



**MANAGEMENT DISCUSSION AND ANALYSIS
OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

Expressed in United States Dollars

Dated: May 15, 2023

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 quarter ended March 31, 2023 filed on SEDAR on May 15, 2023 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 months ended March 31, 2023. It is supplemental to, and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023 and 2022, 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.

This MD&A contains certain “forward-looking statements” and certain “forward-looking information” as defined under applicable United States securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading “Disclosure 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 of the Company

We are a multi-state cannabis operator with licenses to operate in Nevada, California, and Florida, and a conditional dispensing license in Illinois. We are headquartered in Las Vegas, Nevada, at our superstore dispensary located adjacent to the Las Vegas Strip. A detailed description of our corporate history and our business can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the SEC on March 23, 2023.

As of March 31, 2023, we employed approximately 639 people 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) Planet 13 Florida, Inc. (“**Planet 13 Florida**”) which holds our Florida Medical Marijuana Treatment Center (“**MMTC**”) license, and (e) Planet 13 Illinois, LLC (“**Planet 13 Illinois**”) which holds a conditional 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.

On April 6, 2023, Board Member Michael Harman passed away, and on May 10, 2023, the Board of Directors appointed Lee Fraser as an interim director and as the Audit Committee Chair.

Nevada

As of March 31, 2023, we held the following licensed 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 superstore in Las Vegas 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 one 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, and (e) one cannabis distribution license.

At the Planet 13 Las Vegas Superstore, we also offer ancillary services to our customers, including a restaurant with a liquor license, a retail store, and our online cannabidiol (“**CBD**”) store which also sells products in our facility.

California

As of March 31, 2023, 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 which we built and opened on July 1, 2021 (the “**Planet 13 OC Superstore**”), (b) an adult-use medium indoor cultivation license co-located with a distribution license at our 35,000 square foot facility in Coalinga, and (c) an adult-use manufacturer Type 6 license at a 4,000 square foot facility in Coalinga.

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Florida

As of March 31, 2023, we are continuing capital outlays to utilize our Florida MMTC license. Licensed MMTCs are vertically integrated and the only businesses in Florida authorized to dispense medical marijuana cannabis to qualified patients and caregivers. MMTCs are authorized to cultivate, process, transport and dispense medical marijuana. As of March 31, 2023, there were 22 companies with MMTC licenses in Florida, two of which are not yet operational. License holders are not subject to restrictions on the number of dispensaries that may be opened or on the number or size of cultivation and processing facilities they may operate.

On July 1, 2022, we, through our subsidiary Planet 13 Florida, closed on a \$3,300,000 purchase of a 23-acre parcel of real property, inclusive of a 10,500 square foot building, near Ocala, Florida. The property was previously leased by Planet 13 Florida, and has received Florida OMMU approvals for cultivation, processing, and dispensing activities.

As part of our Florida expansion, as of the date of this report, we have entered into four leases for dispensing locations in Florida, which remain subject to completion of tenant improvements and regulatory inspection prior to sales to customers.

Illinois

On August 5, 2021, Planet 13 Illinois, in which we then held a minority interest, won a Conditional Adult Use Dispensing Organization License in the Chicago-Naperville-Elgin region from the Illinois Department of Financial and Professional Regulation. The conditional license was issued to Planet 13 Illinois on July 22, 2022. We previously owned 49% of Planet 13 Illinois with 51% owned by Frank Cowan, but on February 7, 2023, we exercised and closed on our option to purchase Mr. Cowan's 51% interest in Planet 13 Illinois for \$866,250 in cash and 1,063,377 in common shares of the Company.

On February 3, 2023, the Company, through its wholly owned subsidiary Planet 13 Chicago, LLC, closed on the purchase of a \$2,500,000 real property for a proposed dispensing location in Waukegan, Illinois, for an approximately 8,000 square foot building on 1.9 acres, previously occupied by a financial institution tenant. On November 1, 2022, the Company provided notice of this site selection to the Illinois cannabis regulator. The town of Waukegan is suburb of the greater Chicago area and close to the Illinois-Wisconsin state border. We have commenced construction of the dispensary and anticipate that it will be operational in mid to late 2023.

