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 SEPTEMBER 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 nine months ended September 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 nine months ended September 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 Virginia, and limited license, fast-growing, large adult-use markets, such as Illinois, Nevada, Massachusetts and Ohio, 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 and per share amounts)

Appointment

Our President, Jon Barack, was given the additional title of Chief Revenue Officer, effective November 5, 2024 and will assume his additional role immediately. In this role, he will oversee our commercial channels and focus on enhancing product selection. This role will allow us to realize operating expense savings due to recent senior management changes and our commitment to maintain a streamlined leadership team. In connection with assuming the role of Chief Revenue Officer, the Company entered into an amendment to Mr. Barack's existing employment agreement pursuant to which Mr. Barack's discretionary performance-based bonus to be determined by the Compensation Committee of the Board of Directors was replaced with a performance bonus with a target of up to 80% of his then base salary and the duration that severance payments will be owed to Mr. Barack was increased from six (6) months to twelve (12) months.

Amendment Number 4 to CEO Employment Agreement

On September 13, 2024, the Company, JMGT, LLC, and the Company's CEO entered into an amendment to his existing employment agreement (the "Fourth Amendment") pursuant to which the CEO agreed to receive the $950 annual cash bonus for the year 2024 in the following alternative form: (i) a lump sum cash payment of $238, which was paid in October 2024, (ii) $1,382 aggregate principal amount of Second Lien Notes due December 7, 2026 (the "Second Lien Notes"), which were issued in September 2024, and (iii) stock options granted under the Company's 2019 Equity Incentive Plan, as amended, (the "2019 Plan"), expiring five years from the date of grant to purchase up to 1,062,732 of the Company's subordinate voting shares ("SVS") at an exercise price of $0.65.

Stock Option Cancellation and Regrant Program

On August 12, 2024, a limited stock option cancellation and regrant program was approved, pursuant to which a limited number of the Company's senior management team, including the Company's Chief Executive Officer James Cacioppo, the Company's President Jon Barack, the Company's Chief Legal Officer Tobi Lebowitz, and the Company's non-employee directors (the "Eligible Participants") may elect to cancel each option held by the Eligible Participants with an exercise price per SVS equal to $1.91, $1.93, $2.00 and $5.71, and to be granted a replacement option to purchase an identical number of SVS. Mr. Cacioppo's option to purchase 5,385,000 SVS, Mr. Barack's option to purchase 1,793,000 SVS, Mrs. Lebowitz's option to purchase 590,000 SVS and options to purchase up to an aggregate of 394,758 SVS held by the Company's non-employee directors were eligible for the program, in addition to options to purchase up to an aggregate of 974,000 SVS held by other members of senior management. The Eligible Participants all elected to participate in this program, and were regranted the same number of options on September 13, 2024, at an exercise price of $0.54.

Additionally, on September 13, 2024, Michelle Mosier, our Chief Financial Officer, was granted 300,000 stock options under the 2019 Plan at an exercise price of $0.54 per share.

Ohio

We entered into two definitive agreements to purchase assets in the state of Ohio. These agreements will ultimately increase our footprint in Ohio with the addition of four dispensaries. The agreements are subject to regulatory approvals. We expect to transfer ownership of three of the dispensaries in the first half of 2025 with the fourth transfer of ownership in the back half of 2025.

