

TOWER PROPERTIES COMPANY AND SUBSIDIARIES
DISCLOSURE FOR QUARTER ENDED MARCH 31, 2022

LIQUIDITY AND CAPITAL RESOURCES

The principal source of funds generated internally is income from operations. The principal sources of external funds are long-term debt and a \$13,500,000 loan (“Line of Credit”) with Commerce Bank, a Missouri banking Corporation. The Line of Credit was renewed on June 1, 2021 and at March 31, 2022 is collateralized by 233,724 shares of Commerce Bancshares, Inc. common stock. At March 31, 2022, the Company had no outstanding borrowings on the Line of Credit. The Company had \$13,250,000 available under the Line of Credit at March 31, 2022. This Line of Credit has been extended at market rates and terms and management believes the Company could obtain similar financing arrangements if the Company’s relationship with Commerce Bank did not exist. The Company does not utilize off-balance sheet financing

Management believes that the Company’s current combination of liquidity, capital resources and borrowing capabilities will be adequate for its existing operations during fiscal 2022. The Company did not experience liquidity problems during the three months ended March 31, 2022. The Company does not anticipate any deficiencies in meeting its near term liquidity needs. The availability under the Line of Credit along with cash provided from operations is expected to give the Company adequate resources to meet the Company’s cash requirements for 2022. If necessary, the Company believes it has adequate resources to collateralize additional financing. The Company had cash and cash equivalents of \$23,615,000 at March 31, 2022. The Company’s revenues are primarily based on lease contracts which are not deemed to be materially at risk.

CONTRACTUAL CASH OBLIGATIONS AND OTHER COMMERCIAL COMMITMENTS

At March 31, 2022 there have been no material changes to the Company’s contractual cash obligations and other commercial commitments from amounts disclosed in the financial statements for the year ended December 31, 2021, except for: a) through March 31, 2022 \$616,000 of tenant improvements have been completed, and therefore, the tenant improvement commitments remaining from December 31, 2021 are \$868,000 and b) during the three months ended March 31, 2022 the Company signed five leases that created tenant improvement commitments that have a remaining balance of \$938,000 at March 31, 2022. These tenant improvement commitments are additional commercial commitments at March 31, 2022.

From time to time, the Company is subject to various items related to the normal course of business, including loss of tenants, legal proceedings, and environmental related actions. In the opinion of management, none of these items are expected to result in a material adverse effect on the financial statements of the Company.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company is exposed to various market risks, including equity investment prices and interest rates.

The spread of COVID-19 beginning in the first quarter of 2020 has affected the economy and business operations throughout the world. The ultimate extent of the impact on our business, consolidated financial statements and cash flows will depend on future developments, which are uncertain and cannot be predicted. The impact that COVID-19 had was minimal on the consolidated financial statements through March 31, 2022. While the degree of impact is not known at this time, COVID-19 may have an impact on the future consolidated financial statements. In particular, COVID-19 and efforts to contain the virus could:

- impact customer demand of the Company's leasing and related services, leading to lower revenue; and
- cause other unpredictable events.

The Company has a significant amount of fixed rate debt. Some of the debt has prepayment penalties based upon the difference between the debt's fixed rate and the Treasury note rate that most closely corresponds with the remaining life of the mortgage. The Company believes that the fair value risk for that debt is best quantified by considering prepayment penalties associated with the debt. The estimated aggregate prepayment penalty on such debt was approximately \$679,000 at March 31, 2022.

The Company owned 233,724 shares of common stock of Commerce Bancshares, Inc. with a fair value of \$16,732,000 as of March 31, 2022. This investment is not hedged and is exposed to the risk of changing market prices. The Company marks these equity securities to market on the balance sheet at the end of each period and the change in market price of the securities has an after tax effect recorded in net income. Management estimates that its investments will generally be consistent with trends and movements of the overall stock market excluding any unusual situations. An immediate 10% change in the market price of the securities would have a \$1,238,000 effect on net income.

