



**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

**EXPRESSED IN UNITED STATES DOLLARS**

The accompanying unaudited condensed interim consolidated financial statements of the company have been prepared by and are the responsibility of the Company's management.

These financial statements for Planet 13 Holdings Inc. are also included in the Form 10-Q for the quarter ended March 31, 2024 filed on SEDAR+ on May 9, 2024, in its entirety.

**PART I—FINANCIAL INFORMATION**
**Item 1. Financial Statements.**
**PLANET 13 HOLDINGS INC.**  
**Interim Condensed Consolidated Balance Sheets**  
**(Unaudited, In United States Dollars)**

	<b>March 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 20,771,317	\$ 11,831,008
Restricted Cash	2,050,584	5,450,584
Accounts Receivable	1,035,465	1,195,927
Inventory	16,998,825	15,760,648
Assets held for sale	9,000,000	9,000,000
Prepaid Expenses and Other Current Assets	2,893,277	4,072,820
<b>Total Current Assets</b>	<b>52,749,468</b>	<b>47,310,987</b>
Property and Equipment	67,342,325	67,551,697
Intangible Assets	15,253,797	15,253,797
Right of Use Assets - Operating	20,516,518	20,054,369
Long-term Deposits and Other Assets	800,757	869,853
Deferred Tax Asset	725,196	706,038
<b>TOTAL ASSETS</b>	<b>\$ 157,388,061</b>	<b>\$ 151,746,741</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Current:		
Accounts Payable	\$ 1,953,157	\$ 2,850,922
Accrued Expenses	5,187,413	6,097,641
Income Taxes Payable	7,499,412	4,782,538
Notes Payable - Current Portion	884,000	884,000
Operating Lease Liabilities	779,389	674,594
<b>Total Current Liabilities</b>	<b>16,303,371</b>	<b>15,289,695</b>
Long-Term Liabilities:		
Operating Lease Liabilities	25,801,491	25,271,706
Other Long-term Liabilities	33,000	33,000
Deferred Tax Liability	3,510,826	3,511,559
<b>Total Liabilities</b>	<b>45,648,688</b>	<b>44,105,960</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common Stock, no par value, 1,500,000,000 shares authorized, 243,291,548 issued and outstanding at March 31, 2024 and 223,317,270 at December 31, 2023	-	-
Preferred Stock, no par value, 50,000,000 shares authorized, 0 issued and outstanding at March 31, 2024 and 0 at December 31, 2023	-	-
Additional Paid-In Capital	325,923,704	315,951,343
Deficit	(214,184,331)	(208,310,562)
<b>Total Shareholders' Equity</b>	<b>111,739,373</b>	<b>107,640,781</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 157,388,061</b>	<b>\$ 151,746,741</b>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

**PLANET 13 HOLDINGS INC.**  
**Interim Condensed Consolidated Statements of Operations and Comprehensive Loss**  
**(Unaudited, in United States Dollars, except Share Amounts)**

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Revenues, net of discounts	\$ 22,877,471	\$ 24,915,396
Cost of Goods Sold	(12,392,992)	(14,032,585)
<b>Gross Profit</b>	<b>10,484,479</b>	<b>10,882,811</b>
<b>Expenses:</b>		
General and Administrative	10,024,787	10,955,007
Sales and Marketing	1,290,737	1,335,740
Lease Expense	774,946	784,636
Depreciation	2,059,023	2,235,464
<b>Total Expenses</b>	<b>14,149,493</b>	<b>15,310,847</b>
<b>Loss From Operations</b>	<b>(3,665,014)</b>	<b>(4,428,036)</b>
<b>Other Income (Expense):</b>		
Interest income, net	24,562	116,351
Foreign exchange gain (loss)	(3,097)	1,887
Change in fair value of warrant liability	-	18,127
Provision for misappropriated funds	-	(2,000,000)
Other Income, net	113,749	144,609
<b>Total Other Income</b>	<b>135,214</b>	<b>(1,719,026)</b>
<b>Loss Before Provision for Income Taxes</b>	<b>(3,529,800)</b>	<b>(6,147,062)</b>
<b>Provision For Income Taxes</b>		
Current Tax Expense	(2,363,860)	(2,265,088)
Deferred Tax Recovery	19,891	(67,999)
	<b>(2,343,969)</b>	<b>(2,333,087)</b>
<b>Net Loss and Comprehensive Loss</b>	<b>\$ (5,873,769)</b>	<b>\$ (8,480,149)</b>
<b>Loss per Share</b>		
Basic and diluted loss per share	<b>\$ (0.03)</b>	<b>\$ (0.04)</b>
<b>Weighted Average Number of Shares of Common Stock</b>		
Basic and diluted	<b>228,437,545</b>	<b>221,084,457</b>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

**PLANET 13 HOLDINGS INC.**  
**Interim Condensed Consolidated Statements of Changes in Shareholders' Equity**  
**(Unaudited, in United States Dollars, except Share Amounts)**

