

Planet 13 Announces Record Revenue and Adjusted EBITDA for Q2 2018: Revenue +203% vs. Q2 2017 and +23% from Q1 2018; Adjusted EBITDA +521.3% and +81.7%

- *Highly rated¹ Medizin dispensary generated \$4.4 million in revenue in Q2 2018 and \$8.0 million YTD; monthly revenue is growing at a 7.8% compound rate²*
- *Adjusted EBITDA of \$789,909 in Q2 2018 and \$1.2 million YTD;*
- *Planet 13 Superstore (the "Superstore") – 40,000 square foot cannabis entertainment complex – set to open November 1st 2018. All required licensing in place and construction ahead of schedule*
- *413 online deliveries in July 2018; monthly online revenue growing at a compound rate of 13.5%² sequentially*

All figures are reported in United States dollars (\$), unless otherwise indicated

LAS VEGAS, Aug. 29, 2018 /CNW/ - **Planet 13 Holdings Inc. (CSE: PLTH)** ("**Planet 13**" or the "**Company**"), a leading vertically-integrated Nevada cannabis company, today announced record financial results for the three and six-month periods ended June 30, 2018. Planet 13's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

"With two months until the Grand Opening of Phase 1 of the 40,000 square foot Planet 13 Superstore, our team is ahead of schedule," said Bob Groesbeck, Co-CEO of Planet 13.

"Construction is progressing rapidly, and we are in the market every day buying product from the top cultivators and brands in Nevada, with the expectation that we will be fully stocked by October 1st. Q2 2018 was the eighth consecutive quarter of revenue growth from our Medizin location. Given sustained growth in customer traffic, a team that has consistently made Medizin one of the top-rated dispensaries in Las Vegas¹, and the building excitement about a world class cannabis and entertainment destination opening adjacent to the Las Vegas Strip, we are confident that we will hit our financial targets quickly and drive strong returns for shareholders."

Larry Scheffler, Co-CEO of Planet 13 added, "We are well capitalized to execute our business plans and given the performance we are seeing in the market, anticipate rapid revenue and cash flow growth from the Superstore location when it opens. Based on our discussions with regulators, we estimate 1.1 million square feet of cultivation capacity coming onstream over the next 12 to 18 months in a market that was fully supplied by 250,000 square feet in 2017. This anticipated oversupply will further bolster margins at the Superstore and has enabled our team to both invest now to prepare for the anticipated approval of a lounge concept on-site early next year and to evaluate accretive retail opportunities in other tier-one U.S. destinations. We have locked-down the closest possible location to the Las Vegas Strip, just steps from some of the most valuable entertainment properties in the world, with significant expansion opportunities on-site. We expect the Superstore to rapidly become a global destination for cannabis aficionados and to drive the brand awareness and loyalty required to enable a rapid and profitable expansion across the U.S."

Financial Highlights – Q2 – 2018

Operating Results

All comparisons below are to the quarter ended June 30, 2017, unless otherwise noted

- Revenues were \$4.4 million as compared to \$1.5 million, an increase of 203%
- Gross margin was \$2.4 million as compared \$1.4 million, an increase of 69%
- Operating expenses were \$1.9 million as compared to \$622,152, an increase of 201%
- Net loss of \$3.4 million as compared to a net income of \$22,209
- Adjusted EBITDA of \$798,909 as compared to \$128,584

Balance Sheet

All comparisons below are to December 31, 2017, unless otherwise noted

- Cash and cash equivalents of \$17.1 million as compared to \$0.5 million, an increase of 3,686%
- Total assets of \$26.9 million as compared to \$8.6 million, an increase of 214%
- Total liabilities of \$6.0 million as compared to \$11.0 million, a decrease of 46%

Q2 Highlights and Recent Developments

For a more comprehensive overview of these highlights and recent developments, please refer to Planet 13's *Management's Discussion and Analysis of the Financial Condition and Results of Operations for the Three and Six Months Ended June 30, 2018* (the "MD&A").

- On May 23, 2018, the Company completed its funding round for combined gross proceeds of approximately \$20,205,000.
- On June 21, 2018, the Company's common shares commenced trading on the Canadian Securities Exchange.

Results of Operations (Summary)

The following tables set forth consolidated statements of financial information for the three and six-month periods ending June 30, 2018 and June 30, 2017. For further information regarding the Company's financial results for these periods, please refer to the Company's interim financial statements for the period ended June 30, 2018 together with the MD&A, available on Planet 13's issuer profile on SEDAR at www.sedar.com and the Company's website <https://www.planet13holdings.com>.