Results of Operations

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	% Change	2024	2023	% Change
REVENUE, NET	$ 61,611	$ 65,377	(6)%	$ 191,665	$ 201,675	(5)%
COST OF GOODS SOLD	(33,612)	(36,863)	(9)%	(98,770)	(112,666)	(12)%
GROSS PROFIT	27,999	28,514	(2)%	92,895	89,009	4 %
OPERATING EXPENSES	27,819	25,688	8 %	80,192	85,294	(6)%
INCOME FROM OPERATIONS	180	2,826	(94)%	12,703	3,715	242 %
OTHER INCOME (EXPENSE):						
Interest expense, net	(9,382)	(9,345)	— %	(27,997)	(27,655)	1 %
Fair value gain (loss) on derivatives	2,628	(7,460)	(135)%	2,840	1,660	71 %
Other, net	(477)	1,368	(135)%	4,186	1,887	122 %
Total other income (expense), net	(7,231)	(15,437)	(53)%	(20,971)	(24,108)	(13)%
LOSS BEFORE INCOME TAX	(7,051)	(12,611)	(44)%	(8,268)	(20,393)	(59)%
Income tax expense	(8,965)	(8,011)	12 %	(28,041)	(26,705)	5 %
NET LOSS AND COMPREHENSIVE LOSS	$ (16,016)	$ (20,622)	(22)%	$ (36,309)	$ (47,098)	(23)%
LOSS PER SHARE - BASIC AND DILUTED	$ (0.08)	$ (0.11)	(27)%	$ (0.19)	$ (0.24)	(21)%
Weighted average shares outstanding - basic and diluted	195,165,913	195,128,096	— %	195,145,417	194,649,053	— %

Three Months Ended September 30, 2024 Compared with the Three Months Ended September 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 September 30,			
	2024	2023	$ Change	% Change
Retail	$ 55,441	$ 58,535	$ (3,094)	(5)%
Wholesale	6,170	6,842	(672)	(10)%
Total revenue, net	$ 61,611	$ 65,377	$ (3,766)	(6)%

Revenue, net, was $61,611 compared to $65,377, a decrease of $3,766 or 6%.

Retail revenue decreased $3,094 primarily due to:

- A decline in sales in Illinois of $2,007 - the number of units sold decreased approximately 6%, and the average price per unit declined due to increased competition with competitors opening new stores in our markets;
- A decline in sales in Pennsylvania of $1,538 and in Nevada of $961 - the number of units sold decreased approximately 2% in Pennsylvania and approximately 8% in Nevada, and the average price per unit declined as we increased our use of promotions due to continued competition; and
- A decline in sales in Massachusetts of $677 - while the number of units sold increased approximately 4%, the average price per unit declined due to market price compression and continued competition.

These declines were partially offset by an increase in sales in Virginia of $1,430 primarily due to the opening of one new store in August 2023, and an increase in sales in Ohio of $1,130 due to the transition to adult-use during the current quarter. The Company ended the quarter with thirty-five operating dispensaries in seven states, as compared to thirty-four in seven states on September 30, 2023.

Wholesale revenue decreased $672. The decrease is primarily attributable to a $845 decline in wholesale revenue in Massachusetts and a $786 decline in Pennsylvania, due to continued competition and limited availability of products available to third parties through our wholesale channel as we prioritized supplying our retail stores. These decreases were partially offset by wholesale revenue growth in Virginia of $601 as the cultivation and processing facility in Virginia matured and had more product available for sale to third-parties.

Gross Profit

Gross profit was $27,999 compared to $28,514, a decrease of $515 or 2%. Gross profit margin increased to 45% compared to 44%. The increase in gross profit margin was driven by continued efficiencies at our cultivation and processing facilities which have enabled us to reduce cost, partially offset by additional expenses in Ohio, including inventory write downs, as we ramp up our facilities in Ohio to support the transition to adult-use. In our retail channel, gross profit and gross profit margin declined due to competition which resulted in increased utilization of sales promotions. Jushi branded product sales as a percentage of total retail revenue were 55% across the Company's five vertical markets compared to 52% in the prior year.

Operating Expenses

Operating expenses were $27,819 compared to $25,688, an increase of $2,131 or 8%. The following table presents information on our operating expenses for the periods indicated:

	Three Months Ended September 30,			
	2024	2023	$ Change	% Change
Salaries, wages and employee related expenses	$ 14,498	$ 13,251	$ 1,247	9 %
Depreciation and amortization expense	3,985	2,962	1,023	35 %
Rent and related expenses	3,053	3,387	(334)	(10)%
Professional fees and legal expenses	1,320	1,420	(100)	(7)%
Share-based compensation expense	1,082	1,056	26	2 %
Other expenses [1]	3,881	3,612	269	7 %
Total operating expenses	$ 27,819	$ 25,688	$ 2,131	8 %

[1] 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 increased due to merit increase, as well as higher employee bonuses. Depreciation and amortization expense increased primarily due to amortization of our business licenses which commenced during the second quarter of 2024, as we concluded that our business licenses no longer have indefinite useful lives.

