



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

EXPRESSED IN UNITED STATES DOLLARS

Dated: November 12, 2025

The Management's Discussion and Analysis of Financial Condition and Results of Operations for Planet 13 Holdings Inc. is also included in the Form 10-Q for the three and nine months ended September 30, 2025 filed on SEDAR+ on November 12, 2025, 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**”) of the financial condition and results of operations of Planet 13 is for the three and nine months ended September 30, 2025. It is supplemental to, and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and 2024, and the accompanying notes presented herein. Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“**GAAP**”). Financial information presented in this MD&A is presented in United States dollars (“\$”, “USD” or “US\$”), unless otherwise indicated.

In this MD&A, unless the context otherwise requires, the terms “**we**,” “**us**,” “**our**,” “**Company**,” or “**Planet 13**” refer to Planet 13 Holdings Inc. together with its wholly owned subsidiaries.

This MD&A contains certain “forward-looking statements” and certain “forward-looking information” as defined under applicable United States and Canadian securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading “Cautionary Note Regarding Forward-Looking Statements,” identified in this Quarterly Report on Form 10-Q. As a result of many factors, our actual results may differ materially from those anticipated in these forward-looking statements and information.

Overview

We are a multi-state cannabis operator with licenses to operate in Nevada, California, Florida, and Illinois.

As of September 30, 2025, we employed approximately 725 full-time and 58 part-time employees and remain focused on providing our customers with the best products, best services, and an experiential shopping experience at our superstore-themed dispensaries, while expanding our products and sales through neighborhood stores. Each of our state operations is held in state-focused subsidiaries: (a) Newtonian Principles, Inc. for California licensed cannabis dispensing and distribution activities, (b) Next Green Wave, LLC for California licensed cannabis cultivation, production and distribution activities, (c) MM Development Company, Inc. for all licensed Nevada cannabis cultivation, production, distribution, and dispensing activities, (d) VidaCann, LLC (“**VidaCann**”) which holds our Florida Medical Marijuana Treatment Center (“**MMTC**”) license, and (e) Planet 13 Illinois, LLC (“**Planet 13 Illinois**”) which holds our Illinois social-equity justice impaired dispensing license. We have focused on our large-store dispensing stores as superstores which offer an experiential approach to our customers, including drones, robotics, 3-D mapping projection, cannabis-culture inspired social-media backdrops for customer interaction, customer facing production, one-on-one sales staffing and customer education, and other interactive marketing elements to differentiate from more traditional dispensing locations, which we refer to herein as “neighborhood stores”. Each of our cannabis facilities is state-licensed as an adult-use cannabis facility, a medical cannabis facility, or a dual-use facility allowing for both adult-use and medical cannabis licensed activity, as designated below in the state-by-state breakdown.

Nevada

As of September 30, 2025, we held the following licensed cannabis operations in Nevada: (a) one dual-licensed dispensary superstore adjacent to the Las Vegas Strip with 24,000 square feet of licensed dispensary (the “**Planet 13 Las Vegas Superstore**”), (b) one adult-use “neighborhood store” at 2,300 square feet of licensed dispensary (the “**Medizin dispensary**”), (c) three dual-licensed production facilities, one of which is co-located and customer-facing at the Planet 13 Las Vegas SuperStore with 18,500 square feet of licensed production, (d) three dual-licensed cultivation facilities, one with approximately 16,100 square foot indoor cultivation facility under perpetual harvest cycle, a second with 45,000 square feet co-located with our production license at that facility, and a small-indoor rural site in Beatty, Nevada that is expandable up to 2,300,000 square feet of greenhouse located on 80-acres owned by us, also co-located with our production license at that facility, (e) one cannabis distribution license and (f) one cannabis consumption license operating as Dazed! Consumption Lounge, a 3,000 square foot location inside the Planet 13 Las Vegas Superstore. At the Planet 13 Las Vegas Superstore, we also offer ancillary services to our customers, including a restaurant (currently closed and awaiting a new tenant operator) with a liquor license, a retail store, and our online cannabidiol (“**CBD**”) store which also sells products in our facility.