**PRINCIPAL REAL ESTATE OWNED BY
TOWER PROPERTIES COMPANY AND SUBSIDIARIES**

| | |
|--|--|
| Barkley Place Building | 6-story office building, 10561 Barkley Overland Park, Kansas |
| 7911 Forsyth Office Building | 6-story office building Clayton, Missouri |
| Woodlands Plaza I Office Building | 3-story office building, 11720 Borman Drive St. Louis, Missouri |
| 7905 Forsyth Office Building | 2-story office building Clayton, Missouri |
| 6601 College Boulevard Office Building | 6-story office building Overland Park, Kansas |
| One and Two Liberty Plaza Office Buildings | Two 2-story office buildings Liberty, Missouri |
| 10955 Lowell (Building 20) Office Building | 10-story office building Overland Park, Kansas |
| 7400 Place Office Building | 2-story office building, 7400 State Line Prairie Village, Kansas |
| Corinth Office Building | 2-story office building, 8340 Mission Road Prairie Village, Kansas |
| Corinth Executive Office Building | 2-story office building, 4121 W. 83 rd Street Prairie Village, Kansas |
| 4200 Somerset Office Building | 2-story office building Prairie Village, Kansas |
| Indian Creek Campus I Office Building | 4-story office building, 10740 Nall Overland Park, Kansas |
| Creekview Corporate Center Office Building | 4-story office building, 12900 Foster Overland Park, Kansas |
| Deer Creek Woods Office Bldg #3 | 3-story office building, 7301 W. 133 rd Street Overland Park, Kansas |
| Timberlands Office Building | 3-story office building, 4000 W. 114 th Street Leawood, Kansas |
| New Mark Subdivision | 28 acres of residential and commercial land in the area of 100 th and North Oak Streets Kansas City, Missouri |
| Hillsborough Apartment Complex | 329 apartments located at 5401 Fox Ridge Drive Mission, Kansas |

| | |
|--|---|
| Peppertree Apartment Complex | 262 apartments located at 6800 Antioch Merriam, Kansas |
| Harper Square Apartment Complex | 51 apartments located at 2201 Harper St. Lawrence, Kansas |
| Hutton Farms Apartment Complex | 299 apartments located at 3401 Hutton Drive Lawrence, Kansas |
| Tuckaway Apartment Complex | 148 apartments located at 2600 W. 6 th St Lawrence, Kansas |
| Briarwood Apartment Complex | 49 apartments located at 4241 Briarwood Drive Lawrence, Kansas |
| Tuckaway at Shawnee Apartment Complex | 263 apartments located at 7110 & 7150 Lackman Road Shawnee, Kansas |
| Dunes at Falcon Valley Apartment Complex | 208 apartments located at 19501 W. 102 nd Street Lenexa, Kansas |

All of the real estate is located in Douglas and Johnson Counties in Kansas, and Clay and St. Louis Counties in Missouri.

TOWER PROPERTIES COMPANY & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2022 and December 31, 2021

| | (UNAUDITED) 2022 | 2021 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Investment in Commercial Properties: | | |
| Rental Property, Net | \$ 168,039,872 | \$ 169,951,735 |
| Tenant Leasehold Improvements, Net | 12,530,032 | 12,605,725 |
| Equipment and Furniture, Net | 5,450,647 | 5,695,668 |
| Construction in Progress | 448,894 | 186,630 |
| Commercial Properties, Net | 186,469,445 | 188,439,758 |
| Real Estate Held for Sale | 125,445 | 125,445 |
| Cash and Cash Equivalents (Related Party) | 23,614,570 | 18,578,702 |
| Investment Securities At Fair Value (Related Party) | 16,732,301 | 16,066,188 |
| Receivables (Including Related Party) | 2,473,050 | 3,185,283 |
| Prepaid Expenses and Other Assets | 1,367,519 | 1,369,553 |
| Intangible Asset-Acquired In-Place Leases Value | 423,333 | 463,333 |
| Intangible Asset-Acquired Above-Market Leases | 148,750 | 157,000 |
| Total Assets | \$ 231,354,413 | \$ 228,385,262 |
| LIABILITIES AND STOCKHOLDERS' INVESTMENT | | |
| Liabilities: | | |
| Mortgage Notes | \$ 156,046,587 | \$ 157,515,998 |
| Unamortized Debt Issuance Costs | (586,081) | (617,832) |
| Accounts Payable and Other Liabilities | 8,323,962 | 7,720,187 |
| Income Taxes Payable | 282,644 | 146,424 |
| Deferred Income Taxes | 17,797,960 | 17,617,101 |
| Total Liabilities | 181,865,072 | 182,381,878 |
| Commitments and Contingencies | | |
| Stockholders' Investment: | | |
| Preferred Stock, No Par Value | | |
| Authorized 2,000 Shares, None Issued | -- | -- |
| Common Stock, Par Value \$1.00 | | |
| Authorized 33,334 Shares, Issued | | |
| 6,181 Shares | 6,181 | 6,181 |
| Paid-In Capital | 23,834,066 | 22,860,414 |
| Retained Earnings | 41,720,230 | 40,533,992 |
| | 65,560,477 | 63,400,587 |
| Less Treasury Stock, At Cost (1,624 and 1,758 shares in 2022 and 2021, respectively) | (16,071,136) | (17,397,203) |
| Total Stockholders' Investment | 49,489,341 | 46,003,384 |
| Total Liabilities and Stockholders' Investment | \$ 231,354,413 | \$ 228,385,262 |

