



THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR JUSHI HOLDINGS INC. ARE ALSO INCLUDED IN THE FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2024, FILED ON SEDAR IN ITS ENTIRETY

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

This Management’s Discussion and Analysis (“MD&A”) covers the consolidated financial statements of Jushi Holdings Inc. and its controlled subsidiaries as of and for the three and six months ended June 30, 2024 (the “Financial Statements”). Unless the context indicates or requires otherwise, the terms “Jushi”, “the Company”, “we”, “us” and “our” refers to Jushi Holdings Inc. and its controlled entities. This MD&A should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the three and six months ended June 30, 2024 (the “Quarterly Financial Statements”). The Quarterly Financial Statements have been prepared by management and are in accordance with generally accepted accounting principles in the United States (“GAAP”) and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2023, which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (“SEC”) on April 1, 2024 (the “2023 Form 10-K”) and was also filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”). All amounts are expressed in U.S. dollars unless otherwise noted.

### **Company Overview**

We are a vertically integrated, multi-state cannabis operator engaged in retail, distribution, cultivation, and processing operations in both medical and adult-use markets. We are focused on building a diverse portfolio of cannabis assets through opportunistic investments and pursuing application opportunities in attractive limited license jurisdictions and capitalizing on such assets through strategic deployment in our day-to-day operations. We have targeted assets in highly populated, limited license medical markets on a trajectory toward adult-use legalization, including Pennsylvania, markets that are in the process of transitioning to adult-use, namely Ohio and Virginia, and limited license, fast-growing, large adult-use markets, such as Illinois, Nevada and Massachusetts, and certain municipalities of California.

### **Factors Affecting our Performance and Related Trends**

#### ***Competition and Pricing Pressure***

The cannabis industry is subject to significant competition and pricing pressures, which is often market specific and can be caused by an oversupply of cannabis in the market, and may be transitory from period to period. We may experience significant competitive pricing pressures as well as competitive products and service providers in the markets in which we operate. Several significant competitors may offer products and/or services with prices that may match or are lower than ours. We believe that the products and services we offer are generally competitive with those offered by other cannabis companies. It is possible that one or more of our competitors could develop a significant research advantage over us that allows them to provide superior products or pricing, which could put us at a competitive disadvantage. Continued pricing pressure due to competition, increased cannabis supply or shifts in customer preferences could adversely impact our customer base or pricing structure, resulting in a material impact on our results of operations, or asset impairments in future periods.

### **Recent Developments**

*(Amounts expressed in thousands of U.S. dollars, except share amounts)*

In July 2024, we extinguished one of our acquisition-related promissory notes which had a principal balance of \$3,750 as of June 30, 2024 and a maturity date of August 11, 2024. The promissory note was redeemed at 96 percent of the principal amount plus 50 percent of accrued and unpaid interest, resulting in a gain on extinguishment of \$140.

As of June 30, 2024, the Acquisition Facility principal balance was \$55,250 with a maturity date of December 2024. On July 1, 2024, we made a regularly scheduled principal payment of \$2,437, reducing the principal balance to \$52,813. On July 31, 2024, we refinanced our Acquisition Facility with a \$4,313 cash payment and \$48,500 in secured term loans from a syndicate of lenders, maturing in September 2026.

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In July 2024, the state of Pennsylvania enacted legislation permitting medical cannabis businesses to deduct ordinary and necessary business expenses for state income tax purposes, which are disallowed under Internal Revenue Code Section 280E. This legislation is effective July 1, 2024, and applies to tax years beginning after December 31, 2023. As a result, we anticipate a reduction in state income tax expense beginning in fiscal year 2024. We estimate that this change will result in an annual state tax saving of approximately \$2,400, based on our current expense levels and a one-time benefit of approximately \$1,500.

In July 2024, we executed an agreement for the sale of one of our dispensaries at a sale price of \$3,000. This sale is subject to regulatory approvals and customary closing conditions, and is expected to be completed within the next nine months from June 30, 2024.

