



Planet 13 Announces Q2 2021 Financial Results

- *Q2 2021 Revenue of \$32.8 million, up 205% compared to Q2, 2020*
- *Q2 2021 Adjusted EBITDA¹ of \$7.2 million*

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

Las Vegas, Nevada – August 26, 2021 – Planet 13 Holdings Inc. (CSE: PLTH) (OTCQB: PLNHF) (“Planet 13” or the “Company”), a leading vertically-integrated cannabis company, today announced its financial results for the three-month and six-month period ended June 30, 2021. Planet 13’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

“Q2 was a strong quarter for Planet 13. With tourism back, the Superstore’s in-store experience is once again proving that it is on the list of must visit destinations for any trip to Vegas. Every week thousands of people share their experience at the store with their friends on social media and the compounding impact of that organic marketing is obvious as even after being open for three years we are seeing strong growth and increasing share of the Nevada market every month,” said Larry Scheffler, Co-CEO of Planet 13. “Along with our dispensary operations, our product brands are continuing to gain traction. According to Headset data, HaHa was the number two edibles and number three beverage brand in the state and *TRENDI* was the number three concentrate and number six vape brand.”

"Along with stellar performance from our Nevada operations, 2021 has been about securing our next growth opportunities. I’m proud to say we opened our Orange County location on time and on budget. We are now focused on growing consumer awareness that will ultimately drive the sales we know are possible from that location,” commented Bob Groesbeck, Co-CEO of Planet 13. “Subsequent to the quarter, we also won a dispensary license for the Chicago area giving us a clear path for our next SuperStore. Supported by a robust M&A pipeline and over \$130 million in cash, Planet 13’s future is bright.”

Financial Highlights – Q2 – 2021

¹ Adjusted EBITDA is a non-GAAP financial measure

Operating Results

All comparisons below are to the quarter ended June 30, 2020, unless otherwise noted

- Revenues were \$32.8 million as compared to \$10.8 million, an increase of 205.2%
- Gross profit before biological adjustments was \$18.7 million or 56.9% as compared to \$4.7 million or 43.8%
- Operating expenses, excluding non-cash compensation expense and depreciation and amortization, was \$12.5 million as compared to \$5.8 million, an increase of 114.8%
- Net loss before taxes of \$0.9 million as compared to a net loss of \$3.3 million
- Net loss of \$4.4 million as compared to a net loss of \$4.0 million
- Adjusted EBITDA of \$7.2 million as compared to Adjusted EBITDA loss of \$0.6 million

Balance Sheet

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

- Cash of \$136.3 million as compared to \$79.0 million
- Total assets of \$226.2 million as compared to \$150.0 million
- Total liabilities of \$37.6 million as compared to \$29.3 million

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, 2021* (the "**MD&A**").

- On May 10, 2021 Planet 13 announced the conversion of all Class A restricted shares to common shares.
- On June 2, 2021, Nevada announced the passage of Bill 341 allowing cannabis consumption lounges.
- On June 22, 2021, Planet 13 announced adding Select and STIIIZY store-in-stores at the Orange County SuperStore.
- On July 1, 2021, Planet 13 opened the Orange County SuperStore.
- On July 7, 2021, Planet 13 announced Moxie as the third store-in-store in Orange County SuperStore.
- On July 14, 2021, Planet 13 announced the results of its AGM.
- On August 5, 2021, Planet 13 announced that its 49% owned subsidiary Planet 13 Illinois won a Chicago dispensary license.

Results of Operations (Summary)

The following tables set forth consolidated statements of financial information for the three-and six-month periods ending June 30, 2021, and June 30, 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 June 30, 2021, 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 EBITDA²

	NV Cannabis Ops	Consolidated	Consolidated	
	Three Months	Three Months	Three Months	Percentage
	Ended	Ended	Ended	Change
	Jun-30-2021	Jun-30-2021	Jun-30-2020	
EBITDA				
Profit (loss) before taxes	6,041,470	(851,413)	(3,286,823)	74.1%
Add back:				
Biological asset adjustments	372,392	372,392	(44,356)	939.6%
Non-cash share based payments	-	5,393,748	626,017	761.6%
Depreciation and amortization	1,096,897	1,096,897	1,040,065	5.5%
Depreciation included in COGS	634,740	634,740	406,322	56.2%
ROU Interest included in COGS	374,476	374,476	113,152	230.9%
Interest and non-operating expense (income)	212,495	212,495	568,154	(62.6%)
EBITDA	8,732,470	7,233,335	(577,469)	1352.6%
Margin	26.6%	22.0%	(5.4%)	

