



## **Planet 13 Announces Record Third Quarter 2020 Financial Results**

- *Q3 2020 Revenue of \$22.8 million; Adjusted EBITDA of \$6.2 million*

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

**Las Vegas, Nevada – November 24, 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 and nine-month period ended September 30, 2020. Planet 13’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

Larry Scheffler, Co-CEO of Planet 13 said, “Our performance in the third quarter exceeded expectations - leading to our highest quarter of sales ever. Despite being impacted by the ongoing global pandemic and our Las Vegas SuperStore only at 50% capacity, we achieved 36% higher revenue compared to pre-COVID quarters. This is a testament to the strength of Planet 13's business model and the success of the operational improvements we put in place to ensure our ability to serve local customers. As Las Vegas returns to normal and the economy recovers, we will undertake further strategic initiatives to grow revenue at the SuperStore and increase our sales to local customers in Las Vegas.”

"In the third quarter, our in-house brands contributed 25% to SuperStore revenue - continuing to be one of the most recognized and fastest-growing segments within the Planet 13 portfolio. In the wholesale market we saw increasing sales month over month throughout the quarter and continuing into October. Building on this momentum, we continue to invest in cultivation with our recently announced acquisition of a 45,000 square foot facility in Las Vegas, better positioning us to supply wholesale and retail sales within the state," commented Bob Groesbeck, Co-CEO. "We are excited to leverage our knowledge and experience from Nevada to California, with the opening of our new dispensary in Santa Ana in 2021 - the world's second largest dispensary. Planet 13 is well capitalized, and we look forward to executing on future expansion into other major growth markets."

### **Financial Highlights – Q3 – 2020**

#### *Operating Results*

*All comparisons below are to the quarter ended September 30, 2019, unless otherwise noted*

- Revenues were \$22.8 million as compared to \$16.7 million, an increase of 36.5%
- Gross profit before biological adjustments was \$13.0 million or 56.9% as compared to \$9.9 million or 59.1%, an increase of 31.4%
- Operating expenses, excluding non-cash compensation expense and depreciation and amortization, was \$7.2 million as compared to \$6.7 million, an increase of 7.9%
- Net income before taxes of \$3.4 million as compared to a net income of \$0.3 million
- Net income of \$0.2 million as compared to a net loss of \$1.7 million
- Adjusted EBITDA of \$6.2 million as compared to Adjusted EBITDA of \$3.4 million

### *Balance Sheet*

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

- Cash of \$56.8 million as compared to \$12.8 million
- Total assets of \$125.5 million as compared to \$62.9 million
- Total liabilities of \$39.3 million as compared to \$21.6 million

### **Q3 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 and Nine Months Ended September 30, 2020* (the "**MD&A**").

- On July 3, 2020, Planet 13 announced closing of a CDN\$11.5 million bought deal public offering.
- On July 17, 2020, Planet 13 announced an acquisition of 45,000 square feet of indoor cultivation.
- On August 10, 2020, Planet 13 was awarded a Nevada dispensary license.
- On August 20, 2020, Planet 13 announced a CDN\$15 million bought deal public offering.
- On August 21, 2020, Planet 13 announced an upsize to bought deal public offering to CDN\$20 million.
- On September 10, 2020, Planet 13 announced closing of a CDN\$23 million bought deal public offering.
- On October 13, 2020, Planet 13 announced the addition of non-cannabis retail space to the Las Vegas SuperStore.
- On October 19, 2020, Planet 13 announced expanding the dispensary floor of the Las Vegas SuperStore.
- On October 19, 2020, Planet 13 announced a CDN\$20 million bought deal public offering.
- On October 20, 2020, Planet 13 announced an upsize to bought deal public offering to CDN\$25 million.
- On November 5, 2020, Planet 13 announced the closing of a CDN\$28.8 million bought deal public offering.

- On November 20, 2020, Planet 13 announced opening the Medizin dispensary.

