



## Planet 13 Announces Q3 2021 Financial Results

- Q3 2021 Revenue of \$33.0 million, up 45% compared to Q3, 2020
- Q3 2021 Adjusted EBITDA<sup>1</sup> of \$3.5 million

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

**Las Vegas, Nevada – November 23, 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 nine-month period ended September 30, 2021. Planet 13’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

“We continued to drive strong performance during the quarter from our core Las Vegas operations in Nevada,” said **Larry Scheffler, Co-CEO of Planet 13**. “Along with our dispensary operations, our product brands are performing well with Trendi seeing 110% dollar sales growth year over year according to Headset. It now makes up about 5% of Vape sales and 7% of Concentrate sales and HaHa edibles was 14.4% of edibles sales in the State.”

“Along with stellar performance from our Nevada operations, this was a massive quarter towards securing the future growth of Planet 13. We opened our California store in the quarter and while initial sales growth has been slower due to headwinds from COVID and untimely road construction around the SuperStore, customer reviews have been outstanding. We expect strong growth as those headwinds abate,” commented **Bob Groesbeck, Co-CEO of Planet 13**. “We also won a dispensary license for the Chicago area giving us a clear path for our next SuperStore and acquired a Florida license that will allow us to vertically integrate and open multiple neighborhood and SuperStores in the state.”

### Financial Highlights – Q3 – 2021

#### *Operating Results*

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

- Revenues were \$33.0 million as compared to \$22.8 million, an increase of 45%

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<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure

- Gross profit before biological adjustments was \$17.6 million or 53.5% as compared to \$13.0 million or 56.9%
- Operating expenses, excluding non-cash compensation expense and depreciation and amortization, was \$15.1 million as compared to \$7.2 million, an increase of 110%
- Net loss before taxes of \$4.6 million as compared to a net profit of \$3.4 million
- Net loss of \$10.2 million as compared to a net profit of \$0.2 million
- Adjusted EBITDA of \$3.6 million as compared to Adjusted EBITDA of \$6.4 million

### *Balance Sheet*

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

- Cash of \$73.7 million as compared to \$79.0 million
- Total assets of \$220.5 million as compared to \$150.0 million
- Total liabilities of \$35.0 million as compared to \$29.3 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 and Nine Months Ended September 30, 2021* (the "**MD&A**").

- 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.
- On September 1, 2021, Planet 13 announced a definitive agreement to acquire a Florida cannabis license.
- On September 21, 2021, Planet 13 announced the doubling of the dispensary floor space at the Las Vegas SuperStore.
- On October 1, 2021, Planet 13 announced the close of its acquisition of Florida cannabis license.

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

The following tables set forth consolidated statements of financial information for the three-and nine-month periods ending September 30, 2021, and September 30, 2020. For further information regarding the Company's financial results for these periods, please refer to the Company's financial statements for the period ended September 30, 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<sup>2</sup>

	California Ops	Nevada Ops	Consolidated	Consolidated	
	Three Months Ended Sep-30-2021	Three Months Ended Sep-30-2021	Three Months Ended Sep-30-2021	Three Months Ended Sep-30-2020	Percentage Change
<b>EBITDA</b>					
Profit (loss) before taxes	(2,275,112)	3,762,652	(4,591,826)	3,371,829	236.2%
Add back:					
Biological asset adjustments	-	72,007	72,007	504,069	85.7%
Non-cash share based payments	-	-	6,613,846	569,227	1061.9%
Depreciation and amortization	557,896	1,163,297	1,721,193	1,076,774	59.8%
Depreciation included in COGS	-	599,039	599,039	406,322	47.4%
ROU Interest included in COGS	-	375,933	375,933	232,198	61.9%
Interest and non-operating expense (income)	180,589	219,526	(1,221,152)	277,478	(540.1%)
<b>EBITDA</b>	(1,536,627)	6,192,454	3,569,040	6,437,897	44.6%
Margin	(63.6%)	18.8%	10.8%	28.2%	