### Results of Operations

*(Amounts expressed in thousands of U.S. dollars, except share and per share amounts)*

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
REVENUE, NET	\$ 64,595	\$ 66,425	(3)%	\$ 130,054	\$ 136,298	(5)%
COST OF GOODS SOLD	(32,029)	(35,871)	(11)%	(65,158)	(75,803)	(14)%
GROSS PROFIT	32,566	30,554	7 %	64,896	60,495	7 %
OPERATING EXPENSES	24,162	27,154	(11)%	52,373	59,606	(12)%
INCOME FROM OPERATIONS	8,404	3,400	147 %	12,523	889	1309 %
OTHER INCOME (EXPENSE):						
Interest expense, net	(9,071)	(9,790)	(7)%	(18,615)	(18,310)	2 %
Fair value gain on derivatives	5,312	1,090	387 %	212	9,120	(98)%
Other, net	2,746	(190)	(1545)%	4,663	519	798 %
Total other income (expense), net	(1,013)	(8,890)	(89)%	(13,740)	(8,671)	58 %
INCOME (LOSS) BEFORE INCOME TAX	7,391	(5,490)	(235)%	(1,217)	(7,782)	(84)%
Income tax expense	(9,329)	(8,546)	9 %	(19,076)	(18,694)	2 %
NET LOSS AND COMPREHENSIVE LOSS	\$ (1,938)	\$ (14,036)	(86)%	\$ (20,293)	\$ (26,476)	(23)%
LOSS PER SHARE - BASIC	\$ (0.01)	\$ (0.07)	(86)%	\$ (0.10)	\$ (0.14)	(29)%
Weighted average shares outstanding - basic	195,138,473	194,756,391	— %	195,135,057	194,405,562	— %
LOSS PER SHARE - DILUTED	\$ (0.01)	\$ (0.07)	(86)%	\$ (0.10)	\$ (0.14)	(29)%
Weighted average shares outstanding - diluted	195,138,473	194,756,391	— %	195,135,057	194,405,562	— %

**Three Months Ended June 30, 2024 Compared with the Three Months Ended June 30, 2023**

(Amounts expressed in thousands of U.S. dollars, unless otherwise stated)

**Revenue, Net**

The following table presents revenue by type for the periods indicated:

	Three Months Ended June 30,		\$ Change	% Change
	2024	2023		
Retail	\$ 56,992	\$ 59,615	\$ (2,623)	(4)%
Wholesale	7,603	6,810	793	12 %
Total revenue, net	\$ 64,595	\$ 66,425	\$ (1,830)	(3)%

Revenue, net, was \$64,595 compared to \$66,425, a decrease of \$1,830 or 3%. Retail revenue decreased \$2,623 primarily due to:

- A decline in sales in Illinois of 4% - while the number of units sold increased approximately 12%, the average price per unit declined as a result of pricing pressures due to the neighboring state of Missouri moving to recreational use;
- A decline in sales in Massachusetts of 6% and in Nevada of 13% - while the number units sold in Massachusetts increased approximately 2% and in Nevada approximately 4%, the average price per unit declined due to market price compression and continued competition; and
- A decline in sales in Pennsylvania of 11% due to a decline in units sold of approximately 13% driven by increased competition. However, average price per unit remained stable.

These declines were partially offset by an increase in sales in Virginia of 18% primarily due to the opening of one new store in August 2023. The Company ended the quarter with thirty-five operating dispensaries in seven states, as compared to thirty-four in seven states on June 30, 2023.

Wholesale revenue increased \$793. The increase is primarily attributable to wholesale revenue growth in Virginia of 72% as the cultivation and processing facility in Virginia matured and had more product available for sale to third-parties. The growth in Virginia was partially offset by a 37% decline in wholesale revenue in Massachusetts due to continued competition.

**Gross Profit**

Gross profit was \$32,566 compared to \$30,554, an increase of \$2,012 or 7%. Gross profit margin increased to 50% compared to 46%. The increase in gross profit and gross profit margin was driven by efficiencies at our cultivation and processing facilities which have enabled us to be more competitive on cost. During the current quarter, we generated positive gross profit and gross profit margin from our wholesale revenue whereas in the prior year, we generated a loss. In our retail channel, gross profit declined due to lower sales; however, gross profit margin improved 110 basis points as a result of increased sell-through of Jushi branded products at our retail stores. Jushi branded product sales as a percentage of total retail revenue were 56% across the Company's five vertical markets compared to 47% in the prior year.