## Results of Operations (Summary)

The following tables set forth consolidated statements of financial information for the three-month and nine-month periods ending September 30, 2020 and September 30, 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 September 30, 2020 together with the MD&A, available on Planet 13's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website <https://www.planet13holdings.com>.

### Adjusted EBITDA

	NV Cannabis Ops		Consolidated		Percentage Change	NV Cannabis Ops		Consolidated	
	Three Months Ended Sep-30-2020	Three Months Ended Sep-30-2020	Three Months Ended Sep-30-2019	Three Months Ended Sep-30-2019		Nine Months Ended Sep-30-2020	Nine Months Ended Sep-30-2020	Nine Months Ended Sep-30-2019	Nine Months Ended Sep-30-2019
<b>BITDA</b>									
profit (loss) before taxes	4,811,541	3,371,829	251,122	1242.7%	5,124,677	389,503	1,457,619	(73.3%)	
Adjusted back:									
Biological asset adjustments	504,069	504,069	52,291	864.0%	225,294	225,294	129,101	74.5%	
Non-cash share based payments	-	569,227	2,016,803	(71.8%)	-	2,006,067	3,128,417	(35.9%)	
Depreciation and amortization	1,076,774	1,076,774	680,056	58.3%	3,103,847	3,103,847	1,945,186	59.6%	
Depreciation included in COGS	406,322	406,322	157,297	158.3%	819,579	819,579	286,987	185.6%	
Interest and non-operating expense (income)	264,542	264,542	211,298	25.2%	1,041,745	1,041,745	625,674	66.5%	
<b>BITDA Margin</b>	7,063,248 31.0%	6,192,763 27.2%	3,368,867 20.2%	83.8%	10,315,142 20.5%	7,586,035 15.1%	7,572,984 16.1%	(0.2%)	

<i>Expressed in USD\$</i>	Three Months Ended Sep-30-2020	Three Months Ended Sep-30-2019	Percentage Change
<b>Revenue</b>			
Revenues, net of discounts	22,797,338	16,696,932	36.5%
Cost of Goods Sold	(9,821,561)	(6,820,706)	44.0%
<b>Gross Profit, Before Biological Asset Adjustment</b>	<b>12,975,777</b>	<b>9,876,226</b>	31.4%
<b>Gross Profit Margin %</b>	56.9%	59.1%	
Realized fair value amounts included in COGS	(961,235)	(562,461)	70.9%
Unrealized fair value gain on growth of biological assets	457,166	510,170	(10.4%)
<b>Gross profit</b>	<b>12,471,708</b>	<b>9,823,935</b>	27.0%
<b>Gross Profit Margin %</b>	54.7%	58.8%	
<b>Expenses</b>			
General and Administrative	6,198,121	4,902,355	26.4%
Sales and Marketing	991,215	1,762,301	(43.8%)
Depreciation and Amortization	1,076,774	680,056	58.3%
Share based payments	569,227	2,016,803	(71.8%)
<b>Total Expenses</b>	<b>8,835,337</b>	<b>9,361,515</b>	(5.6%)
<b>Income (Loss) From Operations</b>	<b>3,636,371</b>	<b>462,420</b>	686.4%
<b>Other (Income) Expense:</b>			
Interest Expense, net	438,687	314,389	39.5%
Realized Foreign Exchange gain (loss)	-	(6,203)	(100.0%)
Other expense (income)	(174,145)	(96,888)	79.7%
<b>Total Other Expense (Income)</b>	<b>264,542</b>	<b>211,298</b>	25.2%
<b>Income (loss) for the period before tax</b>	<b>3,371,829</b>	<b>251,122</b>	1242.7%
Provision for income tax (current and deferred)	3,010,880	1,973,475	52.6%
<b>Income (Loss) for the period</b>	<b>360,949</b>	<b>(1,722,353)</b>	(121.0%)
<b>Other Comprehensive Income (Loss)</b>			
<i>Items that may be reclassified subsequently to profit/loss</i>			
Foreign exchange translation adjustment	(152,313)	28,932	
<b>Net Comprehensive Income (Loss) for the period</b>	<b>208,636</b>	<b>(1,693,421)</b>	
<b>Income (Loss) per share for the period</b>			
Basic and fully diluted loss per share	<b>\$0.00</b>	<b>(\$0.01)</b>	
<b>Weighted Average Number of Shares Outstanding</b>			
Basic and fully diluted	162,536,424	135,503,007	