California

As of September 30, 2025, we held the following licensed operations in California: (a) an adult-use dispensary superstore co-located with a distribution license at our 33,000 square foot facility in Santa Ana (the “**Planet 13 OC Superstore**”), and (b) one dual-use and two adult-use cultivation licenses along with a nursery license and distribution license at our 35,000 square foot cultivation facility, and one Type P production license at a 4,000 square foot facility. The Company has announced plans to discontinue operations at both its Orange County, California retail store, as well as its Coalinga California cultivation facility. The Company expects to have divested all California operations by early first quarter of 2026 in an effort to focus resources on its highest performing markets such as Nevada and Florida and to position the Company for long-term growth and profitability.

[Table of Contents](#)

Florida

As of September 30, 2025, we are continuing capital outlays to utilize our Florida MMTC license issued by the Florida Department of Health that was acquired through our acquisition of VidaCann. The VidaCann acquisition added a cultivation and processing facility, a production facility and a 26 retail store network, to which we have added seven additional locations, bringing the total number of medical dispensaries we operate in Florida to 33. As of the date of this Quarterly Report on Form 10-Q, as part of our Florida expansion, we have one active lease agreement for an additional dispensing location in Sarasota, Florida, which remains subject to completion of tenant improvements and regulatory inspection prior to sales to customers. In addition, we are nearing completion on the construction of a new butane hash oil lab facility to enhance our current product portfolio starting in late fourth quarter of 2025.

Illinois

As of September 30, 2025 we operate one Planet 13 branded dispensary in Waukegan, Illinois. The Company has plans to leverage its resources in Illinois by introducing its exclusive line of products through licensing agreements for sale at its retail store and wholesale throughout the State in 2026.

Competitive Conditions

The markets in which we operate are highly competitive, with increasing competition from larger, better financed companies, as well as new entrants. Competition has become more intense as competitors offer an increasing number of diversified products and engage in price competition in all markets. Planet 13 is committed to enhancing the customer experience through events, exclusive product offerings, improved pricing and enhancements to its loyalty program to help attract and retain customers in light of this competitive environment.

We expect to continue to focus on several areas, including customer experience, product innovation, production efficiencies, marketing and branding, and ongoing cost control and reductions. The management team constantly monitors ongoing developments in the cannabis and related industries to help us remain competitive. We have been closely tracking the illicit market for cannabis and manufacturers and retailers of intoxicating hemp products as the illicit market also has a direct financial impact on our business.

Recent Developments

The U.S. government has continued to impose increased tariffs on goods imported from various countries, which have led to reciprocal tariffs and other trade measures. We continue to actively monitor the tariff developments and any potential impacts. We do not expect them to have a material impact on our business, cost structure, or supply chain. In addition, the adoption of the One Big Beautiful Bill Act is unlikely to have any material impact on Planet 13 and its operations.

Results of Operations

Expressed in USD\$	Three Months Ended		Percentage Change
	September 30, 2025	September 30, 2024	
Revenue			
Net revenue	23,270,211	32,159,070	(27.6)%
Cost of Goods Sold	(18,311,350)	(15,463,050)	18.4%
Gross Profit	4,958,861	16,696,020	(70.3)%
Gross Profit Margin %	21.3%	51.9%	
Expenses			
General and Administrative	11,987,649	14,772,846	(18.9)%
Sales and Marketing	1,171,083	1,572,549	(25.5)%
Lease expense	1,345,835	1,320,018	2.0%
Impairment loss	29,844,227	—	-
Depreciation and Amortization	1,855,914	2,355,052	(21.2)%
Total Expenses	46,204,708	20,020,465	130.8%
Income (Loss) From Operations	(41,245,847)	(3,324,445)	1140.7%
Other Income (Expense):			
Interest expense, net	(91,934)	30,263	(403.8)%
Foreign exchange gain (loss)	—	(3,066)	(100.0)%
Other income, net	(1,799,946)	376,717	(577.8)%
Total Other Income	(1,891,880)	403,914	(568.4)%
Loss for the period before tax	(43,137,727)	(2,920,531)	1377.1%
Provision for income tax (current and deferred)	(818,126)	(4,490,659)	(81.8)%
Loss for the period	(43,955,853)	(7,411,190)	493.1%
Loss per share for the period			
Basic and fully diluted income (loss) per share	\$ (0.14)	\$ (0.02)	
Weighted Average Number of Shares Outstanding			
Basic and diluted	325,363,800	325,163,800	

