



## Planet 13 Announces Q1 2021 Financial Results

- *Q1 2021 Revenue of \$23.8 million*
- *Planet 13 accounted for 8.6% of all Nevada cannabis dispensary revenue in Q1<sup>1</sup>*
- *Q1 2021 EBITDA of \$5.2 million*

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

**Las Vegas, Nevada – May 27, 2021 – 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, 2021. Planet 13’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

“After a slower January and February, due to COVID-19 related restrictions in place in Nevada, we had an absolutely outstanding March, April, and now May. It is clear that Vegas is back, and with hotels and casinos across the strip reporting being fully booked for the foreseeable future we think it’s just getting started,” said Larry Scheffler, Co-CEO of Planet 13. “After a year of fighting against the largest possible macro storm, it feels great to have the wind at our backs and to see all the improvements we put in place start to pay off.”

“Tourism is back, and the SuperStore is performing well. The Medizin store is proving that our blend of entertainment, customer service, and product selection work in smaller footprint retail stores. Our wholesale is growing at a solid pace. Across our Nevada operations, we are experiencing a successful return to growth,” commented Bob Groesbeck, Co-CEO of Planet 13. “In California, we are on track and on budget for our Orange County SuperStore – P13 OC. We’ve taken everything we’ve learned running the Las Vegas SuperStore and put it into this Store. We are set to open in July, and we look forward to bringing the Planet 13 experience to California and introducing it to millions of first time visitors.”

### **Financial Highlights – Q1 – 2021**

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<sup>1</sup> Market share data is based on January and February results  
[https://tax.nv.gov/uploadedFiles/taxnvgov/Content/TaxLibrary/NV-Marijuana-Revenue-FY21\(4\).pdf](https://tax.nv.gov/uploadedFiles/taxnvgov/Content/TaxLibrary/NV-Marijuana-Revenue-FY21(4).pdf)

## *Operating Results*

*All comparisons below are to the quarter ended March 31, 2020, unless otherwise noted*

- Revenues were \$23.8 million as compared to \$16.8 million, an increase of 41.8%
- Gross profit before biological adjustments was \$12.8 million or 53.8% as compared to \$9.0 million or 53.9%
- Operating expenses, excluding non-cash compensation expense and depreciation and amortization, was \$8.4 million as compared to \$7.0 million, an increase of 21.0%
- Net income before taxes of \$3.0 million as compared to a net income of \$0.3 million
- Net income of \$0.4 million as compared to a net loss of \$1.4 million
- Adjusted EBITDA of \$5.2 million as compared to Adjusted EBITDA of \$2.4 million

## *Balance Sheet*

*All comparisons below are to December 31, 2020, unless otherwise noted*

- Cash of \$141.1 million as compared to \$79.0 million
- Total assets of \$218.4 million as compared to \$150.0 million
- Total liabilities of \$35.0 million as compared to \$29.3 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, 2021* (the "**MD&A**").

- On February 2, 2021, Planet 13 announced closing of CDN\$69 million bought deal, upsized from CDN\$50 million.
- On February 3, 2021, Planet 13 announced the start of construction on the Orange County SuperStore.
- On March 15, 2021 Planet 13 announced a partnership with Curaleaf Select to open shop-in-shop.
- On April 19, 2021 Planet 13 announced the grant of restricted stock units.
- On April 22, 2021 Planet 13 announced record sales on "420."
- On May 10, 2021 Planet 13 announced the conversion of all Class A restricted shares to common shares.

## **Results of Operations (Summary)**

The following tables set forth consolidated statements of financial information for the three-month periods ending March 31, 2021 and March 31, 2020. For further information regarding the Company's financial results for these periods, please refer to the Company's annual financial statements for the period ended March 31, 2021 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	Consolidated
	Three Months	Three Months	Three Months
	Ended	Ended	Ended
	Mar-31-2021	Mar-31-2021	Mar-31-2020
<b>EBITDA</b>			
Profit (loss) before taxes	4,356,088	3,047,835	304,497
Add back:			
Biological asset adjustments	(366,746)	(366,746)	(234,419)
Non-cash share based payments	-	203,973	810,823
Depreciation and amortization	1,083,122	1,083,122	987,008
Depreciation included in COGS	517,177	517,177	157,026
ROU Interest included in COGS	325,718	325,718	35,524
Interest and non-operating expense (income)	407,966	407,966	329,291
<b>EBITDA</b>	<b>6,323,325</b>	<b>5,219,045</b>	<b>2,389,750</b>
Margin	26.6%	21.9%	14.2%