	Number of		Additional Paid- in Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares of Common Stock	Warrants			
<b>Balance, December 31, 2022</b>	220,470,061	295,838	\$ 312,023,359	\$ (134,701,804)	\$ 177,321,555
Share based Compensation - RSUs	-	-	720,991	-	720,991
Shares Issued on Exercise of Purchase Option	1,063,377	-	946,406	-	946,406
Net Loss for the Period	-	-	-	(8,480,149)	(8,480,149)
<b>Balance, March 31, 2023</b>	<b>221,533,438</b>	<b>295,838</b>	<b>\$ 313,690,756</b>	<b>\$ (143,181,953)</b>	<b>\$ 170,508,803</b>
<b>Balance, December 31, 2023</b>	223,317,270	-	\$ 315,951,343	\$ (208,310,562)	\$ 107,640,781
Share based Compensation - RSUs	-	-	104,338	-	104,338
Share based Compensation - RSUs - Taxes Paid in Lieu of Share Issuance	-	-	(45,833)	-	(45,833)
Shares Issued on Settlement of RSUs	1,224,278	-	-	-	-
Proceeds from public offering	18,750,000	18,750,000	11,250,000	-	11,250,000
Share issuance costs	-	-	(1,336,144)	-	(1,336,144)
Net Loss for the Period	-	-	-	(5,873,769)	(5,873,769)
<b>Balance, March 31, 2024</b>	<b>243,291,548</b>	<b>18,750,000</b>	<b>\$ 325,923,704</b>	<b>\$ (214,184,331)</b>	<b>\$ 111,739,373</b>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

**PLANET 13 HOLDINGS INC.**  
**Interim Condensed Consolidated Statements of Cash Flows**  
**(Unaudited, In United States Dollars)**

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>CASH USED IN OPERATING ACTIVITIES</b>		
Net loss	\$ (5,873,769)	\$ (8,480,149)
Adjustments for items not involving cash:		
Shared based compensation	104,338	720,991
Non-cash lease expense	235,980	1,279,369
Depreciation	3,017,720	3,259,999
Change in fair value of warrant liability	-	(18,127)
Loss on disposal of fixed assets	66,178	-
Lease incentive amortization	27,277	(26,115)
	<u>(2,422,276)</u>	<u>(3,264,032)</u>
<b>Net Changes in Non-cash Working Capital Items</b>	<b>1,082,151</b>	<b>(3,099,853)</b>
Repayment of lease liabilities	(90,826)	(982,255)
<b>Total Operating</b>	<b>(1,430,951)</b>	<b>(7,346,140)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from public share issuance	9,913,856	-
<b>Total Financing</b>	<b>9,913,856</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(2,947,190)	(3,653,373)
Proceeds from sales of fixed assets	4,594	-
Purchase of 51% interest in Planet 13 Illinois	-	(866,250)
<b>Total Investing</b>	<b>(2,942,596)</b>	<b>(4,519,623)</b>
<b>NET CHANGE IN CASH DURING THE PERIOD</b>	<b>5,540,309</b>	<b>(11,865,763)</b>
<b>CASH</b>		
Beginning of Period	17,281,592	38,789,604
End of Period	<u>\$ 22,821,901</u>	<u>\$ 26,923,841</u>

Supplemental cash flow information (Note 14)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

**PLANET 13 HOLDINGS INC.**

**Notes to the Interim Condensed Consolidated Financial Statements  
(Unaudited, in United States Dollars, except share amounts)**

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**1. Nature of Operations**

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Planet 13 Holdings Inc. (“P13” or the “Company”) was incorporated under the Canada Business Corporations Act on April 26, 2002 and continued under the British Columbia Business Corporations Act on September 24, 2019, and on September 15, 2023 completed its Domestication to Nevada.

The Company is a vertically integrated cultivator and provider of cannabis and cannabis-infused products that is licensed under the laws of the States of Nevada, California, Illinois and Florida. We are licensed in these jurisdictions as follows: six Nevada cultivation licenses (three medical and three adult-use), six Nevada production licenses (three medical and three adult-use), three Nevada dispensary licenses (one medical and two adult-use), one Nevada distribution license, one California medical and adult-use dispensary license, one California adult-use cultivation license, one California adult-use manufacturer license, two California distribution licenses, one California event organizer license, one Florida Medical Marijuana Treatment Center license (unlimited medical dispensaries, cultivation and processing), and one Illinois adult-use dispensary license.

P13 is a public company which is listed on the Canadian Securities Exchange (“CSE”) under the symbol PLTH and on the OTCQX exchange under the symbol “PLNH”.

The Company’s registered and head office address is 2548 W. Desert Inn Road, Suite 100, Las Vegas, NV 89109.

While cannabis and CBD-infused products are legal under the laws of several U.S. states (with varying restrictions applicable), the United States Federal Controlled Substances Act classifies all “marijuana” as a Schedule I drug, whether for medical or recreational use. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for use under medical supervision.

The federal government currently is prohibited from prosecuting businesses that operate in compliance with applicable state and local medical cannabis laws and regulations; however, this does not protect adult use cannabis. In addition, if the federal government changes this position, it would be financially detrimental to the Company.

**2. Basis of Presentation**

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These unaudited condensed consolidated interim financial statements reflect the accounts of the Company and have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) for all periods presented. Certain information and footnote disclosures normally included in the audited annual consolidated financial statements prepared in accordance with GAAP have been omitted or condensed. The information included in these unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2023 included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023. These unaudited interim condensed consolidated financial statements reflect all adjustments (consisting of normal recurring adjustments), which, in the opinion of management, are necessary for the fair presentation of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These unaudited interim condensed consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

These unaudited condensed consolidated interim financial statements were authorized for issuance by the Board of Directors of the Company on May 9, 2024.

**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**(Unaudited, in United States Dollars, except share amounts)**

i) Basis of consolidation

These accompanying unaudited condensed consolidated interim financial statements include the accounts of the Company and all subsidiaries. Subsidiaries are entities in which the Company has a controlling voting interest or is the primary beneficiary of a variable interest entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. All intercompany accounts and transactions have been eliminated upon consolidation. The unaudited condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating intercompany balances and transactions.