<i>Expressed in USD\$</i>	Nine Months Ended		Percentage Change
	September 30, 2025	September 30, 2024	
Revenue			
Net revenue	78,156,379	86,124,795	(9.3)%
Cost of Goods Sold	(49,531,520)	(43,107,569)	14.9%
Gross Profit	28,624,859	43,017,226	(33.5)%
Gross Profit Margin %	36.6%	49.9%	
Expenses			
General and Administrative	39,645,372	37,075,341	6.9%
Sales and Marketing	4,344,072	4,380,926	(0.8)%
Lease expense	4,032,796	3,140,575	28.4%
Impairment loss	29,844,227	2,393,087	-
Depreciation and Amortization	5,442,633	6,559,123	(17.0)%
Total Expenses	83,309,100	53,549,052	55.6%
Income (Loss) From Operations	(54,684,241)	(10,531,826)	419.2%
Other Income (Expense):			
Interest expense, net	(645,635)	139,405	(563.1)%
Foreign exchange gain (loss)	(3,113)	(13,108)	(76.3)%
Other income, net	3,504,281	(67,013)	(5329.3)%
Total Other Income	2,855,533	59,284	4716.7%
Loss for the period before tax	(51,828,708)	(10,472,542)	394.9%
Provision for income tax (current and deferred)	(7,475,554)	(10,885,563)	(31.3)%
Loss for the period	(59,304,262)	(21,358,105)	177.7%
Loss per share for the period			
Basic and fully diluted income (loss) per share	\$ (0.18)	\$ (0.08)	
Weighted Average Number of Shares Outstanding			
Basic and diluted	325,362,689	281,087,233	

Three and Nine Months Ended September 30, 2025 Compared to the Three and Nine Months Ended June 30, 2024

Revenue, net of Discounts

The Company experienced a decrease in net revenue of \$8,888,859, down 27.6% from \$32,159,070 during the three months ended September 30, 2024 and a decrease of \$7,968,416, down 9.3% from \$86,124,795 during the nine months ended September 30, 2024. The decrease in net revenue during the three and nine months ended September 30, 2025 was primarily driven by price compression in all markets and an increase in new dispensaries in the Florida market. The Company saw a reduction in the number of customers at the Planet 13 Las Vegas Superstore compared to the prior year, and decreases in revenue from both retail operations and wholesale operations in California and Nevada. In particular, the flower category suffered from intense price compression and oversupply in the market, negatively impacting both retail and wholesale revenue in the period. We believe that a decline in tourism in Las Vegas, combined with an overall reduction in the disposable income of our customers during the nine months ended September 30, 2025, had a negative impact on the number of tourists and local customers visiting the Planet 13 Las Vegas Superstore and our other retail locations.

Details of net revenue by product category are as follows:

	Three Months Ended		Percentage Change
	September 30, 2025	September 30, 2024	
Flower	\$ 8,577,585	\$ 12,186,833	(29.6)%
Concentrates	7,661,562	10,118,100	(24.3)%
Edibles	3,667,384	4,771,498	(23.1)%
Topicals and Other Revenue	1,119,393	1,882,233	(40.5)%
Wholesale	2,244,287	3,200,406	(29.9)%
Net revenue	<u>\$ 23,270,211</u>	<u>\$ 32,159,070</u>	<u>(27.6)%</u>

	Nine Months Ended		Percentage Change
	September 30, 2025	September 30, 2024	
Flower	\$ 28,728,017	\$ 30,997,127	(7.3)%
Concentrates	24,876,348	26,756,157	(7.0)%
Edibles	12,801,895	13,603,796	(5.9)%
Topicals and Other Revenue	3,447,300	4,262,969	(19.1)%
Wholesale	8,302,819	10,504,746	(21.0)%
Net revenue	<u>\$ 78,156,379</u>	<u>\$ 86,124,795</u>	<u>(9.3)%</u>

Gross Profit

Gross profit margin for the three months ended September 30, 2025 was 21.3% compared to 51.9% for the three months ended September 30, 2024 and was 36.6% for the nine months ended September 30, 2025 compared to 49.9% for the nine months ended September 30, 2024. Overall gross profit was \$28,624,859 and \$43,017,226 for the nine months ended September 30, 2025 and 2024 respectively, a decrease of 33.5%.

