of our revenue was generated from retail dispensaries and 22% from the wholesale business. For the three months ended September 30, 2023, 82% of our revenue was generated from retail business and 18% from wholesale business.

For the three months ended September 30, 2024, Minnesota operations contributed approximately 46% of revenues, New York contributed 11%, and Maryland contributed 43%. For the three months ended September 30, 2023, Minnesota operations contributed approximately 48% of revenues, New York contributed 14%, and Maryland contributed 38%.

Revenue for the three months ended September 30, 2024, was $25,165,343, an increase of $490,198 or 2% compared to revenue of $24,675,145 for the three-months ended September 30, 2023. The increase is primarily attributable to increased revenue contributions from the Maryland business driven by the ramp up in adult-use sales, which commenced on July 1, 2023, partially offset by the decrease in New York revenues.

Retail revenue for the three months ended September 30, 2024, was $19,740,787 a decrease of $406,287 or 2% compared to retail revenue of $20,147,074 for the three months ended September 30, 2023, primarily due to decreased revenue contributions from the New York business.

Wholesale revenue for the three months ended September 30, 2024, was $5,424,556, an increase of $896,485 compared to wholesale revenue of $4,528,071 for the three months ended September 30, 2023. The increase was primarily due to increased revenue contributions from the Maryland business driven by the ramp up in adult-use sales, which commenced on July 1, 2023.

	Three Months Ended September 30,			
	2024	**2023**	**$Change**	**% Change**
Retail:				
MN	$ 11,391,969	$ 11,791,001	$ (399,032)	(3)%
NY	1,428,827	2,185,701	(756,874)	(35)%
MD	6,919,991	6,170,372	749,619	12 %
Total Retail	**$ 19,740,787**	**$ 20,147,074**	**$ (406,287)**	**(2)%**
Wholesale:				
MD	3,956,871	3,152,341	804,530	26 %
NY	1,321,224	1,375,730	(54,506)	(4)%
MN	146,461	—	146,461	100 %
Total Wholesale	**$ 5,424,556**	**$ 4,528,071**	**$ 896,485**	**20 %**
Total Revenue	**$ 25,165,343**	**$ 24,675,145**	**$ 490,198**	**2 %**
NY	$ (2,750,051)	$ (3,561,431)	$ 811,380	(23)%
Total Revenue excluding NY	**$ 22,415,292**	**$ 21,113,714**	**$ 1,301,578**	**6 %**

Cost of Sales and Gross Profit

Gross profit reflects total net revenue less cost of sales. Cost of sales represents the costs attributable to producing bulk materials and finished goods, which includes direct materials, labor, and certain indirect costs such as depreciation, insurance, utilities and valuation adjustments. 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 sales 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 and valuation adjustments.

Cost of sales for the three months ended September 30, 2024, was $12,841,373, an increase of $1,363,616 compared to the three months ended September 30, 2023, of $11,477,757.

Gross profit for the three months ended September 30, 2024, was $12,323,970, representing a gross margin of 49%. This is compared to gross profit for the three months ended September 30, 2023, of $13,197,388 or a 53% gross margin. The decrease was primarily attributable to sales pricing compression in Minnesota and Maryland, and a greater mix of wholesale sales during the three months ended September 30, 2024, relative to the three months ended September 30, 2023.

We believe our current production capacity has not been fully realized and we expect future operations to benefit from increased revenue growth reflective of higher demand, increased product output and new product development. However, we expect gradual price compression as markets mature, which could place downward pressure on our retail and wholesale gross margins.

Total Expenses

Total expenses other than the cost of sales 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 anticipated 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 anticipated positive regulatory developments in our core markets.

Total expenses for the three months ended September 30, 2024, were $8,472,523 an increase of $1,146,629 compared to total expenses of $7,325,894 for the three months ended September 30, 2024. The increase in total expenses is primarily attributable to a increase in stock-based compensation expense driven by the issuance restricted stock unit and option grants during the three months ended September 30, 2024.

Operating Income before Other Income (Expense) and Income Taxes

Operating income before other income (expense) and provision for income taxes for the three months ended September 30, 2024, was $3,851,447 a decrease of $2,020,047 compared to $5,871,494 for the three months ended September 30, 2023.

Total Other Expense

Total other expense for the three months ended September 30, 2024, was $6,392,805, a decrease of $1,227,715 compared to other expense of $7,620,520 for the three months ended September 30, 2023. This change is primarily attributable to increased other income driven by the increasing value of the warrants we hold in Grown Rogue.

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 September 30, 2024, tax expense totaled $2,385,000 compared to tax expense of $3,480,000 for the three months ended September 30, 2023.