These unaudited condensed consolidated interim financial statements include the accounts of the Company and the following entities which are subsidiaries of the Company:

<b>Subsidiaries as at March 31, 2024</b>	<b>Jurisdiction of Incorporation</b>	<b>Ownership Interest 2024</b>	<b>Ownership Interest 2023</b>	<b>Nature of Business</b>
MM Development Company, Inc. ("MMDC")	Nevada, USA	100%	100%	Nevada license holding company; vertically integrated cannabis operations
BLC Management Company LLC	Nevada, USA	100%	100%	Management/holding company
LBC CBD LLC ("LBC")	Nevada, USA	100%	100%	CBD retail sales and marketing
Newtonian Principles Inc.	California, USA	100%	100%	California license holding company; cannabis retail sales
Crossgate Capital U.S. Holdings Corp.	Nevada, USA	100%	100%	Holding company
Next Green Wave, LLC	California, USA	100%	100%	California license holding company; cannabis cultivation and processing
Planet 13 Illinois, LLC	Illinois, USA	100%	100%	Illinois license holding company
BLC NV Food, LLC	Nevada, USA	100%	100%	Holding company for By The Slice LLC
By The Slice, LLC	Nevada, USA	100%	100%	Subsidiary of BLC NV Food, LLC; restaurant and retail operations
Planet 13 Chicago, LLC	Illinois, USA	100%	100%	Holding company
Planet 13 Florida, Inc.	Florida, USA	100%	100%	Florida license holding company
Planet 13 Real Prop, LLC	Florida, USA	100%	100%	Holding company
Planet 13 Lifestyles LLC	Nevada, USA	100%	0%	Retail sales of apparel and accessories
Club One Three, LLC	Nevada, USA	100%	100%	Inactive

ii) Functional currency

These unaudited condensed consolidated interim financial statements are presented in U.S. Dollars ("USD"), which is the Company's and its subsidiaries' functional currency.

Foreign currency transactions are remeasured to the respective financial currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are measured to functional currency at the foreign exchange rate applicable at the statement of balance sheets date. Non-monetary items are carried at historical rates. Non-monetary items carried at face value denominated in foreign currencies are remeasured to the functional currency at the date when the fair value was determined. Realized and unrealized foreign exchange gains and losses are recognized through profit or loss.

**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**(Unaudited, in United States Dollars, except share amounts)**

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iii) Emerging growth company

The Company is an “Emerging Growth Company”, as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act, and it has taken advantage of certain exemptions that are not applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not has a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial reporting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public and private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

### 3. Inventory

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Finished goods inventory consists of dried cannabis, concentrates, edibles, and other products that are complete and available for sale (both internally generated inventory and third-party products purchased in the wholesale market). Work in process inventory consists of cannabis after harvest, in the processing stage. Packaging and miscellaneous consist of consumables for use in the transformation of biological assets and other inventory used in the production of finished goods, non-cannabis merchandise and food and beverage items. The Company’s inventory is comprised of:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Raw materials	\$ 6,005,882	\$ 5,810,800
Packaging and miscellaneous	2,369,061	1,758,152
Work in progress	3,539,018	3,375,296
Finished goods	5,084,864	4,816,400
	<u>\$ 16,998,825</u>	<u>\$ 15,760,648</u>

Cost of Inventory is recognized as an expense when sold and included in the cost of goods sold. During the three months ended March 31, 2024, the Company recognized \$12,392,992 (2023 - \$14,032,585) of inventory expensed to cost of goods sold.

### 4. Prepaid Expenses and Other Current Assets

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	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Security deposits	\$ 470,256	\$ 306,561
Advertising and Marketing	42,920	27,222
Prepaid rent	397,299	410,313
Insurance	628,380	779,638
License fees	124,087	126,923
Miscellaneous	1,230,335	2,422,163
	<u>\$ 2,893,277</u>	<u>\$ 4,072,820</u>



**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**(Unaudited, in United States Dollars, except share amounts)**

**5. Property and Equipment**

	Land and Improvements	Buildings	Equipment	Leasehold Improvements	Construction in Progress	Total
<b>Gross carrying amount</b>						
At December 31, 2023	\$ 6,691,107	\$ 17,639,365	\$ 13,843,385	\$ 64,551,017	\$ 5,583,614	\$ 108,308,488
Additions	-	830,168	345,749	-	1,703,203	2,879,120
Disposals	-	-	(19,445)	-	(62,960)	(82,405)
At March 31, 2024	<u>\$ 6,691,107</u>	<u>\$ 18,469,533</u>	<u>\$ 14,169,689</u>	<u>\$ 64,551,017</u>	<u>\$ 7,223,857</u>	<u>\$ 111,105,203</u>
<b>Depreciation</b>						
At December 31, 2023	\$ 262,259	\$ 914,436	\$ 8,803,434	\$ 30,776,662	\$ -	\$ 40,756,791
Additions	5,546	189,400	602,230	2,220,544	-	3,017,720
Disposals	-	-	(11,633)	-	-	(11,633)
At March 31, 2024	<u>\$ 267,805</u>	<u>\$ 1,103,836</u>	<u>\$ 9,394,031</u>	<u>\$ 32,997,206</u>	<u>\$ -</u>	<u>\$ 43,762,878</u>
<b>Carrying amount</b>						
At December 31, 2023	<u>\$ 6,428,848</u>	<u>\$ 16,724,929</u>	<u>\$ 5,039,951</u>	<u>\$ 33,774,355</u>	<u>\$ 5,583,614</u>	<u>\$ 67,551,697</u>
At March 31, 2024	<u>\$ 6,423,302</u>	<u>\$ 17,365,697</u>	<u>\$ 4,775,658</u>	<u>\$ 31,553,811</u>	<u>\$ 7,223,857</u>	<u>\$ 67,342,325</u>

As at March 31, 2024, costs related to the construction of facilities were capitalized as construction in progress and not depreciated. Once construction is completed, the construction in progress balance is moved to the appropriate fixed asset account and depreciation commences.