See accompanying notes to the consolidated financial statements.

TOWER PROPERTIES COMPANY & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND MARCH 31, 2021
(UNAUDITED)

| | <u>2022</u> | <u>2021</u> |
|---|----------------------------|----------------------------|
| REVENUES | | |
| Non-Related Party Revenues: | | |
| Rent | \$ 10,260,975 | \$ 10,015,551 |
| Management and Service Fee | 1,603 | 465 |
| Interest and Other Income | 115,145 | 78,531 |
| Total Non-Related Party Revenues | <u>10,377,723</u> | <u>10,094,547</u> |
| Related Party Revenues: | | |
| Management and Service Fee | 229,330 | 153,433 |
| Interest and Other Income | 61,937 | 58,432 |
| Unrealized Holding Gains on Marketable Equity Securities | 666,113 | 2,428,512 |
| Total Related Party Revenues | <u>957,380</u> | <u>2,640,377</u> |
| Total Revenues | <u>11,335,103</u> | <u>12,734,924</u> |
| EXPENSES | | |
| Operating Expenses | 1,679,539 | 1,872,783 |
| Maintenance and Repairs | 1,306,961 | 1,333,235 |
| Depreciation and Amortization | 3,206,377 | 3,166,695 |
| Taxes Other than Income | 1,540,521 | 1,530,201 |
| General, Administrative and Other (Including Related Party) | 616,301 | 614,309 |
| Total Expenses before Interest and Income Taxes | <u>8,349,699</u> | <u>8,517,223</u> |
| INTEREST EXPENSE | <u>1,382,380</u> | <u>1,438,527</u> |
| Income Before Provision for Income Taxes | 1,603,024 | 2,779,174 |
| PROVISION FOR INCOME TAXES | <u>416,786</u> | <u>722,585</u> |
| NET INCOME | <u><u>\$ 1,186,238</u></u> | <u><u>\$ 2,056,589</u></u> |

See accompanying notes to the consolidated financial statements.

TOWER PROPERTIES COMPANY & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND YEARS ENDED DECEMBER 31, 2021 AND 2020
(UNAUDITED)