<sup>2</sup> Adjusted EBITDA is a non-GAAP financial measure

<i>Expressed in USD\$</i>	Three Months Ended Sep-30-2021	Three Months Ended Sep-30-2020	Percentage Change
<b>Revenue</b>			
Revenues, net of discounts	32,952,254	22,797,338	44.5%
Cost of Goods Sold	(15,335,731)	(9,821,561)	56.1%
<b>Gross Profit, Before Biological Asset Adjustment</b>	<b>17,616,523</b>	<b>12,975,777</b>	35.8%
<b>Gross Profit Margin %</b>	53.5%	56.9%	
Realized fair value amounts included in COGS	(427,220)	(961,235)	(55.6%)
Unrealized fair value gain on growth of biological assets	355,213	457,166	(22.3%)
<b>Gross profit</b>	<b>17,544,516</b>	<b>12,471,708</b>	40.7%
<b>Gross Profit Margin %</b>	53.2%	54.7%	
<b>Expenses</b>			
General and Administrative	13,111,649	6,198,121	111.5%
Sales and Marketing	1,959,579	991,215	97.7%
Depreciation and Amortization	1,721,193	1,076,774	59.8%
Share based payments	6,613,846	569,227	1061.9%
<b>Total Expenses</b>	<b>23,406,267</b>	<b>8,835,337</b>	164.9%
<b>Income (Loss) From Operations</b>	<b>(5,861,751)</b>	<b>3,636,371</b>	(261.2%)
<b>Other (Income) Expense:</b>			
Interest Expense, net	503,808	438,687	14.8%
Realized Foreign Exchange (gain) loss	(1,621,267)	-	na
Other expense (income)	(152,466)	(174,145)	(12.4%)
<b>Total Other (Income) Expense</b>	<b>(1,269,925)</b>	<b>264,542</b>	(580.0%)
<b>Income (loss) for the period before tax</b>	<b>(4,591,826)</b>	<b>3,371,829</b>	(236.2%)
Provision for income tax (current and deferred)	3,832,213	3,010,880	27.3%
<b>Income (Loss) for the period</b>	<b>(8,424,039)</b>	<b>360,949</b>	(2433.9%)
<b>Other Comprehensive Income (Loss)</b>			
<i>Items that may be reclassified subsequently to profit/loss</i>			
Foreign exchange translation adjustment	(1,751,017)	(152,313)	
<b>Net Comprehensive Income (Loss) for the period</b>	<b>(10,175,056)</b>	<b>208,636</b>	
<b>Income (Loss) per share for the period</b>			
Basic and fully diluted income (loss) per share	<b>(\$0.04)</b>	<b>\$0.00</b>	
Weighted Average Number of Shares Outstanding			
Basic and diluted	196,357,392	162,536,424	

## Outstanding Shares

As of November 23, 2021, the Company had 196,463,520 common shares outstanding. There were 169,168 options issued and outstanding of which 169,168 have fully vested. There were 8,875,651 warrants outstanding and 4,927,869 RSU's outstanding of which nil 104,440 had fully vested as at the date of this MD&A.

### **Conference Call**

Planet 13 will host a conference call on Tuesday, November 23, 2021 at 5:00 p.m. ET 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 23, 2021 | Time: 5:00 p.m. EST

Participant Dial-in: Toll Free 888-506-0062 or International 973-528-0011

Replay Dial-in: Toll Free 877-481-4010 or International 919-882-2331

(Available for 2 weeks)

Reference Number: 571591

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

### **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:**

LodeRock Advisors Inc., Planet 13 Investor Relations

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### **About Planet 13**

Planet 13 ([www.planet13holdings.com](http://www.planet13holdings.com)) is a vertically integrated cannabis company, with award-winning cultivation, production and dispensary operations in Las Vegas and dispensary operations in Orange County, California. Planet 13 also holds a medical marijuana treatment center license in Florida and a 49% interest in Planet 13 Illinois which won a lottery for a Social-Equity Justice Involved dispensing license in the Chicago-region of Illinois. 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](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, 2021	As at December 31, 2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 73,694,308	\$ 79,000,850
Restricted cash (Note 8)	55,000,000	-
HST receivable	49,144	103,445
Inventories (Note 5)	12,312,316	7,334,717
Biological assets (Note 6)	1,340,731	640,995
Prepaid expenses and other current assets (Note 10)	7,196,266	2,637,547
<b>Total Current Assets</b>	<b>149,592,765</b>	<b>89,717,554</b>
Property and equipment (Note 7)	42,506,758	32,073,925
Licenses (Note 8)	7,265,422	7,007,362
Right of use assets (Note 9)	20,082,635	20,149,721
Long-term deposits and other assets	1,066,819	1,054,443
	<b>70,921,634</b>	<b>60,285,451</b>
<b>Total Assets</b>	<b>\$ 220,514,399</b>	<b>\$ 150,003,005</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,137,182	\$ 1,683,833
Accrued expenses	6,821,741	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)	86,700	-
<b>Total Current Liabilities</b>	<b>11,929,623</b>	<b>6,633,199</b>
Long -term lease liabilities net of current portion (Note 12)	23,184,972	22,326,077
Other long-term liabilities	28,000	28,000
Deferred tax liability	249,875	313,422
	<b>23,462,847</b>	<b>22,667,499</b>
<b>Total Liabilities</b>	<b>35,392,470</b>	<b>29,300,698</b>
<b>Shareholders' Equity</b>		
Share capital (Note 13)	201,198,984	139,177,034
Restricted share units (Note 13)	13,571,835	3,262,351
Warrants (Note 13)	11,486,105	6,972,053
Option reserve (Note 13)	201,364	276,081
Accumulated other comprehensive loss	(430,148)	(479,122)
Deficit	(40,906,211)	(28,506,090)
<b>Total Shareholders' Equity</b>	<b>185,121,929</b>	<b>120,702,307</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 220,514,399</b>	<b>\$ 150,003,005</b>