**Operating Expenses**

Operating expenses were \$24,162 compared to \$27,154, a decrease of \$2,992 or 11%. The following table presents information of our operating expenses for the periods indicated:

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	Three Months Ended June 30,		\$ Change	% Change
	2024	2023		
Salaries, wages and employee related expenses	\$ 14,192	\$ 13,784	\$ 408	3 %
Depreciation and amortization expense	3,827	1,577	2,250	143 %
Rent and related expenses	2,961	2,504	457	18 %
Professional fees and legal expenses	1,606	2,321	(715)	(31)%
Share-based compensation expense	347	2,363	(2,016)	(85)%
Other expenses <sup>(1)</sup>	1,229	4,605	(3,376)	(73)%
Total operating expenses	\$ 24,162	\$ 27,154	\$ (2,992)	(11)%

<sup>(1)</sup> Other expenses are primarily comprised of marketing and selling expenses, insurance costs, administrative and application fees, software and technology costs, travel, gain/loss on lease terminations, gain/loss on asset disposals, entertainment and conferences and other.

Depreciation and amortization expense increased due to the expansion of our retail operations which resulted in certain fixed assets being placed into service, as well as amortization of our business licenses which commenced during the current year as we concluded, based on our assessment, that our business licenses no longer have indefinite useful lives. Lower share-based compensation expense reflects lower value of share-based compensation granted as well as forfeitures. Other expenses decreased due primarily to gains on the sale of certain non-core assets and operating lease terminations.

### ***Other Income (Expense)***

#### *Interest Expense, Net*

Interest expense, net was \$9,071 compared to \$9,790, a decrease of \$719, or 7%. The decrease in interest expense, net is due to our lower overall debt balance, primarily related to the Acquisition Facility and promissory notes as we continue to make principal payments.

#### *Fair Value gain (loss) on Derivatives*

Fair value gain on derivatives was \$5,312, compared to \$1,090. Fair value gain (loss) on derivatives include the fair value changes relating to the derivative warrants. The derivative warrants are required to be remeasured at fair value at each reporting period. The fair value changes in derivatives were primarily attributable to the movement in our stock price during the corresponding period.

#### *Other, Net*

Other, net was an income of \$2,746, compared to an expense of \$190, a change of \$2,936, which was due primarily to \$1,896 gain on Jushi Europe deconsolidation, and \$606 higher foreign exchange translation adjustment mainly relating to certain Second Lien Notes denominated in Canadian dollars.

### ***Income Tax Expense***

Total income tax expense was \$9,329 compared to \$8,546 in the prior year, an increase of \$783 or 9%. The increase in income tax expense is primarily due to an increase in taxable income.

## **Six Months Ended June 30, 2024 Compared with the Six Months Ended June 30, 2023**

*(Amounts expressed in thousands of U.S. dollars, unless otherwise stated)*

### ***Revenue, Net***

The following table presents revenue by type for the periods indicated:

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	Six Months Ended June 30,		\$ Change	% Change
	2024	2023		
Retail	\$ 114,361	\$ 121,926	\$ (7,565)	(6)%
Wholesale	15,693	14,372	1,321	9 %
Total revenue, net	\$ 130,054	\$ 136,298	\$ (6,244)	(5)%

Revenue, net, was \$130,054 compared to \$136,298, a decrease of \$6,244 or 5%. Retail revenue decreased \$7,565 primarily due to:

- A decline in sales in Illinois of 13% - while the number of units sold increased approximately 8%, the average price per unit declined as a result of pricing pressures due to the state of Missouri moving to recreational use;
- A decline in sales in Massachusetts of 5% - while the number of units sold increased approximately 4%, the average price per unit declined due to market price compression and continued competition; and
- A decline in sales in Nevada of 17% and in Pennsylvania of 10% - the number of units sold decreased by approximately 4% and 15% in Nevada and Pennsylvania, respectively, driven by increased competition. The decline in Nevada was also impacted by price compression, but the average price per unit remained stable in Pennsylvania.