Nine months ended September 30, 2024, Compared to nine months ended September 30, 2023

Revenue

We derived our revenue from cultivating, processing, and distributing cannabis products through our fourteen dispensaries in three states and our wholesale sales to third parties in three states. For the nine months ended September 30, 2024, 81% of our revenue was generated from retail dispensaries and 19% from the wholesale business. For the nine months ended September 30, 2023, 84% of our revenue was generated from retail business and 16% from wholesale business.

For the nine months ended September 30, 2024, Minnesota operations contributed approximately 48% of revenues, New York contributed 11%, and Maryland contributed 41%. For the nine months ended September 30, 2023, Minnesota operations contributed approximately 54% of revenues, New York contributed 16%, New Mexico contributed 3%, and Maryland contributed 27%.

Revenue for the nine months ended September 30, 2024, was $74,360,905, an increase of $10,400,780 or 16% compared to revenue of $63,960,125 for the nine months ended September 30, 2023. The increase is primarily attributable to increased revenue contributions from the Maryland business driven by the commencement of adult-use sales on July 1, 2023, partially offset by the decrease in New Mexico revenues, which was divested in June of 2023.

Retail revenue for the nine months ended September 30, 2024, was $60,159,246 an increase of $6,397,273 or 12% compared to retail revenue of $53,761,973 for the nine months ended September 30, 2023, primarily due to increased revenue contributions from the Maryland business driven by the commencement of adult-use sales on July 1, 2023, partially offset by the decrease in New Mexico revenues, which was divested in June of 2023.

Wholesale revenue for the nine months ended September 30, 2024, was $14,201,659 an increase of $4,003,507 compared to wholesale revenue of $10,198,152 for the nine months ended September 30, 2023. The increase was primarily due to increased revenue contributions from the Maryland business driven by the commencement of adult-use sales on July 1, 2023.

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	$ Change	% Change
Retail:				
MN	$ 34,608,015	$ 33,989,289	$ 618,726	2 %
NY	4,854,423	6,827,278	(1,972,855)	(29)%
NM	—	1,964,285	(1,964,285)	(100)%
MD	20,696,808	10,981,121	9,715,687	88 %
Total Retail	**$ 60,159,246**	**$ 53,761,973**	**$ 6,397,273**	**12 %**
Wholesale:				
MD	$ 10,594,167	$ 6,553,361	$ 4,040,806	62 %
NY	3,454,162	3,605,064	(150,902)	(4)%
NM	—	39,727	(39,727)	(100)%
MN	153,330	—	153,330	100 %
Total Wholesale	**$ 14,201,659**	**$ 10,198,152**	**$ 4,003,507**	**39 %**
Total Revenue	**$ 74,360,905**	**$ 63,960,125**	**$ 10,400,780**	**16 %**
NY and NM	$ (8,308,585)	$ (12,396,627)	$ 4,088,042	(33)%
Total Revenue excluding NY and NM	**$ 66,052,320**	**$ 51,563,498**	**$ 14,488,822**	**28 %**

Cost of Sales and Gross Profit

Cost of sales for the nine months ended September 30, 2024, was $36,241,865, an increase of $4,330,636 compared to the nine months ended September 30, 2023, of $31,911,229.

Gross profit for the nine months ended September 30, 2024, was $38,119,040, representing a gross margin of 51%. This is compared to gross profit for the nine months ended September 30, 2023, of $32,048,896 or a 50% gross margin. The lack of New Mexico operations, which carried a lower margin, in 2024 is the primary driver of the small increase in margin.

Total Expenses

Total expenses for the nine months ended September 30, 2024, were $23,714,126 a decrease of $3,136,814 compared to total expenses of $26,850,940 for the nine months ended September 30, 2023. The decrease in total expenses is primarily attributable to a decrease in salaries and wages and stock-based compensation expense.

Operating Income before Other Income (Expense) and Income Taxes

Operating income before other income (expense) and provision for income taxes for the nine months ended September 30, 2024, was $14,404,914 an increase of $9,206,958 compared to $5,197,956 for the nine months ended September 30, 2023.

Total Other Expense

Total other expense for the nine months ended September 30, 2024, was $19,941,142, an increase of $513,805 compared to other expense of $19,427,337 for the nine months ended September 30, 2023. This change is primarily attributable to increased interest expenses.

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 nine months ended September 30, 2024, tax expense totaled $6,770,000 compared to tax expense of $6,734,871 for the nine months ended September 30, 2023.