The decrease in gross profit margin for the three and nine months ended September 30, 2025 was the result of several factors including: price compression seen in retail sales channels, as well as in the Nevada and California wholesale markets, particularly in the flower category. In addition, due to the high level of vertical integration in the Nevada and Florida markets, the Company faced issues related to over capacity at its cultivation and production facilities which led to an increase in aged inventory. The Company increased its reserve for slow moving inventory by \$3,500,000 in the three months ended September 30, 2025 and has implemented additional strategies to help prevent excess inventory build and reduce production costs. Excluding the impact of inventory related charges and California wholesale revenue at, or below cost to produce, the Company estimates gross margin at approximately 45% both for the three and nine months ended September 30, 2025.

General and Administrative Expenses

General and Administrative (“G&A”) expenses (which includes non-cash share-based compensation expenses), increased by 6.9% during the nine months ended September 30, 2025, when compared to the nine months ended September 30, 2024. The increase in G&A expenses incurred was a result of the addition of the VidaCann operations with only a partial period under the Company's ownership included in the prior period and an increase in share-based compensation resulting from the March 31, 2025 RSU grant. These increases were partially mitigated by focused cost cutting initiatives undertaken by the Company during the nine months ended September 30, 2025 when compared to the nine months ended September 30, 2024. Overall, excluding non-cash share-based compensation expenses, G&A expenses as a percentage of revenue equaled 49.2% for the nine months ended September 30, 2025, compared to 42.9% for the nine months ended September 30, 2024.

A detailed breakdown of G&A expenses is as follows:

	Three Months Ended		Percentage Change
	September 30, 2025	September 30, 2024	
Salaries and wages	\$ 4,793,367	\$ 7,267,296	(34.0)%
Share-based compensation expense	616,654	25,416	2326.2%
Executive compensation	728,180	869,415	(16.2)%
Licenses and permits	683,859	745,350	(8.2)%
Payroll taxes and benefits	1,150,290	1,113,463	3.3%
Supplies and office expenses	200,787	455,794	(55.9)%
Subcontractors	562,979	—	—%
Professional fees (legal, audit and other)	1,133,736	2,018,888	(43.8)%
Miscellaneous general and administrative expenses	2,117,797	2,277,224	(7.0)%
	<u>\$ 11,987,649</u>	<u>\$ 14,772,846</u>	<u>(18.9)%</u>

	Nine Months Ended		Percentage Change
	September 30, 2025	September 30, 2024	
Salaries and wages	\$ 16,032,900	\$ 16,019,641	0.1%
Share-based compensation expense	1,174,281	154,893	658.1%
Executive compensation	2,816,843	2,173,653	29.6%
Licenses and permits	2,030,477	1,897,750	7.0%
Payroll taxes and benefits	3,734,383	3,080,493	21.2%
Supplies and office expenses	736,928	795,731	(7.4)%
Subcontractors	1,761,008	182,042	867.4%
Professional fees (legal, audit and other)	4,114,199	6,882,102	(40.2)%
Miscellaneous general and administrative expenses	7,244,353	5,889,036	23.0%
	<u>\$ 39,645,372</u>	<u>\$ 37,075,341</u>	<u>6.9%</u>

Non-cash, share-based compensation of \$616,654 was recognized during the three months ended September 30, 2025, increasing from \$25,416 that was recognized during the three months ended September 30, 2024. The increase is attributable to the 13,673,635 Restricted Share Units (“RSUs”) that were granted on March 31, 2025. These amounts are non-cash, and the expense is recognized in accordance with the vesting schedule of the underlying RSUs. See Note 12 to our audited consolidated financial statements filed with our Annual Report on Form 10-K for the year ended December 31, 2024, for additional details on the assumptions used to calculate fair value as well as information regarding the vesting of the various components of the non-cash share-based compensation.

Sales and marketing expenses decreased by 25.5% or \$401,466 during the three months ended September 30, 2025 compared to the three months ended September 30, 2024 and decreased 0.8% or \$36,854 during the nine months ended September 30, 2025 when compared to the nine months ended September 30, 2024. The decrease in marketing expenses was a result of the Company's overall cost reduction efforts, partially offset by the cost of efforts to drive increased customer traffic to the Planet 13 Las Vegas Superstore and expenses incurred in Florida promoting our expanded store network and Planet 13 rebrand.