## **Outstanding Shares**

As of November 24, 2020, the Company had 121,987,683 common shares and 55,232,940 class A convertible, restricted voting shares issued and outstanding for a total of 177,220,623 shares outstanding. There were 333,840 options issued and outstanding of which all have fully vested. There were 11,743,904 warrants outstanding and 1,764,250 RSU's outstanding of which nil RSUs had fully vested as at the date of this MD&A.

## **Conference Call**

Planet 13 will host a conference call on Tuesday, November 24, 2020 at 5:00 p.m. EST to discuss its third 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: November 24, 2020 | Time: 5:00 p.m. EST  
Participant Dial-in: Toll Free 877-407-8035 or International 201-689-8035  
Replay Dial-in: Toll Free 877-481-4010 or International 919-882-2331  
(Available for 2 weeks)  
Reference Number: 38726  
Listen to webcast: <https://bit.ly/358WpIA>

## **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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Co-Chief Executive Officers

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## **About Planet 13**

Planet 13 ([www.planet13holdings.com](http://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, Planet 13's first California location and the timeline for opening of the Santa Ana dispensary.*

*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 and California 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 California; 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](http://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 September 30, 2020	As at December 31, 2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 56,760,860	\$ 12,814,712
HST receivable	63,860	16,544
Inventories (Note 5)	7,721,586	5,474,004
Biological assets (Note 6)	1,370,090	514,526
Prepaid expenses and other current assets (Note 10)	2,153,334	3,694,272
<b>Total Current Assets</b>	<b>68,069,730</b>	<b>22,514,058</b>
Property and equipment (Note 7)	31,638,285	30,211,154
Licenses (Note 8)	6,215,073	-
Right of use assets (Note 9)	18,520,944	9,478,733
Long-term deposits and other assets	1,031,352	694,601
	<b>57,405,654</b>	<b>40,384,488</b>
<b>Total Assets</b>	<b>\$ 125,475,384</b>	<b>\$ 62,898,546</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable (Note 16)	\$ 2,095,692	\$ 864,260
Accrued expenses	3,026,090	1,910,046
Income taxes payable	12,356,301	7,015,606
Notes payable - current portion (Note 11)	884,000	884,000
<b>Total Current Liabilities</b>	<b>18,362,083</b>	<b>10,673,912</b>
Long -term lease liabilities (Note 12)	20,437,005	10,522,377
Other long-term liabilities	28,000	28,000
Deferred tax liability	467,486	379,665
	<b>20,932,491</b>	<b>10,930,042</b>
<b>Total Liabilities</b>	<b>39,294,574</b>	<b>21,603,954</b>
<b>Shareholders' Equity</b>		
Share capital (Note 13)	101,809,657	51,986,849
Restricted share units (Note 13)	2,719,357	4,119,485
Warrants (Note 13)	7,753,818	5,961,091
Option reserve (Note 13)	311,401	399,439
Accumulated other comprehensive loss	(812,650)	(607,707)
Deficit	(25,600,773)	(20,564,565)
<b>Total Shareholders' Equity</b>	<b>86,180,810</b>	<b>41,294,592</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 125,475,384</b>	<b>\$ 62,898,546</b>