<i>Expressed in USD\$</i>	Three Months Ended Mar-31-2021	Three Months Ended Mar-31-2020	Percentage Change
<b>Revenue</b>			
Revenues, net of discounts	23,816,208	16,793,002	41.8%
Cost of Goods Sold	(11,006,530)	(7,746,922)	42.1%
<b>Gross Profit, Before Biological Asset Adjustment</b>	<b>12,809,678</b>	<b>9,046,080</b>	41.6%
<b>Gross Profit Margin %</b>	53.8%	53.9%	
Realized fair value amounts included in COGS	(288,476)	(193,196)	49.3%
Unrealized fair value gain on growth of biological assets	655,222	427,615	53.2%
<b>Gross profit</b>	<b>13,176,424</b>	<b>9,280,499</b>	42.0%
<b>Gross Profit Margin %</b>	55.3%	55.3%	
<b>Expenses</b>			
General and Administrative	7,773,579	5,522,514	40.8%
Sales and Marketing	659,949	1,446,608	(54.4%)
Depreciation and Amortization	1,083,122	987,008	9.7%
Share based payments	203,973	810,823	(74.8%)
<b>Total Expenses</b>	<b>9,720,623</b>	<b>8,766,953</b>	10.9%
<b>Income (Loss) From Operations</b>	<b>3,455,801</b>	<b>513,546</b>	572.9%
<b>Other (Income) Expense:</b>			
Interest Expense, net	470,863	281,005	67.6%
Realized Foreign Exchange gain (loss)	-	-	na
Other expense (income)	(62,897)	(71,956)	(12.6%)
<b>Total Other (Income) Expense</b>	<b>407,966</b>	<b>209,049</b>	95.2%
<b>Income (loss) for the period before tax</b>	<b>3,047,835</b>	<b>304,497</b>	900.9%
Provision for income tax (current and deferred)	2,605,072	1,713,559	52.0%
<b>Income (Loss) for the period</b>	<b>442,763</b>	<b>(1,409,062)</b>	(131.4%)
<b>Other Comprehensive Income (Loss)</b>			
<i>Items that may be reclassified subsequently to profit/loss</i>			
Foreign exchange translation adjustment	829,635	31,069	
<b>Net Comprehensive Income (Loss) for the period</b>	<b>1,272,398</b>	<b>(1,377,993)</b>	
<b>Income (Loss) per share for the period</b>			
Basic and fully diluted income (loss) per share	<b>\$0.00</b>	<b>(\$0.01)</b>	
<b>Weighted Average Number of Shares Outstanding</b>			
Basic	190,777,592	138,915,955	
Diluted	193,050,462	138,915,955	

## **Outstanding Shares**

As of May 26, 2021, the Company had 196,386,104 common shares outstanding. There were 184,168 options issued and outstanding of which 176,669 have fully vested. There were 8,877,751 warrants outstanding and 4,994,567 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 Thursday, May 27, 2021 at 5:00 p.m. ET 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: May 27, 2021 | 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: 41412

Listen to webcast: <https://bit.ly/3or4jFC>

## **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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Bob Groesbeck and Larry Scheffler

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 5, 2021 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 March 31, 2021	As at December 31, 2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 141,126,157	\$ 79,000,850
HST receivable	132,636	103,445
Inventories (Note 5)	9,099,432	7,334,717
Biological assets (Note 6)	920,975	640,995
Prepaid expenses and other current assets (Note 10)	5,057,135	2,637,547
<b>Total Current Assets</b>	<b>156,336,335</b>	<b>89,717,554</b>
Property and equipment (Note 7)	34,149,653	32,073,925
Licenses (Note 8)	7,007,362	7,007,362
Right of use assets (Note 9)	19,894,552	20,149,721
Long-term deposits and other assets	1,054,443	1,054,443
	<b>62,106,010</b>	<b>60,285,451</b>
<b>Total Assets</b>	<b>\$ 218,442,345</b>	<b>\$ 150,003,005</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 3,293,068	\$ 1,683,833
Accrued expenses	4,273,664	2,844,714
Income taxes payable	3,716,909	1,220,652
Notes payable - current portion (Note 11)	884,000	884,000
<b>Total Current Liabilities</b>	<b>12,167,641</b>	<b>6,633,199</b>
Long -term lease liabilities (Note 12)	22,404,495	22,326,077
Other long-term liabilities	28,000	28,000
Deferred tax liability	422,237	313,422
	<b>22,854,732</b>	<b>22,667,499</b>
<b>Total Liabilities</b>	<b>35,022,373</b>	<b>29,300,698</b>
<b>Shareholders' Equity</b>		
Share capital (Note 13)	196,957,891	139,177,034
Restricted share units (Note 13)	1,714,792	3,262,351
Warrants (Note 13)	12,255,137	6,972,053
Option reserve (Note 13)	204,966	276,081
Accumulated other comprehensive loss	350,513	(479,122)
Deficit	(28,063,327)	(28,506,090)
<b>Total Shareholders' Equity</b>	<b>183,419,972</b>	<b>120,702,307</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 218,442,345</b>	<b>\$ 150,003,005</b>