These declines were partially offset by an increase in sales in Virginia of 25% primarily due to the opening of one new store in August 2023. The Company ended the quarter with thirty-five operating dispensaries in seven states, as compared to thirty-four in seven states at the end of June 30, 2024.

Wholesale revenue increased \$1,321. The increase is primarily attributable to wholesale revenue growth in Virginia of 86% as the cultivation and processing facility in Virginia matured and had more product available for sale to third-parties. The growth in Virginia was partially offset by a 61% decline in wholesale revenue in Nevada and 15% decline in Massachusetts due to continued competition.

### ***Gross Profit***

Gross profit was \$64,896 compared to \$60,495, an increase of \$4,401 or 7%. Gross profit margin increased to 50% compared to 44%. The increase in gross profit and gross profit margin was driven by efficiencies at our cultivation and processing facilities which have enabled us to be more competitive on cost. We generated positive gross profit and gross profit margin from our wholesale revenue whereas in the prior year, we generated a loss. In our retail channel, gross profit declined due to lower sales; however, gross profit margin improved 158 basis points as a result of increased sell-through of Jushi branded products at our retail stores. Jushi branded product sales as a percentage of total retail revenue were 55% across the Company's five vertical markets compared to 48% in the prior year.

### ***Operating Expenses***

Operating expenses were \$52,373 compared to \$59,606, a decrease of \$7,233 or 12%. The following table presents information of our operating expenses for the periods indicated:

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	Six Months Ended June 30,		\$ Change	% Change
	2024	2023		
Salaries, wages and employee related expenses	\$ 28,339	\$ 30,588	\$ (2,249)	(7)%
Depreciation and amortization expense	7,105	4,240	2,865	68 %
Rent and related expenses	5,875	5,397	478	9 %
Professional fees and legal expenses	4,181	4,646	(465)	(10)%
Share-based compensation expense	1,871	4,674	(2,803)	(60)%
Other expenses <sup>(1)</sup>	5,002	10,061	(5,059)	(50)%
Total operating expenses	\$ 52,373	\$ 59,606	\$ (7,233)	(12)%

<sup>(1)</sup> Other expenses are primarily comprised of marketing and selling expenses, insurance costs, administrative and application fees, software and technology costs, travel, gain/loss on lease terminations, gain/loss on asset disposals, entertainment and conferences and other.

Salaries, wages, and employee-related expenses decreased due to the benefits from both the staffing model changes in our retail stores and right-sizing the organization that occurred during 2023. Depreciation and amortization expense increased due to the expansion of our retail operations which resulted in certain fixed assets being placed into service, as well as amortization of our business licenses which commenced during the current year as we concluded, based on our assessment, that our business licenses no longer have indefinite useful lives. Lower share-based compensation expense reflects lower value of share-based compensation granted as well as forfeitures. Other expenses decreased due primarily to gains on the sale of certain non-core assets and operating lease terminations.

### ***Other Income (Expense)***

#### *Interest Expense, Net*

Interest expense, net was \$18,615 compared to \$18,310, an increase of \$305, or 2%. The increase in interest expense, net is due to our higher overall debt balance, primarily due to the addition of the Manassas Mortgage in April 2023, the final draw on the Arlington Mortgage in January 2023, as well as the increase in the Second Lien Notes compared to June 30, 2023 due to issuance of Second Lien Notes during 2023 to settle accrued bonus, as well as issuance of Second Lien Notes in the Debt Exchange which occurred in February 2024. Interest related to the Acquisition Facility and promissory notes has declined as we continue to make principal payments.

#### *Fair Value gain (loss) on Derivatives*

Fair value gain on derivatives was \$212, compared to \$9,120. Fair value gain (loss) on derivatives include the fair value changes relating to the derivative warrants. The derivative warrants are required to be remeasured at fair value at each reporting period. The fair value changes in derivatives were primarily attributable to the movement in our stock price during the corresponding period.

#### *Other, Net*

Other, net was an income of \$4,663, compared to \$519, a change of \$4,144. The increase in income was due primarily to \$1,896 gain on Jushi Europe deconsolidation, \$1,180 higher foreign exchange translation adjustment mainly relating to certain Second Lien Notes denominated in Canadian dollars, \$399 gain on debt extinguishment and \$400 reversal of legal claim accruals no longer required, partially offset by \$512 lower indemnification asset relating to acquisitions made in prior years and \$200 loss on investment.