| | Common Stock | | Paid-In Capital | Retained Earnings | Treasury Stock | | Total |
|--|--------------|----------|--------------------|----------------------|----------------|----------------|---------------|
| | Shares | Amount | | | Shares | Amount | |
| Balance, December 31, 2019 | 6,181 | \$ 6,181 | \$ 19,108,978 | \$ 56,869,965 | 2,023 | \$(19,651,767) | \$ 56,333,357 |
| Net Income | -- | -- | -- | 2,788,961 | -- | -- | 2,788,961 |
| Grant of Nonqualified Stock Options | -- | -- | 118,000 | -- | -- | -- | 118,000 |
| Exercise of Nonqualified Stock Options | -- | -- | 3,633,436 | -- | (300) | 2,966,564 | 6,600,000 |
| Dividends Paid | -- | -- | -- | (22,115,000) | -- | -- | (22,115,000) |
| Treasury Stock Purchases | -- | -- | -- | -- | 35 | (712,000) | (712,000) |
| Balance, December 31, 2020 | 6,181 | \$ 6,181 | \$ 22,860,414 | \$ 37,543,926 | 1,758 | \$(17,397,203) | \$ 43,013,318 |
| Net Income | -- | -- | -- | 2,990,066 | -- | -- | 2,990,066 |
| Balance, December 31, 2021 | 6,181 | \$ 6,181 | \$ 22,860,414 | \$ 40,533,992 | 1,758 | \$(17,397,203) | \$ 46,003,384 |
| Net Income | -- | -- | -- | 1,186,238 | -- | -- | 1,186,238 |
| Exercise of Nonqualified Stock Options | -- | -- | 973,652 | -- | (134) | 1,326,067 | 2,299,719 |
| Balance, March 31, 2022 | 6,181 | \$ 6,181 | \$ 23,834,066 | \$ 41,720,230 | 1,624 | \$(16,071,136) | \$ 49,489,341 |

See accompanying notes to the consolidated financial statements.

TOWER PROPERTIES COMPANY & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND MARCH 31, 2021
(UNAUDITED)

| | 2022 | 2021 |
|---|-----------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Income | \$ 1,186,238 | \$ 2,056,589 |
| Adjustments to Reconcile Net Income to Net Cash | | |
| Provided by Operating Activities: | | |
| Depreciation | 2,267,582 | 2,265,879 |
| Amortization | 938,795 | 900,816 |
| Amortization of Intangible Asset as Rent Income Reduction | 8,250 | 8,500 |
| Unrealized Holding Gains on Marketable Equity Securities | (666,113) | (2,428,512) |
| Change in Balance Sheet Accounts, Net: | | |
| Receivables | 712,233 | 405,163 |
| Prepaid Expenses and Other Assets | 2,034 | (171,775) |
| Accounts Payable and Other Liabilities | 603,775 | 241,858 |
| Deferred Income Taxes | 180,859 | 631,413 |
| Current Income Taxes | 235,927 | 91,172 |
| Net Cash Provided by Operating Activities | <u>5,469,580</u> | <u>4,001,103</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of Equipment & Furniture | (101,931) | (106,740) |
| Purchases of Rental Property | (215,427) | (304,936) |
| Purchases of Tenant Leasehold Improvements | (846,955) | (107,726) |
| Net Cash Used In Investing Activities | <u>(1,164,313)</u> | <u>(519,402)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal Payments on Mortgage Notes | (1,469,411) | (1,462,950) |
| Sale of Treasury Stock | 2,200,012 | -- |
| Net Cash Provided by (Used In) Financing Activities | <u>730,601</u> | <u>(1,462,950)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 5,035,868 | 2,018,751 |
| CASH and CASH EQUIVALENTS, Beginning of Period | <u>18,578,702</u> | <u>9,082,354</u> |
| CASH and CASH EQUIVALENTS, End of Period | <u><u>\$ 23,614,570</u></u> | <u><u>\$ 11,101,105</u></u> |

See accompanying notes to the consolidated financial statements

TOWER PROPERTIES COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022
(UNAUDITED)

1. BUSINESS

Tower Properties Company and Subsidiaries (the “Company”) is primarily engaged in the business of owning, developing, leasing and managing real property located in Douglas and Johnson Counties in Kansas, and Clay and St. Louis Counties in Missouri. Substantially all of the improved real estate owned by the Company consists of office buildings, apartment complexes and land held for future sale or development.

2. SUMMARY OF PRESENTATION

The consolidated financial statements included herein have been prepared by Tower Properties Company and Subsidiaries and in the opinion of management, present a fair statement of the results for the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been condensed or omitted, although the Company believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s latest disclosure report for the year ended December 31, 2021 to provide a description of the accounting policies which have been continued without change, and for additional information about the Company’s financial condition.