² Adjusted EBITDA is a non-GAAP financial measure

<i>Expressed in USD\$</i>	Three Months Ended Jun-30-2021	Three Months Ended Jun-30-2020	Percentage Change
Revenue			
Revenues, net of discounts	32,843,588	10,760,996	205.2%
Cost of Goods Sold	(14,149,025)	(6,051,963)	133.8%
Gross Profit, Before Biological Asset Adjustment	18,694,563	4,709,033	297.0%
Gross Profit Margin %	56.9%	43.8%	
Realized fair value amounts included in COGS	47,052	(327,997)	(114.3%)
Unrealized fair value gain on growth of biological assets	(419,444)	372,353	(212.6%)
Gross profit	18,322,171	4,753,389	285.5%
Gross Profit Margin %	55.8%	44.2%	
Expenses			
General and Administrative	10,927,038	5,559,623	96.5%
Sales and Marketing	1,543,406	246,353	526.5%
Depreciation and Amortization	1,096,897	1,040,065	5.5%
Share based payments	5,393,748	626,017	761.6%
Total Expenses	18,961,089	7,472,058	153.8%
Income (Loss) From Operations	(638,918)	(2,718,669)	(76.5%)
Other (Income) Expense:			
Interest Expense, net	481,578	572,265	(15.8%)
Realized Foreign Exchange gain (loss)	(145,556)	-	na
Other expense (income)	(123,527)	(4,111)	2904.8%
Total Other (Income) Expense	212,495	568,154	(62.6%)
Income (loss) for the period before tax	(851,413)	(3,286,823)	(74.1%)
Provision for income tax (current and deferred)	3,567,432	701,272	408.7%
Income (Loss) for the period	(4,418,845)	(3,988,095)	10.8%
Other Comprehensive Income (Loss)			
<i>Items that may be reclassified subsequently to profit/loss</i>			
Foreign exchange translation adjustment	970,356	(83,699)	
Net Comprehensive Income (Loss) for the period	(3,448,489)	(4,071,794)	
Income (Loss) per share for the period			
Basic and fully diluted income (loss) per share	(\$0.02)	(\$0.03)	
Weighted Average Number of Shares Outstanding			
Basic	196,292,786	143,947,783	

Outstanding Shares

As of August 26, 2021, the Company had 196,463,520 common shares outstanding. There were 169,167 options issued and outstanding of which 169,167 have fully vested. There were 8,875,651 warrants outstanding and 4,943,789 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, August 26, 2021 at 5:00 p.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 26, 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: 42398

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

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. Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated as net earnings before finance costs (net of finance income), income tax expense, share-based compensation, one-time costs 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) 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 and dispensary operations in Orange County. 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, securing our next growth opportunities, growing consumer awareness of our Orange County location, ultimately driving the sales we know are possible from that location, the dispensary license for the Chicago area giving us a clear path for our next SuperStore, a robust M&A pipeline and Planet 13's future being bright.

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.

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 June 30, 2021	As at December 31, 2020
Assets		
Current Assets		
Cash	\$ 136,286,828	\$ 79,000,850
HST receivable	231,264	103,445
Inventories (Note 5)	12,131,141	7,334,717
Biological assets (Note 6)	1,190,850	640,995
Prepaid expenses and other current assets (Note 10)	6,285,345	2,637,547
Total Current Assets	156,125,428	89,717,554
Property and equipment (Note 7)	41,525,657	32,073,925
Licenses (Note 8)	7,007,362	7,007,362
Right of use assets (Note 9)	20,504,567	20,149,721
Long-term deposits and other assets	1,066,819	1,054,443
	70,104,405	60,285,451
Total Assets	\$ 226,229,833	\$ 150,003,005
Liabilities		
Current Liabilities		
Accounts payable	\$ 6,096,681	\$ 1,683,833
Accrued expenses	7,024,381	2,844,714
Income taxes payable	-	1,220,652
Notes payable - current portion (Note 11)	884,000	884,000
Long -term lease liabilities current portion (Note 12)	54,542	-
Total Current Liabilities	14,059,604	6,633,199
Long -term lease liabilities net of current portion (Note 12)	23,226,086	22,326,077
Other long-term liabilities	28,000	28,000
Deferred tax liability	279,995	313,422
	23,534,081	22,667,499
Total Liabilities	37,593,685	29,300,698
Shareholders' Equity		
Share capital (Note 13)	201,023,272	139,177,034
Restricted share units (Note 13)	7,081,682	3,262,351
Warrants (Note 13)	11,486,105	6,972,053
Option reserve (Note 13)	206,392	276,081
Accumulated other comprehensive loss	1,320,869	(479,122)
Deficit	(32,482,172)	(28,506,090)
Total Shareholders' Equity	188,636,148	120,702,307
Total Liabilities and Shareholders' Equity	\$ 226,229,833	\$ 150,003,005

