

FORM 51-102F3
Material Change Report

Item 1 **Name and Address of Company**

Planet 13 Holdings Inc. (the “**Company**”)
2548 West Desert Inn Road
Las Vegas, Nevada 89109

Item 2 **Date of Material Change**

August 28, 2023

Item 3 **News Release**

On August 28, 2023 a news release was disseminated through the facilities of Accesswire and subsequently filed on the System for Electronic Document Analysis and Retrieval + (“**SEDAR+**”).

Item 4 **Summary of Material Change**

On August 28, 2023, the Company entered into a membership interest purchase agreement dated August 28, 2023 (the “**Purchase Agreement**”) pursuant to which the Company agreed to acquire (the “**Acquisition**”) all of the ownership interests of VidaCann, LLC (“**VidaCann**”) from the sellers who own all of the membership interests in VidaCann (collectively, the “**Sellers**”) for total consideration described below (the “**Transaction**”).

Item 5 **Full Description of Material Change**

On August 28, 2023, the Company and the Sellers entered into the Purchase Agreement pursuant to which the Company agreed to acquire all membership interests in VidaCann from the Sellers for total consideration equal to the sum of: (i) 78,461,538 common shares in the capital of the Company (the “**Base Share Consideration**”); (ii) a cash payment of US\$4,000,000 (the “**Closing Cash Payment**”); and (iii) promissory notes to be issued by the Company to the Sellers in the aggregate principal amount of US\$5,000,000, with each of the above components subject to adjustments as set out in the Purchase Agreement.

Based on the closing price of the Company’s common shares of (CAD\$0.69) US\$0.5071 as of August 25, 2023 on the Canadian Securities Exchange (the “**CSE**”) (based on the Bank of Canada CAD to USD exchange rate on August 25, 2023 of CAD\$1.00=US\$1.3606), the total consideration is valued at approximately US\$48.9 million. The Purchase Agreement contemplates that VidaCann will continue to have US\$3,000,000 of bank indebtedness and US\$1,500,000 or less of related party notes to former VidaCann owners at the time of closing the Acquisition.

Pursuant to the Purchase Agreement, 1,307,698 shares comprising the Base Share Consideration will be issued to VidaCann’s industry advisor, 9496 7346 Quebec Inc. (the “**VC Advisor**”). The Transaction is an arm’s length transaction.

After giving effect to the Transaction, the former equityholders of VidaCann, along with the VC Advisor, will have approximately 26.09% *pro forma* ownership in the Company on a fully diluted basis, before factoring in any adjustments to the Base Share Consideration. All shares issued by the Company will be subject to resale restrictions under applicable U.S. and Canadian

securities laws. Furthermore, each Seller and each equityholder of a Seller that holds over 5% in direct or indirect interest in VidaCann and receives Base Share Consideration will be subject to a lock-up agreement restricting trading of the shares received, with the release of one-third of shares from such restrictions six months following closing and each subsequent six months thereafter. The Transaction is expected to close in, or immediately prior to, the first quarter of 2024, subject to customary closing conditions, including the receipt of approval from the applicable state cannabis regulators and the sale of the Company's medical marijuana treatment center licence in Florida to a third party, including any regulatory approvals required to effectuate the sale.

The Sellers will be granted the right to nominate one additional (fifth) director to the board of directors of the Company (the "**Board**"). The Transaction has been unanimously approved by the Board and the managers of VidaCann.

The terms of the proposed Transaction were negotiated by management and advisors under guidance of, and unanimously recommended for approval by, the Board. The Board has received a fairness opinion from Evans & Evans, Inc. ("**Evans & Evans**") to the effect that, in its opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be paid by the Company is fair, from a financial point of view, to the Company. The fee paid to Evans & Evans in connection with the delivery of its fairness opinion is not contingent on the successful implementation of the Transaction. Canaccord Genuity Corp. is acting as financial advisor to the Company.

The foregoing summary of the Purchase Agreement and the Acquisition does not purport to be a complete description of all the parties' rights and obligations thereunder and is qualified in its entirety by reference to the complete text of the Purchase Agreement. A copy of the Purchase Agreement has been filed on the Company's SEDAR+ profile at www.sedarplus.ca.

Item 6 **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable

Item 7 **Omitted Information**

Not Applicable

Item 8 **Executive Officer**

The officers knowledgeable about the material change and this report are:

Robert Groesbeck and Larry Scheffler
Co-Chief Executive Officers of the Company
(702) 815-1313
ir@planet13lasvegas.com

Item 9 **Date of Report**

September 7, 2023