### ***Income Tax Expense***

Total income tax expense was \$19,076 compared to \$18,694 in the prior year, an increase of \$382 or 2%.

## **Non-GAAP Measures and Reconciliation**

In addition to providing financial measurements based on GAAP, we provide additional financial metrics that are not prepared in accordance with GAAP. We use non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate our financial performance. These non-GAAP financial measures are EBITDA and Adjusted EBITDA (each as defined below). We believe that these non-GAAP financial measures reflect our ongoing business by excluding the effects of expenses that are not reflective of our operating business performance and allow for meaningful comparisons and analysis of trends in our business. These non-GAAP financial measures also facilitate comparing financial results across accounting periods and to those of peer companies. As there are no standardized methods of calculating these non-GAAP measures, our methods may differ from those used by others, and accordingly, the use of these measures may not be directly comparable to similar measures used by others, thus limiting their usefulness. Accordingly, these non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

### ***EBITDA and Adjusted EBITDA***

EBITDA and Adjusted EBITDA are financial measures that are not defined under GAAP. We define EBITDA as net income (loss), or “earnings”, before interest, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA before: (i) non-cash share-based compensation expense; (ii) inventory-related adjustments; (iii) fair value changes in derivatives; (iv) other (income)/expense items; (v) transaction costs; (vi) asset impairment; (vii) gain/loss on debt extinguishment; and (viii) start-up costs. These financial measures are metrics that have been adjusted from the GAAP net income (loss) measure in an effort to provide readers with a normalized metric in making comparisons more meaningful across the cannabis industry, as well as to remove non-recurring, irregular and one-time items that may otherwise distort the GAAP net income measure. Other companies in our industry may calculate this measure differently, limiting their usefulness as comparative measures.

### ***Reconciliation of EBITDA and Adjusted EBITDA (Non- GAAP Measures)***

Adjusted EBITDA for the three months ended June 30, 2024 and 2023, was \$14,478 and \$12,620, respectively, resulting in an increase of \$1,858 or 15%. Adjusted EBITDA for the six months ended June 30, 2024 and 2023, was \$27,827 and \$20,223, respectively, resulting in an increase of \$7,604 or 38%. The increase in EBITDA was primarily due to operating efficiencies at our grower processor facilities, lower payroll cost due to a decrease in the number of employees as a result of right sizing the organization, as well as changes to our staffing model at retail stores.



The table below reconciles net loss to EBITDA and Adjusted EBITDA for the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
NET INCOME (LOSS)	\$ (1,938)	\$ (14,036)	\$ (20,293)	\$ (26,476)
Income tax expense	9,329	8,546	19,076	18,694
Interest expense, net	9,071	9,790	18,615	18,310
Depreciation and amortization <sup>(1)</sup>	7,377	6,629	14,213	13,964
EBITDA (Non-GAAP)	23,839	10,929	31,611	24,492
Non-cash share-based compensation	347	2,363	1,871	4,674
Fair value changes in derivatives	(5,312)	(1,090)	(212)	(9,120)
Gain on deconsolidation of Jushi Europe	(1,896)	—	(1,896)	—
Tangible long-lived asset impairment	157	—	157	—
Other (income) expense, net <sup>(2)</sup>	(2,657)	418	(3,305)	(93)
Gain on debt extinguishment	—	—	(399)	—
Inventory charge adjustments <sup>(3)</sup>	—	—	—	251
Transaction costs	—	—	—	19
Adjusted EBITDA (Non-GAAP)	\$ 14,478	\$ 12,620	\$ 27,827	\$ 20,223

<sup>(1)</sup> Includes amounts that are included in cost of goods sold and in operating expenses.

<sup>(2)</sup> Includes: (i) remeasurement of contingent consideration related to acquisitions; (ii) losses (gains) on legal settlements; (iii) losses (gains) on lease terminations; (iv) losses (gains) on asset disposals; and (v) severance costs.

<sup>(3)</sup> Includes inventory recall write-offs of \$251 in the first quarter of 2023.