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

<i>Expressed in United States Dollars</i>	<b>Three months Ended March 31, 2021</b>	<b>Three months Ended March 31, 2020</b>
<b>Revenue</b>		
Revenues, net of discounts	\$ 23,816,208	\$ 16,793,002
Cost of Goods Sold	(11,006,530)	(7,746,922)
<b>Gross Profit before fair value asset adjustment</b>	<b>12,809,678</b>	<b>9,046,080</b>
Realized fair value amounts included in inventory sold	(288,476)	(193,196)
Unrealized fair value gain on growth of biological assets	655,222	427,615
<b>Gross Profit</b>	<b>13,176,424</b>	<b>9,280,499</b>
<b>Expenses</b>		
General and Administrative (Note 12 and Note 14)	7,773,579	5,522,514
Sales and Marketing	659,949	1,446,608
Depreciation and Amortization (Note 7 & 9)	1,083,122	987,008
Share-Based Compensation Expense (Note 13 and Note 17)	203,973	810,823
<b>Total Expenses</b>	<b>9,720,623</b>	<b>8,766,953</b>
<b>Other Expense:</b>		
Interest expense, net	470,863	281,005
Other income	(62,897)	(71,956)
<b>Total Other Expense</b>	<b>407,966</b>	<b>209,049</b>
<b>Income before income taxes</b>	<b>3,047,835</b>	<b>304,497</b>
Provision for tax - current	2,496,257	1,853,382
Provision for tax - deferred	108,815	(139,823)
<b>Income (loss) for the period</b>	<b>\$ 442,763</b>	<b>\$ (1,409,062)</b>
<b>Other Comprehensive Income</b>		
Foreign exchange translation gain	829,635	31,069
<b>Net Comprehensive Income (Loss) for the period</b>	<b>\$ 1,272,398</b>	<b>\$ (1,377,993)</b>
<b>Net income (loss) per share for the period</b>		
Basic and diluted income (loss) per share (Note 16)	<b>\$0.00</b>	<b>(\$0.01)</b>
Weighted Average Number of Common Shares Outstanding		
Basic	190,777,592	138,915,955
Diluted	193,050,462	138,915,955

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

*Expressed in United States Dollars*

<i>Expressed in United States Dollars</i>	<b>Three Months Ended March 31, 2021</b>	<b>Three Months Ended March 31, 2020</b>
<b>Operating activities</b>		
Net income (loss) for the period	\$ 442,763	\$ (1,409,062)
Add (deduct) non-cash items:		
Share based payments (Note 13 and 17)	203,973	810,823
Depreciation and amortization (Note 7 and 9)	1,651,389	1,400,265
Deferred tax liability	108,815	(171,041)
Other assets	-	(1,317,580)
Non-cash accretion of lease liabilities (Note 12)	367,337	-
Non-cash interest expense on ROU Liabilities (Note 12)	470,863	400,836
<b>Net change in non-cash working capital</b>		
HST receivable	(30,505)	(8,112)
Inventories (Note 5)	(1,764,715)	(1,151,096)
Biological assets (Note 6)	(279,980)	(125,294)
Prepaid expenses and other assets (Note 10)	(2,421,189)	788,819
Accounts payable	1,609,684	1,206,528
Accrued expenses	1,428,951	133,728
Income tax payable	2,496,257	1,884,600
<b>Cash flow provided by operating activities</b>	<b>4,283,643</b>	<b>2,443,414</b>
<b>Investing activities</b>		
Purchase of property and equipment (Note 7)	(3,471,948)	(2,086,591)
<b>Cash flow used in investing activities</b>	<b>(3,471,948)</b>	<b>(2,086,591)</b>
<b>Financing activities</b>		
Issuance of shares on warrant and option exercises (Note 13)	10,884,762	1,064,521
Issuance of shares and warrants on financings (Note 13)	50,356,532	-
Payment on lease liabilities (Note 12)	(759,782)	(329,245)
<b>Cash flow provided by financing activities</b>	<b>60,481,512</b>	<b>735,276</b>
<b>Net increase in cash</b>	<b>61,293,207</b>	<b>1,092,099</b>
Cash at beginning of the year	79,000,850	12,814,712
Effect of foreign exchange on cash	832,100	31,069
<b>Cash at end of the period</b>	<b>\$ 141,126,157</b>	<b>\$ 13,937,880</b>