[Table of Contents](#)

Lease expense increased by 2.0% during the three months ended September 30, 2025, when compared to the three months ended September 30, 2024 and increased 28.4% during the nine months ended September 30, 2025 when compared to the nine months September 30, 2024. The increase in Lease expense is due to ongoing annual increases in contracted lease rates on the Company's leased properties during the year as well as the addition of the dispensary, cultivation and processing facility leases in Florida.

Depreciation and amortization decreased by 21.2% during the three months ended September 30, 2025, when compared to the three months ended September 30, 2024 and decreased 17.0% in the nine months ended September 30, 2025 when compared to the nine months ended September 30, 2024. The reduction is primarily due to the elimination of depreciation charges as a result of asset impairments.

Impairment charges of \$29,844,227 were incurred during the nine months ended September 30, 2025 related to cultivation assets in Nevada and California that the Company determined had carrying values in excess of their fair values. The ongoing decline in the market price for flower in these markets was the indication that these assets may be impaired. During the nine months ended September 30, 2024, the Company recorded an impairment loss of \$2,393,087 related to the write-down to net realizable value of construction in process assets for a steel building kit structure at our Florida operations that is no longer going to be used in the operations.

Interest expense of \$91,934 was incurred during the three months ended September 30, 2025, compared to net interest expense of \$30,263 during the three months ended September 30, 2024. Interest expense was \$645,635 for the nine months ended September 30, 2025 compared to interest income of \$139,405 during the nine months ended September 30, 2024. Interest expense is related to the revolving line of credit, net of interest earned on a corresponding money market account, plus accrued interest on our long-term debt that is due and payable on demand. The balance of long-term debt as of September 30, 2025, was \$1,219,475 compared to \$1,177,722 as of December 31, 2024.

We conduct our operations primarily in United States dollars and hold all of our currency in US dollars. An insignificant amount of expenses are incurred in Canadian dollars, or Euros. The foreign currency gains/losses reflect fluctuations in the underlying exchange rates on the dates expenses are incurred compared to when they are paid. It is our policy not to hedge our foreign exchange exposure.

Other income/expense, consisting of losses on sale of fixed assets and other miscellaneous charges, partially offset by Automated Teller Machine ("ATM") fees, and other income, was expense of \$1,799,946 for the three months ended September 30, 2025, compared to other income consisting of ATM fees, and other miscellaneous income of \$376,717 for the three months ended September 30, 2024. Other income, consisting of ("ATM") fees and other miscellaneous income/expense, including the recovery of a property in a legal settlement related to the El Capitan matter valued at \$4,570,227 was \$3,504,281 for the nine months ended September 30, 2025 compared to \$67,013 in the nine months ended September 30, 2024.

Income tax expense for the three months ended September 30, 2025, was \$818,126 compared to \$4,490,659 for the prior year period. The tax expense decreased due to overall business performance in the current period when compared to the prior year. Income tax expense decreased during the nine months ended September 30, 2025, when compared to the nine months ended September 30, 2024 due to an overall reduction in taxable income year over year. We are subject to Section 280E of the Internal Revenue Code (the "Code"), which prohibits businesses from taking deductions or credits in carrying on any trade or business consisting of trafficking in certain controlled substances that are prohibited by federal law. We, to the extent our "trafficking" activities, and/or key contract counterparties directly engaged in trafficking in cannabis, have incurred significant tax liabilities from the application of Section 280E. Our income tax obligations under Section 280E of the Code are typically substantially higher as compared to companies to which Section 280E does not apply. Section 280E essentially requires us to pay federal, and as applicable, state income taxes on gross profit, which presents a significant financial burden that increases our net loss and may make it more difficult for us to generate net profit and cash flow from operations in future periods. In addition, to the extent that the application of Section 280E creates a financial burden on contract counterparties, such burdens may impact the ability of such counterparties to make full or timely payment to us, which would also have a material adverse effect on our business.

The overall net loss for the three months ended September 30, 2025, was \$43,955,853 ((\$0.14) per share) compared to an overall net loss of \$7,411,190 ((\$0.02) per share) for the three months ended September 30, 2024. The overall net loss for the Nine months ended September 30, 2025, was \$59,304,262 ((\$0.18) per share) compared to an overall net loss of \$21,358,105 ((\$0.08) per share) for the nine months ended September 30, 2024

[Table of Contents](#)

Segmented Disclosure

The Company determined that each of its locations represents an operating segment. These operating segments have been aggregated into a single reportable segment as the Company operates as a vertically integrated cannabis company with dispensary, cultivation, production and distribution operations in the States of Nevada and Florida, dispensary, cultivation and distribution operations in the State of California and dispensary operations in the State of Illinois.