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

*Expressed in United States Dollars*

	Three months Ended September 30, 2020	Three months Ended September 30, 2019
<b>Revenue</b>		
Revenues, net of discounts	\$ 22,797,338	\$ 16,696,932
Cost of Goods Sold	(9,821,561)	(6,820,706)
<b>Gross Profit before fair value asset adjustment</b>	<b>12,975,777</b>	<b>9,876,226</b>
Realized fair value amounts included in inventory sold	(961,235)	(562,461)
Unrealized fair value gain on growth of biological assets	457,166	510,170
<b>Gross Profit</b>	<b>12,471,708</b>	<b>9,823,935</b>
<b>Expenses</b>		
General and Administrative (Note 14)	6,198,121	4,902,355
Sales and Marketing	991,215	1,762,301
Depreciation and Amortization (Note 7 & 9)	1,076,774	680,056
Share-Based Compensation Expense (Note 13 and Note 16)	569,227	2,016,803
<b>Total Expenses</b>	<b>8,835,337</b>	<b>9,361,515</b>
<b>Income (Loss) From Operations</b>	<b>3,636,371</b>	<b>462,420</b>
<b>Other Expense:</b>		
Interest expense, net	438,687	314,389
Realized foreign exchange loss	-	(6,203)
Other income	(174,145)	(96,888)
<b>Total Other Expense</b>	<b>264,542</b>	<b>211,298</b>
<b>Income (Loss) before income taxes</b>	<b>3,371,829</b>	<b>251,122</b>
Provision for tax - current	2,620,603	2,172,429
Provision for tax - deferred	390,277	(198,954)
<b>Income (Loss) for the Period</b>	<b>\$ 360,949</b>	<b>\$ (1,722,353)</b>
<b>Other Comprehensive Income</b>		
Foreign exchange translation gain (loss)	(152,313)	28,932
<b>Net Comprehensive Income (Loss) for the Period</b>	<b>\$ 208,636</b>	<b>\$ (1,693,421)</b>
<b>Income (Loss) per share for the Period</b>		
Basic and diluted Income (loss) per share	<b>\$0.00</b>	<b>(\$0.01)</b>
Weighted Average Number of Common Shares Outstanding Basic and Diluted	162,536,424	135,503,007

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

*Expressed in United States Dollars*

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
<b>Operating activities</b>		
Net loss for the period	\$ (5,036,208)	\$ (4,081,165)
Add (deduct) non-cash items:		
Share based payments (Note 13)	2,006,067	3,128,417
Depreciation and amortization (Note 7 & 9)	4,451,334	2,417,847
Deferred tax liability	87,821	(198,954)
Deferred tax asset	-	-
Realized fair value amounts included in inventory sold	-	(759,856)
Non-cash interest expense on ROU Liabilities (Note 12)	1,769,500	-
<b>Net change in non-cash working capital</b>		
HST receivable	(47,316)	77,473
Inventories (Note 5)	(2,247,582)	422,949
Biological assets (Note 6)	(855,564)	380,263
Prepaid expenses and other assets (Note 10)	1,540,938	(3,226,185)
Long term deposits and other assets	(336,751)	(85,000)
Accounts payable	1,231,431	2,832,431
Accrued expenses	1,116,045	559,030
Income tax payable	5,340,695	5,737,738
Other liabilities	-	407,593
<b>Cash flow provided by operating activities</b>	<b>9,020,410</b>	<b>7,612,581</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment (Note 7)	(3,101,240)	(12,682,554)
Purchase of license (Note 8)	(1,053,353)	-
<b>Cash flow used in investing activities</b>	<b>(4,154,593)</b>	<b>(12,682,554)</b>
<b>Financing activities</b>		
Issuance of shares on warrant and option exercises (Note 13)	16,941,543	3,965,736
Issuance of shares and warrants on financings	23,807,651	-
Payment on lease liabilities	(1,463,920)	(50,614)
<b>Cash flow provided by financing activities</b>	<b>39,285,274</b>	<b>3,915,122</b>
<b>Net increase in cash</b>	<b>44,151,091</b>	<b>(1,154,851)</b>
Cash at beginning of the period	12,814,712	19,364,086
Effect of foreign exchange on cash	(204,943)	(106,122)
<b>Cash at end of the period</b>	<b>\$ 56,760,860</b>	<b>\$ 18,103,113</b>