## Liquidity and Capital Resources

*(Amounts expressed in thousands of U.S. dollars, unless otherwise stated)*

### Sources and Uses of Cash

We had cash, cash equivalents and restricted cash of \$35,030 as of June 30, 2024.

The major components of our statements of cash flows for the six months ended June 30, 2024 and 2023, are as follows:

	Six Months Ended June 30,		\$ Change	% Change
	2024	2023		
Net cash flows provided by (used in) operating activities	\$ 12,041	\$ (10,285)	\$ 22,326	217 %
Net cash flows provided by (used in) investing activities	959	(5,228)	6,187	118 %
Net cash flows (used in) provided by financing activities	(9,275)	20,429	(29,704)	(145)%
Net change in cash, cash equivalents and restricted cash	\$ 3,725	\$ 4,916	\$ (1,191)	(24)%

*Operating activities.* Cash provided by operations was \$12,041, as compared to cash used in operations of \$10,285. The change to cash provided by operating activities in the current year compared to cash used in operating activities in the prior year was primarily due to improved operating results, as well as an improvement in cash flow from working capital.

*Investing activities.* Net cash provided by investing activities was \$959 compared to cash used in investing activities of \$5,228. The current year includes \$1,764 for the payments of property, plant and equipment for use in our operations, which was more than offset by \$2,723 in proceeds from the sale of non-core assets. The prior year includes \$6,144 for the payments of property, plant and equipment for use in our operations partially offset by \$916 in proceeds from the sale of property, plant and equipment.

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*Financing activities.* Net cash used in financing activities was \$9,275 compared to net cash provided by financing activities of \$20,429. The current year includes \$2,750 in payments on promissory notes in the Debt Exchange, \$4,875 payments related to the Acquisition Facility debt, \$1,212 in net finance lease obligation payments, and \$930 in payments of other financing activities, partially offset by \$628 of proceeds from other financing activities. The prior year includes \$21,900 in proceeds from mortgage loans and \$3,295 in proceeds from other financing activities, partially offset by \$2,681 in net finance lease obligation payments, and \$1,725 in payments of other financing activities.

### ***Liquidity***

As reflected in our 2023 Form 10-K, we used net cash of \$3,318 for operating activities for the year ended December 31, 2023, and as of that date, our current liabilities exceeded our current assets by \$80,825. As of December 31, 2023 absent a refinancing, we would not meet our obligations within the next year and we believed that with a refinancing, we would meet our obligations. As a result, we concluded as stated in the 2023 Form 10-K that substantial doubt existed about our ability to continue as a going concern within the next twelve months from the date the 2023 financial statements were issued.

For the six months ended June 30, 2024, cash provided by operating activities was \$12,041, and as of June 30, 2024, our current assets exceeded our current liabilities by \$15,056. As discussed in Note 8 - Debt and Note 19 - Subsequent Events, we refinanced our Acquisition Facility debt in July 2024, resulting in \$48,500 being reclassified from short-term debt to long-term debt as of June 30, 2024, since we expect to start making scheduled principal payments in August 2025. As a result, we concluded that substantial doubt about our ability to continue as a going concern no longer existed as of June 30, 2024.

After giving effect to the refinancing of the Acquisition Facility described in the previous paragraph, we believe that our existing cash and cash equivalents and cash from operations will be sufficient to meet our working capital and capital expenditure needs for at least the next twelve months, although we may choose to take advantage of opportunistic capital raising or refinancing transactions at any time. Depending on our future results of operations, we may need to engage in additional equity financing or other debt refinancing transactions in the longer term beyond twelve months, although there can be no assurances that such additional debt or equity financing may be obtained on favorable terms when required, if at all.

The Quarterly Financial Statements contained herein have been prepared on a going concern basis which assumes we will be able to realize our assets and discharge our liabilities in the normal course of business for the foreseeable future, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that may result from the outcome of this uncertainty.

### **Off-Balance Sheet Arrangements and Contractual Obligations**

As of June 30, 2024, we do not have any off-balance sheet arrangements. For our contractual obligations, refer to Note 8 - Debt and Note 16 - Commitments and Contingencies of our Quarterly Financial Statements contained in Part I. Item 1 of this report.