Liquidity and Capital Resources

As of September 30, 2025, our financial instruments consist of cash, deposits, accounts receivable, accounts payable and accrued liabilities, and notes payable. We have no speculative financial instruments, derivatives, forward contracts, or hedges.

As of September 30, 2025, we have working capital of \$18,564,637 compared to working capital of \$15,564,382 as of September 30, 2024. The Company believes that it has adequate liquidity in the form of cash on hand to fund all its planned capital expenditures and expansion plans as well as to continue to fund its operation over the next 12 months and the planned build-out of its operations in Florida. The Company currently has a cultivation facility for sale in Coalinga, California, that includes an owned building, land and licensing that is valued by the Company at \$3,000,000. The Company is planning to use the proceeds from the future sale to fund its ongoing operations and expansion in Florida.

The Company entered into a cash secured line of credit up to \$9,750,000, effective June 13, 2024, with no other collateral securing the credit line (the "revolving line of credit"). The revolving line of credit had no previous draws until the quarter ended March 31, 2025. The revolving line of credit contains no financial or other incurrence-based covenants and no material maintenance covenants. The revolving line of credit was used to pay off the approximately \$3 million note payable at Lafayette State Bank that matured on February 20, 2025, the \$5 million note to former VidaCann shareholders, plus accrued interest that was due on April 1, 2025, plus some additional construction projects that were completed in the nine months ended September 30, 2025.

The following table relates to the nine months ended September 30, 2025 and 2024:

	Nine Months Ended	
	September 30, 2025	September 30, 2024
Cash flows used in operating activities	\$ (10,570,883)	\$ 6,642,779
Cash flows provided by investing activities	514,518	(1,236,623)
Cash flows provided by financing activities	1,802,368	6,773,923

Cash Flows from Operating Activities

Net cash used in operating activities was \$10,570,883 for the nine months ended September 30, 2025, compared to cash provided by operating activities of \$6,642,779 for the nine months ended September 30, 2024. A significant portion of the increase in cash used in operating activities is directly attributable to the net change in certain working capital items during the nine months ended September 30, 2025, when compared to the nine months ended September 30, 2024.

Cash Flows from Investing Activities

Net cash provided by investing activities was \$514,518 for the nine months ended September 30, 2025, compared to net cash used in investing activities of \$1,236,623 for the nine months ended September 30, 2024. Funds received were related to the sale of a property in Santa Barbara that was recovered in a legal settlement and the sale of land in Florida that was no longer needed and previously held for sale. Capital expenditures were primarily related to new store buildouts and upgrades to the cultivation and production facilities in Florida.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$1,802,368 during the nine months ended September 30, 2025, compared to net cash provided by financing activities of \$6,773,923 for the nine months ended September 30, 2024. The funds received in the current period were draws from the revolving line of credit, partially offset by the payoff of debts related to the VidaCann acquisition. Prior year net funds received were related to the closing of an equity financing in March 2024.

Capital Resources

We have a recent history of operating losses. It may be necessary for us to arrange for additional financing to meet our ongoing growth initiatives.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.

Should financing not be available, the Company has adequate liquidity in the form of cash on hand and assets for sale to fund all of its planned capital expenditures and expansion plans as well as to continue to fund its operation over the next 12 months, including the planned build-out of its operations in Florida.

Capital Management

Our capital consists of shareholders' equity. Our objective when managing capital is to maintain adequate levels of funding to support the development of our businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance we will be able to raise funds in the future. We invest all capital that is surplus to our immediate operational needs in short-term, highly liquid, and high-grade financial instruments. There were no changes to our approach to capital management during the period. We are not subject to externally imposed capital requirements.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of September 30, 2025, or as of the date hereof.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with GAAP requires our management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There have been no material changes to our critical accounting estimates as set forth in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our market risk disclosures as set forth in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Our management, with the participation of our Co-Chief Executive Officers and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act. Based on that evaluation as of September 30, 2025, our Co-Chief Executive Officers and Chief Financial Officer concluded that our Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, cannot provide absolute assurance of achieving the desired control objectives. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions and cannot provide absolute assurance that its objectives will be met. Similarly, an evaluation of controls cannot provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.