



Planet 13 Announces First Quarter 2020 Financial Results

- *Q1 2020 Revenue of \$16.8 million; EBITDA of \$2.5 million*
- *SuperStore accounted for 10.1% of all Nevada cannabis dispensary revenue in Q1 2020¹*

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

Las Vegas, Nevada – June 1, 2020 – Planet 13 Holdings Inc. (CSE: PLTH) (OTCQB: PLNHF) (“Planet 13” or the “Company”), a leading vertically-integrated Nevada cannabis company, today announced its financial results for the three-month period ended March 31, 2020. Planet 13’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

Larry Scheffler, Co-CEO of Planet 13 commented, “I am very proud of the solid Q1 Revenue and EBITDA delivered by our team, despite a sharp COVID-19 related drop-off in traffic in the latter half of March. We continued to grow our market share in Nevada during the quarter, with the SuperStore accounting for 10.1% of all retail cannabis sales in the state in quarter – our best yet. While Q2 has been a challenging period for all Nevada businesses, Planet 13 pivoted quickly to a delivery-based model, which has significantly lessened the impact of lower tourist traffic, while broadening the SuperStore’s long-term customer base and opportunity set. As Nevada has started reopening, allowing both curbside pickup and limited in-store sales, we have seen a corresponding pickup in sales. As expected, we have also seen continued traction within our delivery program, with over 40% of our customers continuing to choose Planet 13 delivery as their preferred method of shopping.”

Bob Groesbeck, Co-CEO added, “Our objectives during this time have been to maintain a solid balance sheet, strengthen and grow our local customer base, expand alternative sales channels and set the Company up for growth on the other side of this pandemic. Prior to the impact of COVID-19 we were heading for another record month in March at the SuperStore and expect the momentum to resume as activity in the state continues to increase. Having renegotiated and closed the acquisition of the Santa Ana dispensary license and lease we’ve added meaningfully to our out-of-state growth profile. We look forward to bringing the Planet 13 experience to Californians. While COVID-19 continues to impact all businesses in Nevada, we see positive signs

¹ [https://tax.nv.gov/uploadedFiles/taxnvgov/Content/TaxLibrary/NV-Marijuana-Revenue-FY20\(4\).pdf](https://tax.nv.gov/uploadedFiles/taxnvgov/Content/TaxLibrary/NV-Marijuana-Revenue-FY20(4).pdf)

every day of a progressive return to normal activities. I want to thank our entire team for their efforts, as well as our customers for including us as a part of their daily lives.”

Financial Highlights – Q1 – 2020

Operating Results

All comparisons below are to the quarter ended March 31, 2019, unless otherwise noted

- Revenues were \$16.8 million as compared to \$13.8 million, an increase of 21.4%
- Gross profit before biological adjustments was \$9.0 million or 53.9% as compared to \$7.4 million or 53.8%, an increase of 21.5%
- Operating expenses, excluding non-cash compensation expense, were \$7.0 million as compared to \$5.9 million, an increase of 17.3%
- Net income before taxes of \$0.3 million as compared to a net income of \$0.1 million
- Net loss of \$1.4 million as compared to a net loss of \$1.4 million
- Adjusted EBITDA of \$2.5 million as compared to Adjusted EBITDA of \$1.7 million

Balance Sheet

All comparisons below are to December 31, 2019, unless otherwise noted

- Cash of \$13.9 million as compared to \$12.8 million
- Total assets of \$66.5 million as compared to \$62.9 million
- Total liabilities of \$24.7 million as compared to \$21.6 million

Q1 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 Months Ended March 31, 2020* (the “**MD&A**”).

- On January 20, 2020, Planet 13 announced the opening of dosist™ shop-in-shop wellness experience.
- On March 19, 2020, Planet 13 announced offering expanded online ordering and delivery services.
- On March 23, 2020, Planet 13 announced 24-hour delivery service.
- On April 13, 2020, Planet 13 announced termination of the Santa Ana acquisition.
- On April 17, 2020, Planet 13 announced the renegotiation of the Santa Ana acquisition.
- On May 21, 2020, Planet 13 announced the acquisition of a dispensary license and the close of the Santa Ana acquisition.

Results of Operations (Summary)

The following tables set forth consolidated statements of financial information for the three-month periods ending March 31, 2020 and March 31, 2019. 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 March 31, 2020 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>.