COVID-19 Pandemic Update for First Quarter 2023

We caution that current global uncertainty with respect to the spread of COVID-19 or its variants and its effect on the broader global economy may have a significant negative effect on us. While the continued impact of COVID-19 on us remains unknown, continued spread of COVID-19 or its variants may have a material adverse effect on global economic activity and can, and in some cases, has resulted in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could and may continue to affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to us. Long-term economic impacts relating to COVID-19 and state and national fiscal policy related to combatting the economic impacts of COVID-19 may have a long-term detrimental impact on customer spending, costs of customer acquisition, and may be a driver for rapid inflation which could negatively affect our customers' discretionary spending capability or increase our materials and labor costs in future periods.

Acquisitions

On March 2, 2022 (the "**Closing Date**"), we completed our acquisition of NGW. We entered into an arrangement agreement (the "**Arrangement Agreement**") with NGW on December 20, 2021, pursuant to which we agreed to acquire (the "**Arrangement**") all of the issued and outstanding common shares of NGW (the "**NGW Shares**") pursuant to a plan of arrangement (the "**Plan of Arrangement**") under the Business Corporations Act (British Columbia). The Arrangement was approved by the holders of NGW Shares (the "**NGW Shareholders**") at a special meeting of NGW Shareholders held on February 25, 2022, and approved by the Supreme Court of British Columbia on March 1, 2022.

Pursuant to the Plan of Arrangement, at 12:01 a.m. (Vancouver time) (the "**Effective Time**") on the Closing Date, we acquired all of the NGW Shares for a total consideration of approximately C\$71,791,700 (based on the closing price of our Common Shares (the "**Planet 13 Shares**") on the Canadian Securities Exchange on February 28, 2022), and NGW then amalgamated with us. The NGW Shareholders received 0.1145 of one Planet 13 Share (the "**Exchange Ratio**") and a nominal cash payment of C\$0.0001 for each NGW Share held immediately prior to the Effective Time. As a result, 21,361,002 Planet 13 Shares and \$14,788 in cash were issued in exchange for the NGW Shares. In addition, the number of Planet 13 Shares issued to any person pursuant to the Arrangement was rounded down to the nearest whole Planet 13 Share, with a cash consideration paid in lieu of the issuance of such fractional Planet 13 Share of C\$3.379 per share.

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Based upon the Exchange Ratio, all NGW options to acquire NGW Shares that were outstanding immediately prior to the Effective Time were also exchanged for our options that will entitle the holders to receive, upon exercise thereof, Planet 13 Shares. As a result, we issued 1,106,925 options in exchange for the NGW options.

On February 7, 2023, the Company purchased the remaining 51% ownership interest in Planet 13 Illinois from a third party pursuant to an option purchase agreement that was entered into between such third party and the Company on August 4, 2022. The aggregate purchase price for the interest was \$1,812,656 and consisted of \$866,250 in cash consideration \$946,406 in share consideration. The share consideration was comprised of 1,063,377 common shares of the Company at a fair value of C\$1.18 (USD \$0.89) per common share, which were issued on February 7, 2023.