For the three months ended March 31, 2024, depreciation expense was \$3,017,720 (2023 - \$3,259,999) of which \$958,697 (2023 - \$1,024,535) was included in cost of goods sold and inventory.

During the three months ended March 31, 2024, no amounts were transferred from Construction in Progress to the other fixed accounts.

**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**(Unaudited, in United States Dollars, except share amounts)**

**6. Intangible Assets**

	Retail Dispensary Santa Ana	Retail Dispensary Clark County	Cultivation and Production Clark County	Cultivation Coalinga CA	Retail Dispensary Waukegan IL	Other	Total
<b>Gross carrying amount</b>							
Balance, December 31, 2023	\$ 6,151,343	\$ 690,000	\$ 709,798	\$ 5,860,000	\$ 1,812,656	\$ 30,000	\$ 15,253,797
Additions	-	-	-	-	-	-	-
Balance at March 31, 2024	<u>\$ 6,151,343</u>	<u>\$ 690,000</u>	<u>\$ 709,798</u>	<u>\$ 5,860,000</u>	<u>\$ 1,812,656</u>	<u>\$ 30,000</u>	<u>\$ 15,253,797</u>

Acquisition of 51% Interest in Planet 13 Illinois

On February 7, 2023, the Company purchased the remaining 51% ownership interest in Planet 13 Illinois from a third party pursuant to an option purchase agreement that was entered into between such third party and the Company on August 4, 2022. The aggregate purchase price for the interest was \$1,812,656 and consisted of \$866,250 in cash consideration \$946,406 in share consideration. The share consideration was comprised of 1,063,377 common shares of the Company at a fair value of C\$1.18 (USD \$0.89) per common share, which were issued on February 7, 2023.

Florida License

On January 22, 2024, the Company entered into a definitive agreement to sell its Planet 13 Florida, Inc. entity for \$9,000,000 which, at the time of sale will hold no assets other than a Florida medical marijuana treatment center (“MMTC”) license. The value of the Florida license at December 31, 2023 was less than the carrying amount of the license. Consequently, the Company recorded an impairment charge of \$46,846,866 against the carrying value of its Florida MMTC license. The impairment loss is reflected in the statement of operations and comprehensive loss under the caption “Impairment Loss.” During the fourth quarter of 2023, the Company committed to a plan to sell its Florida license. Accordingly, the license held by the Company’s Florida subsidiary was presented as an asset held for sale on the consolidated balance sheet as of December 31, 2023.

VidaCann Membership Interest Purchase Agreement

On August 28, 2023, we entered into a Membership Interest Purchase Agreement (“**Purchase Agreement**”) with VidaCann, LLC (“**VidaCann**”), Loop’s Dispensaries, LLC (“**Dispensaries**”), Ray of Hope 4 Florida, LLC (“**Ray of Hope**”) and Loops Nursery & Greenhouses, Inc. (“**Nursery**” and together with Dispensaries and Ray of Hope, the “**Sellers**”), David Loop (“**Loop**”) and Mark Ascik (together with Loop, the “**Indemnifying Members**”) and Loop, solely in his capacity as Seller Representative, pursuant to which, upon the terms and subject to the conditions set forth therein, the Company will acquire from the Sellers all of the membership interests in VidaCann (the “**Transaction**”). The Transaction is expected to close in May, 2024.

**PLANET 13 HOLDINGS INC.**

**Notes to the Interim Condensed Consolidated Financial Statements  
(Unaudited, in United States Dollars, except share amounts)**

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Pursuant to the Purchase Agreement, the Company will acquire VidaCann from the Sellers for agreed consideration at closing of the Transaction (the “Closing”) equal to the sum of: (i) 78,461,538 shares of common stock of the Company (the “Base Share Consideration”), of which 1,307,698 shares will be issued to VidaCann’s industry advisor (the “VC Advisor”); (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 was valued at approximately US\$48.9 million at that time. 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 Closing.

The Purchase Agreement contains customary representations, warranties and covenants. The Sellers and VidaCann have agreed to use commercially reasonable efforts to operate their business in the ordinary course consistent with past practice prior to the Closing and to refrain from taking certain actions without the Company’s consent. The parties have each agreed to use their respective reasonable best efforts to consummate the Transaction, including to obtain required regulatory approvals and certain consents.

The Sellers, Indemnifying Members and the Company have each agreed to customary indemnification obligations with respect to breaches of their respective representations and warranties and failures to perform their respective obligations under the Purchase Agreement following the Closing. The Indemnifying Members’ indemnification obligations are subject to certain customary limitations and deductibles.

The Transaction is subject to the satisfaction or waiver of certain conditions set forth in the Purchase Agreement, including, among others, (i) the sale of the Company’s MMTC license in Florida to a third party, including any regulatory approvals required to effectuate the sale; (ii) the receipt of all regulatory consents from governmental authorities related to the operation of a cannabis business and consents required by the CSE; (iii) the receipt of certain third-party contractual consents and entry into certain other contractual arrangements; (iv) the entry into a non-compete agreement between the Company and each of the Indemnifying Members and Bobby Loehr; (v) the absence of any law or governmental order prohibiting the consummation of the Transaction; (vi) the accuracy of the parties respective representations and warranties; and (vii) the performance by the parties of their respective obligations under the Purchase Agreement.

The Sellers will be granted the right on closing to nominate one additional (fifth), director to the board of directors of the Company (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’s shareholders. 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.

Post-transaction, and based on the number of outstanding shares as of August 28, 2023, the former equity holders of VidaCann, along with the VC Advisor, are expected to have approximately 25.2 % pro forma ownership in the Company on a fully diluted basis, before factoring in any adjustments to the Base Share Consideration. 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.