Adjusted EBITDA

	NV Cannabis Ops	Consolidated	Consolidated	
	Three Months	Three Months	Three Months	Percentage
	Ended	Ended	Ended	Change
	Mar-31-2020	Mar-31-2020	Mar-31-2019	
EBITDA				
Profit (loss) before taxes	912,763	304,497	142,275	114.0%
Add back:				
Biological asset adjustments	(234,419)	(234,419)	(12,709)	1744.5%
Non-cash share based payments	-	810,823	572,352	41.7%
Depreciation and amortization	987,008	987,008	597,089	65.3%
Depreciation included in COGS	413,257	413,257	157,297	162.7%
Interest and non-operating expense (income)	209,049	209,049	201,261	3.9%
EBITDA	2,287,658	2,490,215	1,657,565	50.2%
Margin	13.6%	14.8%	12.0%	

<i>Expressed in USD\$</i>	Three Months Ended Mar-31-2020	Three Months Ended Mar-31-2019	Percentage Change
Revenue			
Revenues, net of discounts	16,793,002	13,836,063	21.4%
Cost of Goods Sold	(7,746,922)	(6,393,446)	21.2%
Gross Profit, Before Biological Asset Adjustment	9,046,080	7,442,617	21.5%
Gross Profit Margin %	53.9%	53.8%	
Realized fair value amounts included in COGS	(193,196)	(346,062)	(44.2%)
Unrealized fair value gain on growth of biological assets	427,615	358,771	19.2%
Gross profit	9,280,499	7,455,326	24.5%
Gross Profit Margin %	55.3%	53.9%	
Expenses			
General and Administrative	5,522,514	4,540,220	21.6%
Sales and Marketing	1,446,608	1,402,129	3.2%
Depreciation and Amortization	987,008	597,089	65.3%
Share based payments	810,823	572,352	41.7%
Total Expenses	8,766,953	7,111,790	23.3%
Income (Loss) From Operations	513,546	343,536	49.5%
Other (Income) Expense:			
Interest Expense, net	281,005	215,699	30.3%
Realized Foreign Exchange gain (loss)	-	2,725	(100.0%)
RTO acquisition costs	-	-	na
Other expense (income)	(71,956)	(17,163)	319.3%
Loss on settlement of accounts payable (Note 13(d))	-	-	na
Total Other Expense (Income)	209,049	201,261	3.9%
Income (loss) for the period before tax	304,497	142,275	114.0%
Provision for income tax (current and deferred)	1,713,559	1,565,619	9.4%
(Loss) for the period	(1,409,062)	(1,423,344)	(1.0%)
Other Comprehensive Income (Loss)			
<i>Items that may be reclassified subsequently to profit/loss</i>			
Foreign exchange translation adjustment	31,069	273,205	
Net Comprehensive (Loss) for the period	(1,377,993)	(1,150,139)	
(Loss) per share for the period			
Basic and fully diluted loss per share	(\$0.01)	(\$0.01)	
Weighted Average Number of Shares Outstanding			
Basic and fully diluted	138,915,955	129,467,108	

Outstanding Shares

As at the date of this report, the Company had 86,998,532 common shares and 59,173,872 class A convertible, restricted voting shares issued and outstanding for a total of 146,139,404 shares outstanding. There were 558,507 options issued and outstanding of which 250,834 have fully vested. There were 11,666,653 warrants outstanding and 3,388,589 RSU's outstanding of which nil RSUs had fully vested as at the date of this report.

Conference Call

Planet 13 will host a conference call on Monday, June 1, 2020 at 5:00 p.m. EST to discuss its first 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: June 1, 2020 | Time: 5:00 p.m. 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: 134387
Listen to webcast: <https://bit.ly/2LYV5xD>

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.

For further inquiries, please contact:

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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 and OTCQX under the symbol PLNHF.

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 expansion plans.

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; risks associated with COVID-19 and other infectious diseases presenting as major health issues; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Nevada cannabis market 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.

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 licensed subsidiary entities in states that have legalized marijuana operations, 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, including COVID-19, are contained under the heading "Risk Factors" and elsewhere in the Company's annual information form dated April 13, 2020 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 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Expressed in United States Dollars