3. CONSOLIDATED STATEMENTS OF CASH FLOWS

Interest paid during the three months ended March 31, 2022 and 2021, amounted to \$1,363,905 and \$1,420,942, respectively. There were no income taxes paid during either of the three months ended March 31, 2022 or 2021.

There was no interest capitalized during either of the three months ended March 31, 2022 or 2021.

4. INVESTMENT SECURITIES

The Company classifies its investment in equity securities at fair value, and the unrealized gain, net of tax effects, is recorded in net income.

On February 7, 2018 the Company sold 78,359 shares of Commerce Bancshares common stock for \$4,500,285, an average sales price of \$57.43 per share. The sale represented 29% of that ownership position at that time.

5. SALES OF PROPERTIES AND ACQUISITIONS

There were no sales or acquisitions of property during the three months ended March 31, 2022 or 2021.

6. RELATED PARTY TRANSACTIONS

The Company has a variety of related party transactions with Commerce Bancshares, Inc. and its subsidiaries (“Commerce”). The Company had the following transactions with Commerce:

- **Management and Service Fees** – The Company manages certain properties owned by Commerce under property and construction management agreements. Total fees earned under these property and construction management agreements were \$228,730 and \$152,833 for the three months ended March 31, 2022 and 2021, respectively. The Company earns lease commissions on properties owned by Commerce under a listing agreement. No fees for lease commissions were earned for either of the three months ended March 31, 2022 or 2021. The Company also earned income from consulting fee services. Total fees earned for consulting services were \$600 and \$600 for the three months ended March 31, 2022 and 2021, respectively. The Company believes revenues earned under the arrangements with Commerce are at market rates and are similar to the revenues earned by other unrelated parties.
- **Interest and Other Income** – The Company owned 233,724 shares of Commerce Bancshares, Inc. common stock at March 31, 2022. The Company received dividend income from ownership of Commerce Bancshares common stock of \$61,937 for the three months ended March 31, 2022. The Company owned 222,595 shares at March 31, 2021 and received dividend income of \$58,432 for the three months ended March 31, 2021. The Company believes dividends paid by Commerce Bancshares are similar to those paid to other depositors and stockholders.
- **Unrealized Holding Gains on Marketable Equity Securities**–The Company owns shares of Commerce Bancshares, Inc. and classifies it investment in equity securities at fair value with changes in the fair value recognized through net income and reflected in the account Unrealized Holding Gains on Marketable Equity Securities. The total net changes in fair value of these equity securities were \$666,113 and \$2,428,512 for the three months ended March 31, 2022 and 2021, respectively. The Company believes the change in value of the shares are similar to other Commerce stockholders.
- **Interest Expense**- The Company has a \$13,500,000 line of credit (“Line of Credit”) with Commerce Bank that carries a variable interest rate equal to one and three quarter percent (1 3/4 %) in excess of the greater of a) one month maturity London Interbank Offered Rate (“LIBOR”) or b) .50%. At March 31, 2022, the Company had no outstanding borrowings on the Line of Credit and if the Company had borrowings under the Line of Credit, the interest rate would be 2.25%. The Line of Credit is collateralized by 233,724 shares of Commerce Bancshares, Inc. common stock at March 31, 2022. The Company had \$13,250,000 available under the Line of Credit at March 31, 2021. This line requires monthly interest payments and matures on June 1, 2022. The Company intends to renew the Line of Credit with Commerce upon maturity. There was no interest expense for the Line of Credit for the three months ended March 31, 2022 but the weighted average short term borrowing rate on the Line of Credit would have been 2.25%. There was no interest expense for the Line of Credit for the three months ended March 31, 2021. The Company believes the Line of Credit has been extended at market rates and that when interest expense is paid it will be similar to that paid by other customers of Commerce Bank.

- Other Expense – The Company has an office lease at 1000 Walnut, Suite 900, Kansas City, MO, a building owned by Commerce. The lease matures on March 31, 2025 and includes a 5 year extension option. The rent included in other expense was \$19,304 and \$22,218 for the three months ended March 31, 2022 and 2021, respectively. The Company believes this lease contains lease rates and other provisions similar to those leases with other tenants of Commerce at 1000 Walnut.
- Included in receivables at March 31, 2022 and December 31, 2021 are amounts due from Commerce of \$636,315 and \$943,061, respectively.