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



*Expressed in United States Dollars*

	<b>Three months Ended September 30, 2021</b>	<b>Three months Ended September 30, 2020</b>
<b>Revenue</b>		
Revenues, net of discounts	\$ 32,952,254	\$ 22,797,338
Cost of Goods Sold (Note 5)	(15,335,731)	(9,821,561)
<b>Gross Profit before fair value asset adjustment</b>	<b>17,616,523</b>	<b>12,975,777</b>
Realized fair value amounts included in inventory sold	(427,220)	(961,235)
Unrealized fair value gain on growth of biological assets	355,213	457,166
<b>Gross Profit</b>	<b>17,544,516</b>	<b>12,471,708</b>
<b>Expenses</b>		
General and Administrative (Note 14)	13,111,649	6,198,121
Sales and Marketing	1,959,579	991,215
Depreciation and Amortization (Note 7 & 9)	1,721,193	1,076,774
Share-Based Compensation Expense (Note 13 and Note 17)	6,613,846	569,227
<b>Total Expenses</b>	<b>23,406,267</b>	<b>8,835,337</b>
<b>Income From Operations</b>	<b>(5,861,751)</b>	<b>3,636,371</b>
<b>Other Expense:</b>		
Interest expense, net	503,808	438,687
Realized foreign exchange gain	(1,621,267)	-
Other income	(152,466)	(174,145)
<b>Total Other Expense</b>	<b>(1,269,925)</b>	<b>264,542</b>
<b>Income before income taxes</b>	<b>(4,591,826)</b>	<b>3,371,829</b>
Provision for tax - current	3,938,824	2,620,603
Provision for tax - deferred	(106,611)	390,277
<b>Income (loss) for the period</b>	<b>\$ (8,424,039)</b>	<b>\$ 360,949</b>
<b>Other Comprehensive Income</b>		
Foreign exchange translation gain	(1,751,017)	(152,313)
<b>Net Comprehensive Income (Loss) for the period</b>	<b>\$ (10,175,056)</b>	<b>\$ 208,636</b>
<b>Net income (loss) per share for the period</b>		
Basic and diluted income (loss) per share (Note 16)	<b>\$ (0.04)</b>	<b>\$ 0.00</b>
Weighted Average Number of Common Shares Outstanding Basic and diluted	196,357,392	162,536,424

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

*Expressed in United States Dollars*

	<b>Nine Months Ended September 30, 2021</b>	<b>Nine Months Ended September 30, 2020</b>
<b>Operating activities</b>		
Net loss for the period	\$ (12,400,121)	\$ (5,036,208)
Add (deduct) non-cash items:		
Share based compensation (Note 13 and 17)	12,211,567	2,006,067
Depreciation and amortization (Note 7 and 9)	5,652,167	4,451,334
Deferred tax liability	(63,547)	87,821
Other assets	(12,376)	-
Non-cash accretion of lease liabilities (Note 12)	227,883	-
Non-cash interest expense on ROU Liabilities (Note 12)	2,310,243	1,769,500
<b>Net change in non-cash working capital</b>		
HST receivable	53,260	(47,316)
Inventories (Note 5)	(4,977,599)	(2,247,582)
Biological assets (Note 6)	(699,736)	(855,564)
Prepaid expenses and other assets (Note 10)	(4,553,877)	1,540,938
Long term deposits and other assets	-	(336,751)
Accounts payable	1,677,254	1,231,431
Accrued expenses	3,977,027	1,116,045
Income tax payable	(1,220,652)	5,340,695
<b>Cash flow provided by operating activities</b>	<b>2,181,493</b>	<b>9,020,410</b>
<b>Investing activities</b>		
Purchase of property and equipment (Note 7)	(14,366,413)	(3,101,240)
Restricted cash (Note 8 and Note 20)	(55,000,000)	-
Purchase of licenses (Note 8)	(258,060)	(1,053,353)
<b>Cash flow used in investing activities</b>	<b>(69,624,473)</b>	<b>(4,154,593)</b>
<b>Financing activities</b>		
Issuance of shares on warrant and option exercises (Note 13)	14,165,897	16,941,543
Issuance of shares and warrants on financings (Note 13)	50,393,305	23,807,651
Payment on lease liabilities (Note 12)	(2,469,078)	(1,463,920)
<b>Cash flow provided by financing activities</b>	<b>62,090,124</b>	<b>39,285,274</b>
<b>Net increase in cash</b>	<b>(5,352,856)</b>	<b>44,151,091</b>
Cash at beginning of the period	79,000,850	12,814,712
Effect of foreign exchange on cash	46,314	(204,943)
<b>Cash at end of the period</b>	<b>\$ 73,694,308</b>	<b>\$ 56,760,860</b>