NON-GAAP MEASURES

EBITDA is a non-GAAP measure that does not have a standardized definition under the generally accepted accounting principles in the United States of America ("GAAP"). Total Revenues excluding revenues from states where we have divested operations is also a non-GAAP measure that does not have a standardized definition under GAAP. The following information provides reconciliations of the supplemental non-GAAP financial measure EBITDA presented herein to the most directly comparable financial measures calculated and presented in accordance with GAAP. Reconciliations of the supplemental non-GAAP financial measure Total Revenues that excludes revenues from states where we have divested operations presented herein to the most directly comparable financial measures calculated in accordance with GAAP can be found in the tables above where the measure appears. We have provided these 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. This 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	$ (4,926,358)	$ (5,229,026)	$ (12,306,228)	$ (20,964,252)
Interest expense, net	7,363,655	7,915,658	23,604,746	22,795,242
Income taxes	2,385,000	3,480,000	6,770,000	6,734,871
Depreciation & Amortization	256,326	279,963	762,864	875,949
Depreciation and amortization included in cost of sales	582,072	577,132	1,752,770	1,871,197
EBITDA (non-GAAP)	$ 5,660,695	$ 7,023,727	$ 20,584,152	$ 11,313,007

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 for capital expenditures and improvements in existing facilities, product development and marketing, customer, supplier, investor, industry relations, and working capital.

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

Credit Facility

During 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. In 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. The Company repaid the note in full during the nine months ended September 30, 2024.

On November 19, 2021, the Company signed a promissory note payable in the amount of $2,000,000 in connection with the acquisition of Charm City Medicus, LLC. The note bears an interest rate of 8% per annum with interest payments due on the last day of each calendar quarter. On November 19, 2023, the Company and lender amended the note. Per the terms of the amendment, the interest rate was modified to 15%, and the Company paid off $1,000,000 of principal. The remaining principal balance of $1,000,000 is due on November 19, 2024, and the note is secured by 25% of the membership interests in Vireo Health of Charm City, LLC.

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. The unpaid principal amounts outstanding under the Credit Facility bear interest at a rate of (a) the U.S. prime rate plus 10.375%, payable monthly in cash, and (b) 2.75% per annum paid in kind ("PIK") interest payable monthly. In connection with the Credit Facility, the Company also pays a monthly credit monitoring fee in the amount of $130,400 which is included in interest expense in the consolidated statements of loss and comprehensive loss for the nine months ended September 30, 2024 and 2023.

On November 18, 2021, the Company and lenders 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% per annum and a maturity date of November 29, 2024. Obligations under the Credit Facility are secured by substantially all the assets of the Company.

On January 31, 2022, Vireo Growth and certain of its subsidiaries, as borrowers (collectively, "**Borrowers**"), entered into a Third Amendment to the Credit Facility (the "**Third Amendment**") providing for additional delayed draw term loans of up to $55 million (the "**Delayed Draw Loans**"). 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 PIK interest of 2.75% per annum.

On March 31, 2023, the Company executed a fifth amendment to its Credit Facility with its senior secured lender, Chicago Atlantic Admin, LLC (the "**Agent**"), an affiliate of Green Ivy Capital, and a group of lenders. The amended credit facility extends the maturity date on its Delayed Draw Loans to April 30, 2024, through the issuance of 15,000,000 Subordinate Voting Shares in lieu of a cash extension fee. These 15,000,000 shares were valued at $1,407,903 using a fair value per share of $0.094 and considered a deferred financing cost. The fair value per share reflects a 22% discount to the market price at the time of issuance to account for the four-month trading lock-up imposed on the shares. The amendment also provides the Company with reduced cash outlays by eliminating required amortization of the loan, and requires the Company to divest certain assets to improve its liquidity position and financial performance. The Company has the potential to extend the maturity date on its Delayed Draw Loans up to January 31, 2026 with the satisfaction of certain financial performance-related conditions.

On April 30, 2024, the Company executed a short-term extension of the maturity date on the Credit Facility with the Agent. The Credit Facility was extended until June 14, 2024, matching all other terms of the existing agreement. On June 14, 2024, another short-term extension was executed which extended the maturity date on the Credit Facility to July 31, 2024, matching all other terms of the existing agreement.

On July 31, 2024, the Company executed a ninth amendment to the Company's Credit Facility. The ninth amendment to the Credit Facility extends the maturity date on the credit facility loans to January 29, 2027, adjusts and extends the deadline with respect to the Company's ongoing disposition of its New York operations through July 31, 2025, and amends certain financial measure definitions and covenants within the agreement. The Company issued 12,500,000 Subordinate Voting Shares to the lenders in consideration for the credit facility amendment. These 15,000,000 shares were valued at $5,387,500 using a fair value per share of $0.431 and considered a deferred financing cost.

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. As of September 30, 2024, $5,089,311 (December 31, 2023 - $1,524,531) of deferred financing costs remain unamortized.