	Three Months Ended Jun-30-2018	Three Months Ended Jun-30-2017	Percentage Change	Six Months Ended Jun-30-2018	Six Months Ended Jun-30-2017	Percentage Change
Revenue						
Revenues, net of discounts	4,426,197	1,461,782	202.8%	8,026,679	2,596,215	209.2%
Gain on Biological Asset Transformation	1,058,531	774,970	36.6%	3,189,227	2,375,657	34.2%
Cost of Goods Sold	(3,105,592)	(830,114)	274.1%	(7,214,697)	(1,450,086)	397.5%
Gross Profit	2,379,136	1,406,638	69.1%	4,001,209	3,521,786	13.6%
Expenses						
General and Administrative	1,644,556	589,735	178.9%	2,755,501	1,021,788	169.7%
Sales and Marketing	229,363	32,417	607.5%	334,909	45,808	631.1%
Depreciation and Amortization	29,077	28,804	0.9%	61,440	57,239	7.3%
Non-cash Compensation Expense	1,596,134	-	n/a	1,596,134	-	n/a
Total Expenses	3,499,130	650,956	437.5%	4,747,983	1,124,835	322.1%
Income (Loss) From Operations	(1,119,994)	755,682	(248.2%)	(746,774)	2,396,951	(131.2%)
Other (Income) Expense:						
Interest Expense, net	121,405	255,218	(52.4%)	239,857	488,337	(50.9%)
Foreign exchange (gain) loss	266,521	-	n/a	266,521	-	n/a
RTO acquisition costs	532,367	-	n/a	532,367	-	n/a
(Gain) loss on conversion of debt	848,925	-	n/a	848,925	-	n/a
Total Other (Income) Expense	1,769,218	255,218	593.2%	1,887,669	488,337	286.6%
Net loss for the period before tax	(2,889,212)	500,464	(677.3%)	(2,634,443)	1,908,614	(238.0%)

Provision for tax - current	514,093	478,255	7.5%	854,728	1,197,406	(28.6%)
Net Income (Loss) for the period	(3,403,305)	22,209	(15424.0%)	(3,489,171)	711,208	(590.6%)

Loss per share for the period

Basic and fully diluted loss per share	(\$0.04)	<i>na</i>	(\$0.04)	<i>na</i>
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Weighted Average Number of Shares Outstanding	83,819,620	<i>nil</i>	79,434,174	<i>nil</i>
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Adjusted EBITDA

	Three Months Ended Jun-30-2018	Three Months Ended Jun-30-2017	Percentage Change	Six Months Ended Jun-30-2018	Six Months Ended Jun-30-2017	Percentage Change
EBITDA						
Net profit (loss) before taxes	(2,889,212)	500,464	(677.3%)	(2,634,443)	1,908,614	(238.0%)
Add back:						
Net change in Bio Asset valuation	164,358	(774,970)	na	68,926	(2,375,657)	na
Non-cash Compensation Expense	1,596,134	-	na	1,596,134	-	na
Depreciation and amortization	29,077	28,804	0.9%	61,440	57,239	7.3%
Depreciation included in COGS	129,334	119,068	8.6%	258,787	236,651	9.4%
Other (Income) Expense - one time RTO related costs	1,769,218	255,218	593.2%	1,887,669	488,337	286.6%
EBITDA	798,909	128,584	521.3%	1,238,512	315,184	292.9%

Summary of Quarterly Results

Three months ended	Jun-30-2018	Mar-31-2018	Dec-31-2017	Sep-30-2017	Jun-30-2017	Mar-31-2017	Dec-31-2016	Sep-30-2016
US\$	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	4,426,197	3,600,482	3,382,717	3,025,048	1,461,779	1,134,434	840,009	499,860
Net income (loss)	(3,403,305)	(85,868)	340,621	280,348	11,087	189,485	(660,597)	(424,386)
Comprehensive Net Income (loss)	(3,403,305)	(85,868)	340,621	280,348	11,087	189,485	(660,597)	(424,386)
Net Income (loss) per share	(0.04)	(0.00)	n/a	n/a	n/a	n/a	n/a	n/a
Total assets	26,942,786	9,081,603	8,558,870	7,546,186	7,463,866	6,836,301	5,062,394	5,177,915
Total liabilities	5,957,754	8,314,441	11,040,144	11,680,362	11,760,007	10,986,251	8,365,209	8,538,183
Working capital (deficiency)	17,236,373	1,344,989	1,197,763	2,178,498	2,218,708	1,670,162	(536,659)	254,038
Dividends declared	-	-	-	-	-	-	-	-