Other Income (Expense)

Interest Expense, Net

Interest expense, net was $9,382 compared to $9,345, an increase of $37, or 0%.

Fair Value gain (loss) on Derivatives

Fair value gain on derivatives was $2,628, compared to a loss of $7,460. 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 expense of $477, compared to an income of $1,368, a change of $1,845, which was primarily due to losses of $760 related to debt modifications in the current quarter, $667 lower foreign exchange translation adjustment mainly relating to certain Second Lien Notes denominated in Canadian dollars, and $563 lower indemnification asset gains related to acquisitions in the prior year.

Income Tax Expense

Total income tax expense was $8,965 compared to $8,011 in the prior year, an increase of $954 or 12%. The increase in income tax expense is primarily due to an increase in taxable income.

Nine Months Ended September 30, 2024 Compared with the Nine Months Ended September 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:

	Nine Months Ended September 30,			
	2024	2023	$ Change	% Change
Retail	$ 169,802	$ 180,461	$ (10,659)	(6)%
Wholesale	21,863	21,214	649	3 %
Total revenue, net	$ 191,665	$ 201,675	$ (10,010)	(5)%

Revenue, net, was $191,665 compared to $201,675, a decrease of $10,010 or 5%. Retail revenue decreased $10,659 primarily due to:

- A decline in sales in Illinois of $5,791 - while the number of units sold increased approximately 3%, the average price per unit declined as a result of pricing pressures due to the state of Missouri moving to recreational use, as well as increased competition with competitors opening new stores in our markets;
- A decline in sales in Massachusetts of $1,597 - while the number of units sold increased approximately 4%, the average price per unit declined as we increased our use of promotions due to continued competition; and
- A decline in sales in Nevada of $3,073 and in Pennsylvania of $5,743 - the number of units sold decreased by approximately 5% and 11% 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 $5,300 primarily due to the opening of one new store in August 2023, and an increase in sales in Ohio of $1,102 due to the transition to adult-use during the current year.

Wholesale revenue increased $649. The increase is primarily attributable to wholesale revenue growth in Virginia of $3,735 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 $1,295 decline in wholesale revenue in Nevada and $1,586 decline in Massachusetts due to continued competition and product availability to sell to third parties through our wholesale channel.

Gross Profit

Gross profit was $92,895 compared to $89,009, an increase of $3,886 or 4%. Gross profit margin increased to 48% 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 reduce cost, partially offset by additional expenses in Ohio, including inventory write downs, as we ramp up our facilities in Ohio to support the transition to adult-use. In our retail channel, gross profit declined due to lower sales; however, gross profit margin improved 38 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 49% in the prior year.

Operating Expenses

Operating expenses were $80,192 compared to $85,294, a decrease of $5,102 or 6%. The following table presents information on our operating expenses for the periods indicated:

	Nine Months Ended September 30, 2024	2023	$ Change	% Change
Salaries, wages and employee related expenses	$ 42,837	$ 43,839	$ (1,002)	(2)%
Depreciation and amortization expense	11,090	7,202	3,888	54 %
Rent and related expenses	8,928	8,784	144	2 %
Professional fees and legal expenses	5,501	6,066	(565)	(9)%
Share-based compensation expense	2,953	5,730	(2,777)	(48)%
Other expenses [1]	8,883	13,673	(4,790)	(35)%
Total operating expenses	$ 80,192	$ 85,294	$ (5,102)	(6)%

(1) 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 second quarter of 2024, as we concluded 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 primarily due to gains on the sale of certain non-core assets and operating lease terminations, and lower expenses relating to administrative fees and software and technology costs.

Other Income (Expense)

Interest Expense, Net

Interest expense, net was $27,997 compared to $27,655, an increase of $342, or 1%.

Fair Value gain (loss) on Derivatives

Fair value gain on derivatives was $2,840, compared to $1,660. 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 $4,186, compared to $1,887, a change of $2,299. The increase in income was primarily due to $1,896 gain on Jushi Europe deconsolidation.