## **7. Leases**

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The Company’s lease agreements are for cultivation, manufacturing, retail office premises and for vehicles. The property lease terms range between 5 years and 21 years depending on the facility and are subject to an average of 2 renewal periods of equal length as the original lease. Certain leases include escalation clauses or payment of executory costs such as property taxes, utilities, or insurance and maintenance. Rent expense for leases with escalation clauses is accounted for on a straight-line basis over the lease term. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**PLANET 13 HOLDINGS INC.**

**Notes to the Interim Condensed Consolidated Financial Statements  
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The following table provides the components of lease costs recognized in the unaudited interim condensed consolidated statement of operations and comprehensive loss for the three-month periods ended March 31, 2024 and 2023:

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Operating lease costs	\$ 1,264,185	\$ 1,244,641
Short term lease expense	12,550	4,596
<b>Total lease costs</b>	<b>\$ 1,276,735</b>	<b>\$ 1,249,237</b>

Other information related to operating and finance leases as of and for the three months ended March 31, 2024 and 2023 are as follows:

	<b>March 31, 2024</b>		<b>March 31, 2023</b>	
	<b>Finance Lease</b>	<b>Operating Lease</b>	<b>Finance Lease</b>	<b>Operating Lease</b>
Weighted average discount rate	15.00%	15.00%	15.00%	15.00%
Weighted average remaining lease term	-	11.26	-	13.02

The maturity of the contractual undiscounted lease liabilities as of March 31, 2024 and December 31, 2023 are:

	<b>2024</b>	<b>2023</b>
	<b>Operating Lease</b>	<b>Operating Lease</b>
2024	\$ 3,309,076	\$ 4,226,472
2025	4,486,721	4,318,603
2026	4,496,777	4,323,725
2027	4,592,372	4,414,249
2028	4,769,066	4,585,323
2029	4,942,234	4,753,273
2030	4,391,369	-
Thereafter	42,044,848	46,355,092
<b>Total undiscounted lease liabilities</b>	<b>73,032,463</b>	<b>72,976,737</b>
<b>Interest on lease liabilities</b>	<b>(46,451,583)</b>	<b>(47,030,437)</b>
<b>Total present value of minimum lease payments</b>	<b>26,580,880</b>	<b>25,946,300</b>
<b>Lease liability - current portion</b>	<b>(779,389)</b>	<b>(674,594)</b>
<b>Lease liability</b>	<b>\$ 25,801,491</b>	<b>\$ 25,271,706</b>

Principally all leases relate to real estate.

For the three months ended March 31, 2024, the Company incurred \$1,264,185 of operating lease costs (2023 - \$1,244,641), of which \$489,239 (2023 - \$460,005) was allocated to cost of goods sold and inventory.

See Note 14 for additional supplemental cash flow information related to leases.

**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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**8. Notes Payable**

	<b>March 31, 2024</b>	December 31, 2023
Promissory note dated November 4, 2015, with semi-annual interest at 5.0%, secured by deed of trust, due December 1, 2019	<b>884,000</b>	884,000
	<u>\$ <b>884,000</b></u>	<u>\$ 884,000</u>
Less current portion	<u><b>(884,000)</b></u>	<u>(884,000)</u>
	<u>\$ -</u>	<u>\$ -</u>

Stated maturities of debt obligations are as follow:

Next 12 months Promissory Note	<u>\$ 884,000</u>
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**9. Share Capital**

The Company is authorized to issue 1,500,000,000 shares of common stock and 50,000,000 shares of preferred stock.

	<b>Number of Shares of Common Stock</b>	
	<b>March 31, 2024</b>	December 31, 2023
<b>Common Stock</b>		
Balance at January 1	<b>223,317,270</b>	220,470,061
Shares issued on settlement of RSUs	i. <b>1,224,278</b>	783,832
Shares issued on exercise of purchase option (Note 6)	ii. -	1,063,377
Shares issued on legal settlement	iii. -	1,000,000
Shares issued on public offering	iv. <b>18,750,000</b>	-
<b>Total shares of common stock outstanding</b>	<u><b>243,291,548</b></u>	<u>223,317,270</u>

i. Shares issued for Restricted Share Units

During the three months ended March 31, 2024, 485,185 RSUs were awarded under the 2023 Equity incentive plan. 185,185 of these RSUs vested (of which 83,333 RSUs were surrendered in exchange for tax withholding payments), 1,224,278 of vested RSUs were settled and no RSUs were cancelled. The Company did not receive any cash proceeds on the settlement of the RSUs.

During the year ended December 31, 2023, the Company issued 783,832 common shares on the settlement of RSUs that had vested during the period. The Company did not receive any cash proceeds on the settlement.

ii. Shares issued on exercise of purchase option

On February 7, 2023 The Company acquired the 51% ownership interest in Planet 13 Illinois LLC pursuant to an option agreement in exchange for cash consideration and the issuance of 1,063,377 shares of common stock of The Company (See Note 6).

**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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iii. Shares issued in legal settlement

On November 14, 2024, pursuant to a settlement agreement, we issued 1,000,000 shares of common stock and paid \$300,000 in consideration for settlement of claims advanced by the SDC parties against Next Green Wave Holdings, Inc. As a result of our acquisition of Next Green Wave Holdings Inc. on March 2, 2022, we assumed all the liabilities of Next Green Wave Holdings. The value of the shares at time of settlement were CAD\$1.00 with an exchange rate of 0.7287 CAD to USD for a total value of \$728,700.

iv. Shares issued on public offering

On March 7, 2024, the Company issued and sold 18,750,000 units of the Company (the “Units”) at a public offering price of \$0.60 per Unit. Each Unit consisted of one share (each, a “Share”) of common stock, no par value, of the Company (“Common Stock”) and one warrant. Each warrant (a “Warrant”) entitles the holder to purchase one share of Common Stock for a period of 5 years following the closing date of the Offering at an exercise price of US\$0.77, subject to adjustments in certain events. Total gross proceeds to the Company were approximately US\$11.3 million.