Daily Traffic and Average Customer Spend

	Six Months Ended 30/Jun/18	Six Months Ended 30/Jun/17	% Change	Three Months Ended 30/Jun/18	Three Months Ended 30/Jun/17	% Change	Three Months Ended 31/Mar/18	Three Months Ended 31/Mar/18	% Change
Average Daily Traffic	638	198	222.6%	693	226	206.0%	581	168	245.3%
Average spend per customer	\$69.95	\$72.97	(4.1%)	\$70.22	\$70.96	(1.0%)	\$69.61	\$75.74	(8.1%)

Outstanding Shares

As at the date of this report, the Company had 62,008,400 common shares and 55,232,940 class A convertible, restricted voting shares issued and outstanding for a total of 117,241,340 shares outstanding. There were 820,000 options issued and outstanding of which 258,750 have fully vested. There were 17,214,795 warrants outstanding and 5,638,358 RSU's outstanding of which 1,879,453 RSUs had fully vested as at June 30, 2018 and at the date of this report.

Conference Call

Planet 13 will host a conference call on Wednesday, August 29, 2018 at 8:00 a.m. ET to discuss its second quarter financial results and provide investors with key business highlights. The call will be chaired by Bob Groesbeck, Co-CEO, Larry Scheffler, Co-CEO, and Dennis Logan, CFO.

CONFERENCE CALL DETAILS

Date: August 29, 2018 | Time: 8:00am EST
Participant Dial-in: 416-764-8688 or 1-888-390-0546
Replay Dial-in: 416-764-8677 or 1-888-390-0541
(Available for 2 weeks)
Reference Number: 689023
Listen to webcast: <https://bit.ly/2n9BSgc>

For more information, please visit <https://www.planet13holdings.com/> and follow on Instagram [planet13dispensary](#), Facebook [Planet 13 Las Vegas](#) and Twitter [@Planet13lv](#).

- (1) Based on customer feedback scores of 4.7-4.9 on a 5-pt scale from Leafly, Weedmaps, and Google
(2) Monthly growth rates are sequential compound annual growth rates from January 1, 2018 to July 31, 2018

Financial Measures

There are measures included in this news release that do not have a standardized meaning under generally accepted accounting principles (GAAP) and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The Company includes these measures because it believes certain investors use these measures and metrics as a means of assessing financial performance. EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated as net earnings before finance costs (net of finance income), income tax expense, and depreciation and amortization of intangibles and is a non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.

About Planet 13

Planet 13 (www.planet13holdings.com) is a vertically integrated cannabis company based in Nevada, with award-winning cultivation, production and dispensary operations in Las Vegas - the entertainment capital of the world. Planet 13's mission is to build a recognizable global brand known for world class dispensary operations, and a creator of innovative cannabis products. Planet 13's shares trade on the Canadian Stock Exchange (CSE) under the symbol PLTH.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always

using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward looking-statements relate to, among other things, future potential local, regional and national expansion plans, including the completion of the construction of the Company's Superstore within the projected timeline or at all, estimated foot traffic at the Company's proposed retail locations, anticipated revenue and cash flow growth from the Superstore, anticipated approval of the Company's on-site lounge concept at the Superstore, and the ability to enter into third party supply agreements for cannabis and cannabis related products on terms favorable to the Company or at all.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: final regulatory and other approvals or consents; fluctuations in general macroeconomic conditions; changes in project development and construction time frames, risk related the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, steel, power, labour and other consumables contributing to higher costs associated with the completion of the Company's Superstore; fluctuations in securities markets; expectations regarding the size of the legal Nevada and U.S. cannabis markets and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in the State of Nevada; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Future-orientated financial information and financial outlook information (collectively, "FOFI") contained in this news release, as such terms are defined by applicable securities laws, is provided for the purpose of providing information about management's current expectations and plans relating to the future. FOFI contained in this news release was made as of the date of this news release and was provided for the purpose of disclosing material undisclosed information pertaining to the Company. The Company disclaims any intention or obligations to update or revise any FOFI contained in this news release unless required by applicable law. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

The Company is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States through its subsidiary MMDC. Local state laws where MMDC operates permit such activities however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's Listing Statement dated May 24, 2018 filed on its issuer