Results of Operations

<i>Expressed in USD\$</i>	Three Months Ended		Percentage Change
	March 31, 2023	March 31, 2022	
Revenue			
Net revenue	24,915,396	25,694,395	(3.0)%
Cost of Goods Sold	(14,032,585)	(12,793,391)	9.7%
Gross Profit	10,882,811	12,901,004	(15.6)%
Gross Profit Margin %	43.7%	50.2%	
Expenses			
General and Administrative	10,955,007	13,486,690	(18.8)%
Sales and Marketing	1,335,740	603,242	121.4%
Lease expense	784,636	481,247	63.0%
Depreciation and Amortization	2,235,464	2,040,052	9.6%
Total Expenses	15,310,847	16,611,231	(7.8)%
Income (Loss) From Operations	(4,428,036)	(3,710,227)	19.3%
Other Income (Expense):			
Interest expense, net	292,258	27,353	968.5%
Foreign exchange gain (loss)	1,887	(95,709)	(102.0)%
Change in fair value of warrants	18,127	4,159,809	(99.6)%
Other income	144,609	314,465	(54.0)%
Total Other Income (Expense)	456,881	4,405,918	(89.6)%
Loss for the period before tax	(3,971,155)	695,691	(670.8)%
Provision for income tax (current and deferred)	2,333,087	2,756,762	(15.4)%
Loss for the period	(6,304,242)	(2,061,071)	205.9%
Loss per share for the period			
Basic and fully diluted income (loss) per share	\$ (0.03)	\$ (0.01)	
Weighted Average Number of Shares Outstanding			
Basic and diluted	221,084,457	205,570,940	

We experienced a 3.0% decrease in net revenue during the three months ended March 31, 2023, when compared to the three months ended March 31, 2022. The decrease is attributable to a reduction in the number of customers at our Planet 13 Las Vegas Superstore location compared to the prior year periods, partially offset by an increase of revenue from the Planet 13 OC Superstore and the addition of wholesale revenue for a full quarter from the NGW cultivation operations in California, and an increase in net wholesale revenue in Nevada. Overall, net revenue decreased by (\$778,999) or (3.0%) during the three months ended March 31, 2023, when compared to the three months ended March 31, 2022. We believe that a potential economic downturn and increase in inflation, including the increase in the price of gasoline and the increase in interest rates, combined to reduce the disposable income of our customers during the three months ended March 31, 2023 and also had an impact on the number of customers and tourists visiting the Planet 13 Las Vegas Superstore and our other retail locations during both the three months ended March 31, 2023 when compared to the prior year period.

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Details of net revenue by product category are as follows:

	Three Months Ended		Percentage Change
	March 31, 2023	March 31, 2022	
Flower	\$ 7,502,396	\$ 9,771,127	(23.2)%
Concentrates	6,975,107	7,501,540	(7.0)%
Edibles	4,657,293	5,028,813	(7.4)%
Topicals and Other Revenue	1,218,170	1,257,911	(3.2)%
Wholesale	4,562,430	2,135,004	113.7%
Net revenue	\$ 24,915,396	\$ 25,694,395	(3.0)%

Gross profit margin for the three months ended March 31, 2023 was 43.7% compared to 50.2% for the three months ended March 31, 2022. The decrease in gross profit margin for the three months ended March 31, 2023, was a result of increased sales incentives during the period coupled with the increase in wholesale revenue, both from our Nevada and California wholesale operations, that have an inherently lower gross margin than retail sales revenue.

The costs of internal cultivation have continued to trend down as we continue to improve our yields and cultivation efficiency across all of our cultivation facilities. In addition, margin enhancement through the creation of internally generated brands, such as TRENDI, Leaf & Vine, HaHa Gummies, Dreamland Chocolate, HaHa Beverages and Medizin, continued to have a positive impact on gross margins during the three months ended March 31, 2023, helping offset the lower margins received on the sale of wholesale product and sales to local customers in the State of Nevada. We anticipate that margins will trend upward if and when tourist customers return to Las Vegas and the Planet 13 Las Vegas Superstore in greater numbers and through our ability to produce our award-winning brands in California and introduce those brands into our Planet 13 OC Superstore.

Our premium cultivation facilities were operating near capacity during the three months ended March 31, 2023. The amount of cannabis grown during the period increased significantly when compared to the prior year period due to the full quarter of results from the addition of the 35,000 square feet of cultivation capacity that was added as part of the NGW acquisition on March 2, 2022, and the 22,000 square foot cultivation facility expansion in Nevada that was fully operational during the three months ended March 31, 2023. The wholesale flower market in California continues to stabilize and we have seen increases in both demand and the price received for premium indoor grown flower during the three months ended March 31, 2023.