**10. Warrants**

The following table summarizes the fair value of the warrant liability at March 31, 2024 and December 31, 2023.

	<b>March 31, 2024</b>	December 31, 2023
Balance - beginning of period	\$ -	\$ 18,127
Expirations	-	(18,127)
Foreign exchange	-	-
Change in fair value	-	-
Balance - end of period	<u>\$ -</u>	<u>\$ -</u>

The warrant liability is adjusted to fair value on the date the warrants are exercised and at the end of each reporting period. The amount that is reclassified to equity on the date of exercise is the fair value at that date.

The following table summarizes the number of warrants outstanding at March 31, 2024 and December 31, 2023. The 18,750,000 warrants issued on March 7, 2024 have an expiry date of March 7, 2029.

	<b>March 31, 2024</b>	<b>Weighted Average Exercise Price - USD</b>	<b>December 31, 2023</b>	<b>Weighted Average Exercise Price - CAD</b>
Balance - beginning of period	-	\$ -	5,206,463	\$ 8.88
Exercised	-	\$ -	-	\$ -
Issued	<b>18,750,000</b>	<b>\$ 0.77</b>	-	\$ -
Expired	-	\$ -	(5,206,463)	\$ 8.88
Balance - end of period	<u><b>18,750,000</b></u>	<u><b>\$ 0.77</b></u>	<u>-</u>	<u>\$ -</u>

**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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**11. Share Based Compensation**

At the 2023 Annual General and Special Meeting, the shareholders of Planet 13 BC voted to approve and adopt the Planet 13 Holdings Inc. 2023 Equity Incentive Plan (the “**2023 Equity Plan**”), which was contingent upon the completion of the Domestication, and became effective on September 15, 2023. As of September 15, 2023, the Company may not grant any new awards under the Planet 13 Holdings Inc. 2018 Stock Option Plan and Planet 13 Holdings Inc. 2018 Share Unit Plan (collectively, the “**Prior Plans**”), and the Prior Plans will continue to govern awards previously granted under them.

A total of 22,000,000 shares of Common Stock are available for grants under the 2023 Equity Plan and all other security based compensation arrangements of the Company, including the Prior Plans (the “**Total Share Reserve**”). Any outstanding awards under the Prior Plans on September 15, 2023 count towards the Total Share Reserve. As of September 15, 2023, 1,926,861 awards issued under the Prior Plans remained outstanding and, as of March 31, 2024, a maximum number of 19,587,954 shares of Common Stock are available for issuance under the 2023 Equity Plan, subject to adjustment pursuant to the terms of the 2023 Equity Plan.

**(a) Stock Options**

During the three months ended March 31, 2024 and the year ended December 31, 2023

No incentive stock options were granted during the three months ended March 31, 2024 or the year ended December 31, 2023.

The following table summarizes information about stock options outstanding at March 31, 2024:

<u>Expiry Date</u>	<u>Exercise price CAD\$</u>	<u>March 31, 2024 Outstanding</u>	<u>March 31, 2024 Exercisable</u>	<u>December 31, 2023 Outstanding</u>	<u>December 31, 2023 Exercisable</u>
November 21, 2024	\$ 1.31	185,203	185,203	185,203	185,203
February 27, 2025	\$ 1.31	51,525	51,525	51,525	51,525
December 15, 2025	\$ 3.06	269,075	269,075	269,075	269,075
September 30, 2026	\$ 4.37	97,322	97,322	97,322	97,322
		<u>603,125</u>	<u>603,125</u>	<u>603,125</u>	<u>603,125</u>

The following table reflects the continuity of stock options for the period presented:

	<u>March 31, 2024</u>	<u>Weighted Average Exercise Price - CAD</u>	<u>December 31, 2023</u>	<u>Weighted Average Exercise Price - CAD</u>
Balance - beginning of period	603,125	\$ 2.58	792,518	\$ 2.34
Expired	-	-	(189,393)	2.46
Balance - end of period	<u>603,125</u>	<u>\$ 2.58</u>	<u>603,125</u>	<u>\$ 2.58</u>

Share based compensation expense attributable to employee options was \$0 and \$0 for the three months ended March 31, 2024 and 2023, respectively.

The total intrinsic value of stock options exercised, outstanding and exercisable as of March 31, 2024 and December 31, 2023 was \$0, \$0 and \$0, respectively.

**PLANET 13 HOLDINGS INC.**  
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**(b) Restricted Share Units**

The Company had established the 2018 Share Unit Plan (the “**RSU Plan**”) for employees, management, directors, and consultants of the Company, as designated and administered by a committee of the Company’s Board of Directors. Under the RSU Plan, the Company could grant RSUs and/or options for up to 10% of the issued and outstanding common shares of the Company. The maximum term of an RSU grant is five years and the related vesting period runs from immediate to the life of the grant.

The following table summarizes the RSUs that are outstanding as at March 31, 2024 and December 31, 2023:

	<b>March 31, 2024</b>	December 31, 2023
Balance - beginning of period	<b>1,122,429</b>	2,464,928
Issued	<b>485,185</b>	-
Exercised	<b>(1,224,278)</b>	(783,832)
Surrendered for taxes	<b>(83,333)</b>	(477,506)
Forfeited	-	(81,161)
Rounding adjustment	<b>(3)</b>	-
Balance - end of period	<b>300,000</b>	1,122,429

The Company recognized \$104,338 in share-based compensation expense attributable to the RSU vesting schedule for the three months ended March 31, 2024 (\$720,991 for the three months ended March 31, 2023).