profile on SEDAR at www.sedar.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30-Jun-18 2018	As at December 31, 2017
Assets		
Current Assets		
Cash and cash equivalents	17,109,458	451,869
HST receivable	55,080	-
Inventory (Note 7)	1,183,893	966,622
Biological assets (Note 8)	2,637,409	2,706,335
Prepaid expenses	733,401	92,129
Total Current Assets	21,719,240	4,216,955
Property and equipment (Note 9)	5,223,546	4,341,915
	5,223,546	4,341,915
Total Assets	26,942,786	8,558,870
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	827,255	678,319
Accrued expenses	1,501,228	1,055,829
Income taxes payable	2,140,064	1,270,862
Notes payable - current portion (Note 10)	14,320	14,182
Total Current Liabilities	4,482,867	3,019,192
Notes payable - long-term portion (Note 10)	921,031	925,890
Notes payable - related party (Note 10)	-	6,526,732
Deferred tax liability	553,856	568,330
	1,474,887	8,020,952
Total Liabilities	5,957,754	11,040,144
Shareholders' Equity		
Share capital (Note 12)	21,111,565	-
Restricted share units (Note 12)	1,446,512	-
Warrants (Note 12)	4,247,779	-
Contributed surplus (Note 12)	149,622	-
Deficit	(5,970,445)	(2,481,274)
Total Shareholders' Equity	20,985,032	(2,481,274)
Total Liabilities and Shareholders' Equity	26,942,786	8,558,870

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

	Three months Ended June 30, 2018	Three months Ended June 30, 2017	Six months Ended June 30, 2018	Six months Ended June 30, 2017
Revenue				
Revenues, net of discounts	4,426,197	1,461,782	8,026,679	2,596,215
Gain on Biological Asset Transformation	1,058,531	774,970	3,189,227	2,375,657
Cost of Goods Sold	(3,105,592)	(830,114)	(7,214,697)	(1,450,086)
Gross Profit	2,379,136	1,406,638	4,001,209	3,521,786
Expenses				
General and Administrative (Note 11)	1,644,556	589,735	2,755,501	1,021,788
Sales and Marketing	229,363	32,417	334,909	45,808
Depreciation and Amortization	29,077	28,804	61,440	57,239
Non-cash Compensation Expense	1,596,134	-	1,596,134	-
Total Expenses	3,499,130	650,956	4,747,983	1,124,835
Income (Loss) From Operations	(1,119,994)	755,682	(746,774)	2,396,951

Other (Income) Expense:				
Interest Expense, net	121,405	255,218	239,857	488,337
Foreign exchange (gain) loss	266,521	-	266,521	-
RTO acquisition costs	532,367	-	532,367	-
(Gain) loss on conversion of debt (Note 10)	848,925	-	848,925	-
Total Other (Income) Expense	1,769,218	255,218	1,887,669	488,337
Net loss for the period before tax	(2,889,212)	500,464	(2,634,443)	1,908,614
Provision for tax - current (Note 15)	514,093	478,255	854,728	1,197,406
Net Income (Loss) for the period	(3,403,305)	22,209	(3,489,171)	711,208
Loss per share for the period				
Basic and fully diluted loss per share	(\$0.04)	<i>na</i>	(\$0.04)	<i>na</i>
Weighted Average Number of Shares Outstanding	83,819,620	<i>nil</i>	79,434,174	<i>nil</i>

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months Ended June 30, 2018	Six months Ended June 30, 2017
Operating activities		
Net loss for the period	(3,489,171)	711,208
Add (deduct) non-cash items:		
Non-cash compensation expense	1,596,134	-
Depreciation and amortization	320,227	293,890
Unrealized foreign exchange (gain) loss	138,075	-
Loss on conversion of debt	848,925	-
Non-cash interest expense	217,048	231,210
	<u>(368,763)</u>	<u>1,236,308</u>
Net change in non-cash working capital		
Sales tax recoverable	47,060	-
Inventory	(217,271)	(460,644)
Biological assets	68,926	(2,375,657)
Prepaid expenses	(641,272)	-
Income tax payable	869,202	389,683
Net change in deferred tax liabilities	(14,474)	977,587
Accounts payable and accrued liabilities	561,182	174,328
Cash flow provided by (used in) operating activities	<u>304,590</u>	<u>(58,395)</u>
Investing activities		
Purchase of property, plant and equipment	(1,201,858)	(69,613)
Cash flow used in investing activities	<u>(1,201,858)</u>	<u>(69,613)</u>
Financing activities		
Issuance of common shares and warrants	19,508,446	-
Share and warrant issuance costs	(1,783,390)	-
Issuance of long-term debt	-	-
Principal repayment on equipment finance lease	(2,721)	(6,922)
Repayment of long-term debt	-	-
Cash flow provided by (used in) financing activities	<u>17,722,335</u>	<u>(6,922)</u>
Effect of foreign exchange on cash	(202,155)	-
Net increase (decrease) in cash and cash equivalents during the period	16,622,911	(134,930)
Cash and cash equivalents at beginning of period	451,869	20,868
Net cash acquired on the RTO acquisition	34,678	-
Cash and cash equivalents at end of period	<u>17,109,458</u>	<u>(114,062)</u>

View original content: <http://www.newswire.ca/en/releases/archive/August2018/29/c7866.html>

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