Overall gross profit was \$10,882,811 and \$12,901,004 for the three months ended March 31, 2023, and 2022 respectively, a decrease of 15.6% or \$2,018,193.

General and Administrative (“G&A”) expenses (which includes non-cash share-based compensation expenses,) decreased by 18.8% during the three months ended March 31, 2023, when compared to the three months ended March 31, 2022. The decrease in G&A expenses incurred during the three months ended March 31, 2023, was a result of focused cost cutting initiatives undertaken by the Company and a reduction in share-based compensation expense recorded during the period, partially offset by the addition of a full quarter of G&A expenses, from the NGW cultivation assets in California that were acquired on March 2, 2022, including executive compensation related to members of the NGW executive team that joined Planet 13 on the closing. Overall, excluding non-cash share-based compensation expenses, G&A expenses as a percentage of revenue equaled 41.6% for the three months ended March 31, 2023, compared to 44.5% for the three months ended March 31, 2022.

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

	Three Months Ended		Percentage Change
	March 31, 2023	March 31, 2022	
Salaries and wages	\$ 3,670,072	\$ 4,784,344	(23.3)%
Executive compensation	731,177	673,614	8.5%
Licenses and permits	641,602	843,029	(23.9)%
Payroll taxes and benefits	872,173	1,170,454	(25.5)%
Supplies and office expenses	319,086	247,933	28.7%
Subcontractors	506,787	732,984	(30.9)%
Professional fees (legal, audit and other)	2,211,799	2,339,674	(5.5)%
Miscellaneous general and administrative expenses	1,281,320	639,164	100.5%
Share-based compensation expense	720,991	2,055,494	(64.9)%
	\$ 10,955,007	\$ 13,486,690	(18.8)%

Non-cash, share based compensation of \$720,991 was recognized during the three months ended March 31, 2023, decreasing from \$2,055,494 that was recognized during the three months ended March 31, 2022. The decrease is attributable to the vesting schedule for both Restricted Share Units (“RSUs”) and incentive stock options that were previously granted, particularly the net 3,954,213 RSUs that were granted on April 18, 2021, that vested 1/3 on December 1, 2021 and 1/3 on December 1, 2022, and that will vest 1/3 on December 1, 2023. These amounts are non-cash, and the expense is recognized in accordance with the vesting schedule of the underlying stock options and 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, 2022, 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 increased by 121.4% or \$732,498 during the three months ended March 31, 2023, when compared to the three months ended March 31, 2022. The increase was a result of us continuing to refine our marketing efforts to optimize marketing spend on initiatives that drive increased customer traffic to the Planet 13 Las Vegas Superstore, the Planet 13 OC Superstore, and the Medizin dispensary in Nevada.

Lease expense increased by 63.0% during the three months ended March 31, 2023, when compared to the three months ended March 31, 2022 due to increases in number of leases and contracted lease rates for the Company’s leased properties during the period.

Depreciation and amortization increased 9.6% during the three months ended March 31, 2023, when compared to the prior year period because of the recording of depreciation on the NGW cultivation facility for a full quarter when compared to the prior year period.

Interest income was \$292,258 earned during the three months ended March 31, 2023, compared to interest income of \$27,353 during the three months ended March 31, 2022. Interest income is net of interest expense related to accrued interest on our long-term debt that is due and payable on demand. The balance of long-term debt as of March 31, 2023, was \$884,000 compared to \$884,000 as of December 31, 2021. Interest is being accrued on this note at a rate of 5% per annum.

We conduct our operations in both United States dollars and Canadian dollars, holding financial assets and incurring expenses in both currencies. On December 31, 2022, the value of the USD was USD\$1.00=CAD\$1.3544 compared to the value of the USD of USD\$1.00=CAD\$1.3533 at March 31, 2023 and averaged USD\$1.00=CAD\$1.3526 during the three months ended March 31, 2023, resulting in our realizing a foreign exchange gain of \$1,887 during the three months ended March 31, 2023 compared to a foreign exchange loss of \$95,709 during the three months ended March 31, 2022. It is our policy not to hedge our CAD exposure.