	As at March 31, 2020	As at December 31, 2019
Assets		
Current Assets		
Cash	\$ 13,937,880	\$ 12,814,712
HST receivable	24,656	16,544
Inventories (Note 5)	6,625,100	5,474,004
Biological assets (Note 6)	639,820	514,526
Prepaid expenses and other current assets (Note 9)	2,905,453	3,694,272
Total Current Assets	24,132,909	22,514,058
Property and equipment (Note 7)	31,065,700	30,211,154
Right of use assets (Note 8)	9,310,513	9,478,733
Long-term deposits and other assets	2,012,181	694,601
	42,388,394	40,384,488
Total Assets	\$ 66,521,303	\$ 62,898,546
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,070,789	\$ 864,260
Accrued expenses	2,043,773	1,910,046
Income taxes payable	8,900,206	7,015,606
Notes payable - current portion (Note 10)	884,000	884,000
Total Current Liabilities	13,898,768	10,673,912
Long -term lease liabilities (Note 11)	10,593,968	10,522,377
Other long-term liabilities	28,000	28,000
Deferred tax liability - net	208,624	379,665
	10,830,592	10,930,042
Total Liabilities	24,729,360	21,603,954
Shareholders' Equity		
Share capital (Note 12)	55,304,624	51,986,849
Restricted share units (Note 12)	2,911,348	4,119,485
Warrants (Note 12)	5,766,312	5,961,091
Option reserve (Note 12)	359,924	399,439
Accumulated other comprehensive loss	(576,638)	(607,707)
Deficit	(21,973,627)	(20,564,565)
Total Shareholders' Equity	41,791,943	41,294,592
Total Liabilities and Shareholders' Equity	\$ 66,521,303	\$ 62,898,546

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

Expressed in United States Dollars

	Three months Ended March 31, 2020	Three months Ended March 31, 2019
Revenue		
Revenues, net of discounts	\$ 16,793,002	\$ 13,836,063
Cost of Goods Sold	(7,746,922)	(6,393,446)
Gross Profit before fair value asset adjustment	9,046,080	7,442,617
Realized fair value amounts included in inventory sold	(193,196)	(346,062)
Unrealized fair value gain on growth of biological assets	427,615	358,771
Gross Profit	9,280,499	7,455,326
Expenses		
General and Administrative (Note 13)	5,522,514	4,540,220
Sales and Marketing	1,446,608	1,402,129
Depreciation and Amortization (Note 7 & 8)	987,008	597,089
Share-Based Compensation Expense (Note 12)	810,823	572,352
Total Expenses	8,766,953	7,111,790
Income From Operations	513,546	343,536
Other Expense:		
Interest expense, net	281,005	215,699
Realized foreign exchange loss	-	2,725
Other income	(71,956)	(17,163)
Total Other Expense	209,049	201,261
Income before income taxes	304,497	142,275
Provision for tax - current	1,853,382	1,717,842
Provision for tax - deferred	(139,823)	(152,223)
Loss for the Period	\$ (1,409,062)	\$ (1,423,344)
Other Comprehensive Income		
Foreign exchange translation gain	31,069	273,205
Net Comprehensive Loss for the Period	\$ (1,377,993)	\$ (1,150,139)
Loss per share for the Period		
Basic and diluted loss per share	(\$0.01)	(\$0.01)
Weighted Average Number of Common Shares Outstanding		
Basic and Diluted	138,915,955	129,467,108

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Expressed in United States Dollars

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Operating activities		
Net loss for the period	\$ (1,409,062)	\$ (1,423,344)
Add (deduct) non-cash items:		
Share based payments (Note 12)	810,823	572,352
Depreciation and amortization (Note 7,8)	1,400,265	754,384
Deferred tax liability	(171,041)	246,497
Realized fair value amounts included in inventory sold	-	346,062
Unrealized fair value gain on growth of biological assets	-	(358,771)
Other Assets	(1,317,580)	-
Non-cash interest expense	400,836	215,699
Net change in non-cash working capital		
HST receivable	(8,112)	(15,502)
Inventories (Note 5)	(1,151,096)	(222,674)
Biological assets (Note 6)	(125,294)	397,394
Prepaid expenses and other assets (Note 9)	788,819	(391,249)
Long term deposits and other assets	-	(45,000)
Accounts payable	1,206,528	679,381
Accrued expenses	133,728	500,090
Income tax payable	1,884,600	1,319,122
Cash flow provided by operating activities	2,443,414	2,574,441
Investing activities		
Purchase of property, plant and equipment (Note 7)	(2,086,591)	(2,202,345)
Cash flow used in investing activities	(2,086,591)	(2,202,345)
Financing activities		
Issuance of shares on warrant and option exercises (Note 12)	1,064,521	527,665
Payment on lease liabilities	(329,245)	(375,799)
Cash flow provided by financing activities	735,276	151,866
Net increase in cash	1,092,099	523,962
Cash at beginning of the period	12,814,712	19,364,086
Effect of foreign exchange on cash	31,069	273,205
Cash at end of the period	\$ 13,937,880	\$ 20,161,253