Income Tax Expense

Total income tax expense was $28,041 compared to $26,705 in the prior year, an increase of $1,336 or 5%. The increase in income tax expense is primarily due to an increase in taxable income.

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 September 30, 2024 and 2023, was $10,345 and $9,710, respectively, resulting in an increase of $635 or 7%.

Adjusted EBITDA for the nine months ended September 30, 2024 and 2023, was $38,172 and $29,933, respectively, resulting in an increase of $8,239 or 28%. 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, and lower operating expenses relating to professional fees, administrative expenses, software and technology cost.

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

(Amounts expressed in thousands of U.S. dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
NET LOSS	$ (16,016)	$ (20,622)	$ (36,309)	$ (47,098)
Income tax expense	8,965	8,011	28,041	26,705
Interest expense, net	9,382	9,345	27,997	27,655
Depreciation and amortization [1]	7,768	5,816	21,981	19,780
EBITDA (Non-GAAP)	10,099	2,550	41,710	27,042
Non-cash share-based compensation	1,082	1,056	2,953	5,730
Fair value changes in derivatives	(2,628)	7,460	(2,840)	(1,660)
Gain on deconsolidation of Jushi Europe	—	—	(1,896)	—
Tangible long-lived asset impairment	275	—	432	—
Other (income) expense, net [2]	756	(1,356)	(2,549)	(1,449)
Loss on debt extinguishment	761	—	362	—
Inventory charge adjustments [3]	—	—	—	251
Transaction costs	—	—	—	19
Adjusted EBITDA (Non-GAAP)	$ 10,345	$ 9,710	$ 38,172	$ 29,933

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

(2) 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.

(3) 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 $22,891 as of September 30, 2024.

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

	Nine Months Ended September 30,			
	2024	2023	$ Change	% Change
Net cash flows provided by (used in) operating activities	$ 14,415	$ (7,827)	$ 22,242	284 %
Net cash flows provided by (used in) investing activities	189	(6,064)	6,253	103 %
Net cash flows (used in) provided by financing activities	(23,018)	17,214	(40,232)	(234)%
Net change in cash, cash equivalents and restricted cash	$ (8,414)	$ 3,323	$ (11,737)	(353)%

Operating activities

Cash provided by operations was $14,415, as compared to cash used in operations of $7,827. 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 $189 compared to cash used in investing activities of $6,064. The current year includes $2,534 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 $8,385 for the payments of property, plant and equipment for use in our operations partially offset by $2,321 in proceeds from the sale of property, plant and equipment.

Financing activities

Net cash used in financing activities was $23,018 compared to net cash provided by financing activities of $17,214. In July 2024, we refinanced our Acquisition Facility debt with proceeds from the issuance of Term Loans and cash on hand. Refer to Note 8 - Debt of our Quarterly Financial Statements contained in Part I. Item 1 of this report for more information.

The current year cash used in financing activities includes the following cash outflows:

- $2,750 in payments on promissory notes in the Debt Exchange,
- $3,600 in payments to extinguish one of our acquisition-related promissory note,
- $60,125 payments related to the Acquisition Facility debt which was extinguished in July 2024,
- $1,661 in net finance lease obligation payments,
- $2,357 in payments of loan financing costs,
- $1,409 in payments of other financing activities, and
- $270 in payments of mortgage-related debt.

The current year cash outflows used in financing activities were partially offset by:

- $47,530 of net proceeds from the issuance of Term Loans,
- $1,585 of proceeds from other financing activities, and
- $39 in issuance of options from exercise.

The prior year net cash flows provided by financing activities includes $21,900 in proceeds from mortgage loans and $3,295 in proceeds from other financing activities, partially offset by $2,761 in net finance lease obligation payments, $2,438 payments related to the Acquisition Facility debt, $2,372 in payments of other financing activities, $250 in payments of loan financing costs, and $160 in payments of mortgage-related debt.

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 nine months ended September 30, 2024, cash provided by operating activities was $14,415, and as of September 30, 2024, our current assets exceeded our current liabilities by $11,752. Consistent with our conclusion as of June 30, 2024, substantial doubt about our ability to continue as a going concern no longer exists as of September 30, 2024.

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 September 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.