Warrants are accounted for in accordance with the applicable authoritative accounting guidance in ASC Topic 815, Derivatives and Hedging - Contracts in Entity’s Own Equity (“ASC 815”), as derivative liabilities based on the specific terms of the warrant agreements. Liability-classified instruments are recorded at fair value at each reporting period with any change in fair value recognized as a component of change in fair value of derivative liabilities in the consolidated statements of operations and comprehensive loss. Transaction costs allocated to warrants that are presented as a liability are expensed immediately within other expenses (income) in the statements of net loss and comprehensive loss. During the three months ended March 31, 2023, the change in fair value of the warrants resulted in a gain of \$18,127 compared to a gain of \$4,159,809 for the three months ended March 31, 2022.

Other income (expense), consisting of Automated Teller Machine (“ATM”) fees, interest and other miscellaneous income/expense was income of \$144,609 for the three months ended March 31, 2023, compared to other income of \$314,465 for the three months ended March 31, 2022.

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The income tax expense for the three months ended March 31, 2023, was \$2,333,087 compared to \$2,756,762 for the prior year period. The tax expense decreased due to the decrease in taxable profitability during the three months ended March 31, 2023, when compared to the three months ended March 31, 2022. 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 of 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 March 31, 2023, was \$6,304,242 ((\$0.03) per share) compared to an overall net loss of \$2,061,071 ((\$0.01) per share) for the three months ended March 31, 2022.

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 State of Nevada and dispensary, cultivation and distribution operations in the State of California.

Liquidity and Capital Resources

As of March 31, 2023, our financial instruments consist of cash, deposits, accounts payable and accrued liabilities, and notes payable. We have no speculative financial instruments, derivatives, forward contracts, or hedges.

As of March 31, 2023, we had working capital of \$48,541,225 compared to working capital of \$55,124,235 as of December 31, 2022. 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, the planned build-out of its operations in Florida, the further expansion of operations in Nevada and California, and the continuing build-out of its Illinois retail location.

The following table relates to the three months ended March 31, 2023, and 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Cash flows provided by operating activities	(5,170,233)	2,960,740
Cash flows used in investing activities	(4,519,623)	(2,547,909)
Cash flows provided by financing activities	-	-

Cash Flows from Operating Activities

Net cash used in operating activities was (\$5,170,233) for the three months ended March 31, 2023, compared to cash provided by operating activities of \$2,960,740 for the three months ended March 31, 2022. A significant portion of the increase in cash used in operating activities is directly attributable to professional fees and other consulting services used during the three months ended March 31, 2023, when compared to the three months ended March 31, 2022.

Cash Flows from Investing Activities

Net cash used in investing activities was \$4,519,623 for the three months ended March 31, 2023, compared to net cash used in investing activities of \$2,547,909 for the three months ended March 31, 2022. Excluding cash acquired through the acquisition of NGW during the three months ended March 31, 2022, the change in cash used in investing activities for the three months ended March 31, 2023 increased by \$493,016 and was related to additional capital improvements carried out at our cultivation facilities in Nevada.

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Cash Flows from Financing Activities

Net cash provided by financing activities was \$0 during the three months ended March 31, 2023, compared to net cash provided by financing activities of \$0 for the three months ended March 31, 2022.

Capital Resources

We have a recent history of operating losses. It may be necessary for us to arrange for additional financing to meet our on-going 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 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 and the continuing build-out of its Illinois retail location.

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 and incurring debt. 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 March 31, 2023, or as of December 31, 2022, 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, 2022.

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, 2022.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Co-Chief Executive Officers ("**Co-CEOs**") and Chief Financial Officer ("**CFO**"), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the risk related to controls and procedures.