During the three months ended March 31, 2024

485,185 RSU's were granted, and 185,185 RSUs vested and were exercised, of which 83,333 were surrendered in exchange for payment of tax withholdings. The Company did not receive any cash proceeds from the settlement of the RSUs.

During the three months ended March 31, 2023

No RSUs were granted, exercised or vested.

**12. Loss Per Share**

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	March 31, 2023
<b>Loss available to common shareholders</b>	<b>\$ (5,873,769)</b>	\$ (8,480,149)
Weighted average number of shares outstanding, basic and diluted	<b>228,437,545</b>	221,084,457
<b>Basic and diluted loss per share</b>	<b>\$ (0.03)</b>	\$ (0.04)

19,653,125 and 3,257,446 potentially dilutive securities for the three months ended March 31, 2024 and 2023, respectively, were excluded in the calculation of diluted EPS as their impact would have been anti-dilutive due to the net losses for such periods.



**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**(Unaudited, in United States Dollars, except share amounts)**

**13. General and Administrative**

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Salaries and wages	\$ 3,665,242	\$ 3,670,072
Share based compensation	104,338	720,991
Executive compensation	632,362	731,177
Licenses and permits	561,616	641,602
Payroll taxes and benefits	973,275	872,173
Supplies and office expenses	240,820	319,086
Subcontractors	117,219	506,787
Professional fees (legal, audit and other)	2,171,039	2,211,799
Miscellaneous general and administrative expenses	1,558,876	1,281,320
	<u>\$ 10,024,787</u>	<u>\$ 10,955,007</u>

**14. Supplemental Cash Flow Information**

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Change in Working Capital</b>		
Accounts Receivable	\$ 160,462	\$ 100,354
Inventory	(1,238,177)	(1,295,309)
Prepaid Expenses and Other Assets	1,179,543	784,157
Long-term Deposits and Other Assets	69,096	-
Deferred Tax Assets	(19,158)	70,169
Deferred Tax Liabilities	(733)	(2,170)
Accounts Payable	(829,695)	(519,789)
Accrued Expenses	(956,061)	(1,534,764)
Income Taxes Payable	2,716,874	(702,501)
	<u>\$ 1,082,151</u>	<u>\$ (3,099,853)</u>
<b>Cash Paid</b>		
Interest Paid on Leases	\$ 989,887	\$ 3,720,587
Income Taxes	\$ -	\$ 2,965,000
<b>Non-cash Financing and Investing Activities</b>		
Shares Issued on Exercise of Purchase Option	\$ -	\$ 964,406
Lease additions	\$ 725,406	\$ 954,496
Fixed Asset Amounts in Accounts Payable	\$ 16,089	\$ 26,225
Reclassification of long term lease liabilities to current	\$ 104,795	\$ 32,318

**PLANET 13 HOLDINGS INC.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
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**15. Related Party Transactions and Balances**

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Related party transactions are summarized as follows:

For the three-month period ended March 31, 2024, no amounts other than compensation were paid to related parties (March 31, 2023 - \$nil).

For the three-month period ended March 31, 2024, no amounts were due to related parties (December 31, 2023 - \$nil).

**16. Commitments and Contingencies**

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**(a) Construction Commitments**

The Company had \$2,157,092 of outstanding construction commitments as of March 31, 2024 (December 31, 2023 - \$3,140,447).

**(b) Contingencies**

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulations at March 31, 2024, medical and adult use cannabis regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

**(c) Claims and Litigation**

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. At March 31, 2024, and December 31, 2023, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

**(d) Operating Licenses**

Although the possession, cultivation, and distribution of marijuana for medical and adult use is permitted in Nevada and California, and for medical use these activities are permitted in Florida, marijuana is a Schedule I controlled substance and its use remains a violation of federal law. Since federal law criminalizing the use of marijuana pre-empts state laws that legalize its use, strict enforcement of federal law regarding marijuana would likely result in the Company's inability to proceed with our business plans. In addition, the Company's assets, including real property, cash, equipment, and other goods, could be subject to asset forfeiture because marijuana is still federally illegal.

**17. Risks**

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*Credit risk*

Credit risk is the risk that a third party might fail to discharge its obligations under the terms of a financial instrument. Credit risk arises from cash with banks and financial institutions. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits credit risk by entering into business arrangements with high credit-quality counterparties.

The Company evaluates the collectability of its accounts receivable and maintains an allowance for credit losses at an amount sufficient to absorb losses inherent in the existing accounts receivable portfolio as of the reporting dates based on the estimate of expected net credit losses.

**PLANET 13 HOLDINGS INC.**  
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**(Unaudited, in United States Dollars, except share amounts)**

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*Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently does not carry variable interest-bearing debt. It is management's opinion that the Company is not exposed to significant interest rate risk.

*Price risk*

Price risk is the risk that the trading price of the Company's shares will fluctuate and result in an increase or decrease in the fair value of the warrant liability. The Company is not exposed to significant price risk.

*Liquidity risk*

The Company's approach to managing risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2024, the Company's financial liabilities consist of accounts payable, accrued liabilities, obligations under operating leases and taxes. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. Historically, the Company's main source of funding has been the public issuance of common equity. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing.

*Concentration risk*

The Company operates exclusively in Southern Nevada and Southern California. Should economic conditions deteriorate within that region, its results of operations and financial position would be negatively impacted.