7. STOCK BASED COMPENSATION

The Company did not grant any stock options during the three months ended March 31, 2022 or 2021.

On August 25, 2020, the Company granted 100 nonqualified stock options to each of the four Directors of the Company who were not a salaried officer of the Company, and were therefore eligible for stock options, for a total of 400 nonqualified stock options with an exercise price equal to the stock's market price on the date of grant (\$22,000). All of such options were fully vested and were exercisable for five years from the date of grant. In 2020 a total of 300 of the stock options were exercised by three Directors of the Company and in response the Company sold 300 shares from Treasury Stock to the Directors at \$22,000 per share and received cash of \$6,600,000. The Company paid a cash dividend of \$5,000 per share on December 17, 2020, and on that date there were 100 stock options outstanding. In accordance with the provisions of the stock options granted, for the stock options outstanding on the date of the dividend, the exercise price and the number of option shares outstanding were adjusted to account for the dividend. After adjustment for the dividend, there were 134 stock options at a \$16,418 exercise price. On January 13, 2022, a Director of the Company exercised 134 stock options and in response the Company sold 134 shares from Treasury Stock to the Director at \$16,418 per share and received cash of \$2,200,012. There were no stock options outstanding at March 31, 2022.

The following table summarizes option activity and options outstanding:

| | Shares | Average Exercise Price |
|--|--------|---------------------------|
| Outstanding at December 31, 2019 | 0 | \$ - |
| Granted August 25, 2020 | 400 | 22,000 |
| Exercised by December 17, 2020 | (300) | 22,000 |
| Outstanding at December 17, 2020 - Before Dividend | 100 | \$ 22,000 |
| Outstanding at December 17, 2020 - Adjusted for Dividend | 134 | \$ 16,418 |
| Exercised from December 18, 2020 to December 31, 2020 | (0) | |
| Outstanding at December 31, 2020 | 134 | \$ 16,418 |
| Exercised from January 1, 2021 to December 31, 2021 | (0) | |
| Outstanding at December 31, 2021 | 134 | \$ 16,418 |
| Exercised in 2022 | (134) | 16,418 |
| Outstanding at March 31, 2022 | 0 | |

8. REVENUE RECOGNITION

The Company derives its revenue primarily from two sources: 1) rent from leases of real property, and 2) management and service fees from real property leased and managed. Rental revenue is recognized on a straight-line basis over the term of individual non-cancelable operating leases. The recognition of scheduled rent increases on a straight-line basis results in the recognition of a receivable from tenants. Such receivables were \$2,328,695 and \$2,434,085 at March 31, 2022 and 2021, respectively. Lease agreements generally do not provide for contingent rents. Amounts received from tenants upon early termination of leases are recorded when received as a reduction of lease receivables to the extent there is an associated straight line rent receivable, with the remainder recorded in other income. Management and service fees are recognized as a percentage of revenues on managed properties as earned over the terms of the related management agreements.

9. SUBSEQUENT EVENTS

On May 13, 2022, the Company purchased 5 shares of the Company's common stock owned by a non-related party shareholder for \$26,000 per share for a total of \$130,000.

The Company has evaluated subsequent events from the balance sheet date through May 16, 2022, the date at which financial statements were available to be issued, and determined there are no other items to disclose.

CERTIFICATION

The financial statements, and the notes thereto, included herein have been prepared by Tower Properties Company (the “Company”), and in my opinion and the opinion of management, present fairly, in all material respects, the consolidated financial position of Tower Properties Company and Subsidiaries as of March 31, 2022 and December 31, 2021, and the consolidated results of its operations and its cash flows for each of the three month periods ended March 31, 2022 and 2021. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been condensed or omitted, although the Company believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s latest disclosure report for the year ended December 31, 2021 to provide a description of the accounting policies which have been continued without change, and for additional information about the Company’s financial condition.

/s/ Stanley J. Weber
Stanley J. Weber
Chief Financial Officer
May 16, 2022