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND

COMPREHENSIVE INCOME (LOSS)

Expressed in United States Dollars

	Three months Ended June 30, 2021	Three months Ended June 30, 2020
Revenue		
Revenues, net of discounts	\$ 32,843,588	\$ 10,760,996
Cost of Goods Sold	(14,149,025)	(6,051,963)
Gross Profit before fair value asset adjustment	18,694,563	4,709,033
Realized fair value amounts included in inventory sold	47,052	(327,997)
Unrealized fair value gain on growth of biological assets	(419,444)	372,353
Gross Profit	18,322,171	4,753,389
Expenses		
General and Administrative (Note 14)	10,927,038	5,559,623
Sales and Marketing	1,543,406	246,353
Depreciation and Amortization (Note 7 & 9)	1,096,897	1,040,065
Share-Based Compensation Expense (Note 13 and Note 17)	5,393,748	626,017
Total Expenses	18,961,089	7,472,058
Income From Operations	(638,918)	(2,718,669)
Other Expense:		
Interest expense, net	481,578	572,265
Realized foreign exchange gain	(145,556)	-
Other income	(123,527)	(4,111)
Total Other Expense	212,495	568,154
Income before income taxes	(851,413)	(3,286,823)
Provision for tax - current	3,709,674	866,710
Provision for tax - deferred	(142,242)	(165,438)
Income (loss) for the period	\$ (4,418,845)	\$ (3,988,095)
Other Comprehensive Income		
Foreign exchange translation gain	970,356	(83,699)
Net Comprehensive Income (Loss) for the period	\$ (3,448,489)	\$ (4,071,794)
Net income (loss) per share for the period		
Basic and diluted income (loss) per share (Note 16)	(\$0.02)	(\$0.03)
Weighted Average Number of Common Shares Outstanding		
Basic and diluted	196,292,786	143,947,783

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Expressed in United States Dollars

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Operating activities		
Net loss for the period	\$ (3,976,082)	\$ (5,397,157)
Add (deduct) non-cash items:		
Share based payments (Note 13 and 17)	5,597,721	1,436,840
Depreciation and amortization (Note 7 and 9)	3,331,902	2,846,655
Deferred tax liability	(33,427)	(408,444)
Other assets	(12,376)	(494,717)
Non-cash accretion of lease liabilities (Note 12)	735,833	-
Non-cash interest expense on ROU Liabilities (Note 12)	952,441	1,075,663
Net change in non-cash working capital		
HST receivable	(131,315)	(93,648)
Inventories (Note 5)	(4,796,424)	(301,629)
Biological assets (Note 6)	(549,855)	(185,324)
Prepaid expenses and other assets (Note 10)	(3,736,947)	1,970,664
Accounts payable	3,694,807	1,652,038
Accrued expenses	4,179,668	300,756
Income tax payable	(1,220,652)	2,823,275
Cash flow provided by operating activities	4,035,294	5,224,972
Investing activities		
Purchase of property and equipment (Note 7)	(11,486,978)	(2,352,575)
Purchase of licenses (Note 8)	-	(1,153,407)
Cash flow used in investing activities	(11,486,978)	(3,505,982)
Financing activities		
Issuance of shares on warrant and option exercises (Note 13)	14,155,679	9,195,063
Issuance of shares and warrants on financings (Note 13)	50,356,532	-
Payment on lease liabilities (Note 12)	(1,610,271)	(951,311)
Cash flow provided by financing activities	62,901,940	8,243,752
Net increase in cash	55,450,256	9,962,742
Cash at beginning of the period	79,000,850	12,814,712
Effect of foreign exchange on cash	1,835,722	(52,630)
Cash at end of the period	\$ 136,286,828	\$ 22,724,824