Convertible Notes

On April 28, 2023, the Company closed on a new convertible debt facility which enables the Company to access up to $10,000,000 in aggregate principal amount of convertible notes (the "**Convertible Notes**"). The convertible facility has a term of three years, with an annual interest rate of 12.0%, comprised of 6.0% cash and 6.0% PIK. The initial tranche's principal amount of Convertible Notes outstanding in the amount of $2,000,000, plus all PIK and all other accrued but unpaid interest thereunder, is convertible into Subordinate Voting Shares of the Company at the option of the holders at any time by written notice to the Company, at a conversion price equal to $0.145. For each future tranche advanced, the principal amount of Convertible Notes outstanding, plus all PIK interest and all other accrued but unpaid interest thereunder, is convertible into Subordinate Voting Shares of the Company at the option of the holders at any time by written notice to the Company, at a conversion price equal to the lesser of $0.145 or a 20.0% premium over the 30-day volume weighted average price of the Company's Subordinate Voting Shares calculated on the day prior to the date on which each tranche is advanced, if permitted by the Canadian Securities Exchange. The lenders also have the right to advance any remaining undrawn funds on the convertible loan facility to the Company at any time. If the notes are not converted, the outstanding principal amount and unpaid PIK interest is due on April 30, 2026.

During the year ended December 31, 2023, the Company closed eight additional tranches of Convertible Notes, which are convertible into Subordinate Voting Shares at a conversion price of $0.145. Total proceeds received from these tranches amounted to $8,000,000.

In connection with this financing, the Company issued 6,250,000 warrants to purchase Subordinate Voting Shares of the Company to the lenders. These warrants have a five year term, a strike price of $0.145, and were valued at $497,055. The value of these warrants and other legal and administrative expenses amounting to $1,346,793 are treated as deferred financing costs. 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. As of September 30, 2024, $0 (December 31, 2023 - $1,083,697) of deferred financing costs remain unamortized.

On July 31, 2024, the holders voluntarily converted all outstanding convertible notes into 73,016,061 Subordinate Voting Shares of the Company.

Cash Used in Operating Activities

Net cash used in operating activities was $0.2 million for the nine months ended September 30, 2024, a decrease of $3.8 million as compared to $0.5 million for the nine months ended September 30, 2023. The increase is primarily attributed to less favorable changes in working capital, and reduced proceeds received from the Cares Employee Retention Credit in 2024 relative to 2023.

Cash Used in Investing Activities

Net cash used in investing activities was $5.5 million for the nine months ended September 30, 2024, an increase of $2.2 million compared to net cash used in investing activities of $3.3 million for the nine months ended September 30, 2023. The increase is primarily attributable to increased property, plant, and equipment additions relative to the prior year.

Cash Used in Financing Activities

Net cash provided by financing activities was $0.6 million for the nine months ended September 30, 2024, a change of $1.4 million as compared to $2.0 million provided by financing activities in the nine months ended September 30, 2023. The change was principally due to the issuance of convertible during the nine months ended September 30, 2024.

Lease Transactions

As of September 30, 2024, we have entered into lease agreements for the use of buildings used in cultivation, production and/or sales of cannabis products in Maryland, Minnesota, and New York.

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 September 30, 2024, we operated 14 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 September 30, 2024	Finance Leases September 30, 2024	Total
2024	$ 560,981	$ 3,416,902	$ 3,977,883
2025	3,047,603	13,773,155	16,820,758
2026	2,727,346	14,183,661	16,911,007
2027	2,474,144	14,606,527	17,080,671
2028	2,254,049	15,042,128	17,296,177
Thereafter	7,824,515	218,572,918	226,397,433
Total minimum lease payments	$ 18,888,638	$ 279,595,291	$ 298,483,929
Less discount to net present value	(4,111,939)	(185,628,604)	(189,740,543)
Less liabilities held for sale	(2,837,202)	(85,599,819)	(88,437,021)
Present value of lease liability	$ 11,939,497	$ 8,366,868	$ 20,306,365

ADDITIONAL INFORMATION

Outstanding Share Data

As of November 11, 2024, we had 200,762,510 shares issued and outstanding, consisting of the following:

(a) Subordinate Voting Shares

200,464,196 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

298,314 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.

Options, Warrants, and Convertible Promissory Notes

As of September 30, 2024, we had 31,440,328 employee stock options outstanding, 4,107,749 RSUs outstanding, 3,037,649 Subordinate Voting Share compensation warrants denominated in C$ related to financing activities, and 16,096,873 Subordinate Voting Share compensation warrants outstanding.

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.

Critical Accounting Policies and Estimates

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 Annual Report on Form 10-K for the year ended December 31, 2023, as amended.

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) under the Exchange Act) are designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act 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 Interim Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure. We, under the supervision of and with the participation of our management, including our Chief Executive Officer and Interim Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2024, and, based on that evaluation, have concluded that the design and operation of our disclosure controls and procedures were effective as of such date.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.