*Banking risk*

Notwithstanding that a majority of states have legalized medical marijuana, there has been no change in US federal banking laws related to the deposit and holding of funds derived from activities related to the cannabis industry. Given that US federal law provides that the production and possession of cannabis is illegal, there is a strong argument that banks cannot accept or deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty accessing the US banking system and traditional financing sources. The inability to open bank accounts with certain institutions may make it difficult to operate the business of the Company and leave the Company's cash holdings vulnerable.

*Asset forfeiture risk*

Because the cannabis industry remains illegal under US federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property was never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which with minimal due process, it could be subject to forfeiture.

*Currency rate risk*

As at March 31, 2024, a portion of the Company's financial assets and liabilities held in Canadian dollars consist of cash of \$nil (December 31, 2023 - \$65,202). The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in the functional currency. The Company is exposed to currency rate risk in other comprehensive income, relating to foreign subsidiaries which operate in a foreign currency. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not significant at this point in time.

The Company's exposure to a 10% change in the foreign exchange rate at March 31, 2024 is \$nil.

**PLANET 13 HOLDINGS INC.**  
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**18. Disaggregated Revenue**

The following table presents the Company's disaggregated revenue by sales channel:

	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Retail	\$ 19,037,664	\$ 20,352,966
Wholesale	3,839,807	4,562,430
Net revenues	<u>\$ 22,877,471</u>	<u>\$ 24,915,396</u>

**19. Government Assistance Program**

On March 18, 2020, the Families First Coronavirus Act was enacted ("FFCRA"). On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act ("CARES") was enacted. Together, these acts created refundable payroll tax credits for paid sick leave, paid family leave and an employee retention credit. The CARES Act was subsequently modified by the Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted December 27, 2020, which amended and extended the employee retention credit under the CARES Act for the first and second quarters of 2021. The American Rescue Act of 2021 further modified and extended the CARES Act for the third and fourth quarters of 2021. These acts provide for a refundable credit against certain employment taxes, including FICA, Medicare and deposits of employee payroll withholding taxes. Income tax credits are not provided for under these acts. The ERC credit, as modified by the foregoing, increased the available credit from 50% of qualified wages of up to \$10,000 per quarter paid to an employee, or \$5,000 per qualified employee per quarter, to 70% of qualified wages of up to \$10,000 per quarter, or \$7,000 per qualified employee per quarter. The Company qualifies for the ERC credit under the CARES Act, as modified. On June 15, 2023, the Company's wholly-owned subsidiary, MM Development Company, Inc., received and recorded payment from the Internal Revenue Service in the amount of \$1,955,711 related to the ERC credit for the first quarter of 2021. This amount is included in Other Income, Net on the Company's Annual Consolidated Statements of Operations and Comprehensive Loss for the year ended December 31, 2023. The Company accounted for the ERC credit pursuant to the guidance established in ASC 450-30, Gain Contingencies.

**20. Provision for Stolen Funds**

As reported in a press release issued by the Company on November 17, 2023, on June 20, 2021, the Company engaged El Capitan Advisors, Inc. ("El Capitan"), an investment advisor registered with the Securities and Exchange Commission (the "SEC"), for cash management services. One of the Company's accounts managed by El Capitan was held at Bridge Bank, a division of Western Alliance Bank (collectively "WAB"). Pursuant to a dispute unrelated to the Company, Casa Verde Capital, L.P. and Casa Verde Capital EF, L.P. (collectively "Casa Verde") obtained a \$35.0 million default judgment against El Capitan, which is a portfolio company of Casa Verde. Casa Verde then levied that judgment causing approximately \$5.4 million of the Company's funds held at WAB (the "WAB Funds") and managed by El Capitan to be directed to the Orange County, California Sheriff's Office (the "Sheriff's Office") on September 21, 2023. The \$5.4 million has been recorded as restricted cash as at December 31, 2023.

On or around October 24, 2023, the Company became aware of the levy against the WAB Funds and thereafter filed a third-party claim (the "WAB Claim") of exemption asserting rightful ownership over the WAB Funds.

The Company has secured a partial settlement with Casa Verde for the release of \$3.4 million of the WAB Funds, which the Company received on January 31, 2024. The remaining approximately \$2 million of the WAB Funds (the "Remaining Levied Funds") is still in the possession of the Sheriff's Office while litigation is ongoing. The Company has not relinquished any right to the Remaining Levied Funds and continues to pursue their return. A hearing on the ultimate disposition of the Remaining Levied Funds is scheduled for May 30, 2024.

**PLANET 13 HOLDINGS INC.**

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**(Unaudited, in United States Dollars, except share amounts)**

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After filing the WAB Claim in November 2023, the Company also took immediate action to withdraw the remaining approximately \$16.5 million that the Company held in two additional Company accounts managed by El Capitan (the “**Additional Funds**”). El Capitan has refused to honor the Company’s further withdrawal requests with respect to the Additional Funds and at this time it is unclear whether the Additional Funds will be returned. Based on discussions with El Capitan to secure the withdrawal of the Additional Funds and purported bank statements provided by El Capitan, the Company has reason to believe that the Additional Funds were misappropriated by El Capitan.

On January 22, 2024, the Company initiated a lawsuit in Santa Monica, California against El Capitan, El Capitan’s founder and Chief Executive Officer—Andrew Nash, Casa Verde, Casa Verde’s Managing Member—Karan Wadhwa, and Jamie Nash, the spouse of Andrew Nash (collectively, the “**Defendants**”) seeking approximately \$16.5 million in compensatory damages and other relief. The Company alleges that each Defendant is liable for their involvement in a scheme to defraud the Company of funds managed by El Capitan in its capacity as the Company’s fiduciary.

The loss provision for the three months ended March 31, 2024 was \$0, compared to a loss of \$2,000,000 for the three months ended March 31, 2023.

**21. Subsequent Events**

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None.