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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K/A**

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 10, 2024

**PLANET 13 HOLDINGS INC.**

(Exact name of registrant as specified in its charter)

<u>Nevada</u> (State or other jurisdiction of incorporation)	<u>000-56374</u> (Commission File Number)	<u>83-2787199</u> (I.R.S. Employer Identification Number)
<u>2548 West Desert Inn Road, Suite 100 Las Vegas, Nevada</u> (Address of principal executive offices)		<u>89109</u> (Zip Code)

(702) 815-1313

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.424)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On May 14, 2024, Planet 13 Holdings Inc. (the “Company”) filed a Current Report on Form 8-K (the “Original Filing”) reporting the completion of its acquisition of all of the membership interests in VidaCann, LLC (“VidaCann”). This amendment amends the Original Filing to include financial statements of VidaCann required by Item 9.01(a) and pro forma financial statements of the Company required by Item 9.01(b).

**Item 9.01 Financial Statements and Exhibits.****(a) Financial Statements of businesses or funds acquired.**

The audited financial statements of VidaCann as of and for the fiscal year ended December 31, 2023 are filed as Exhibit 99.1 and incorporated into this Item 9.01(a). The unaudited financial statements of VidaCann as of March 31, 2024 and for the three months ended March 31, 2024, and the notes related thereto, are filed as Exhibit 99.2 and incorporated into this Item 9.01(a). The audited financial statements of VidaCann as of and for the fiscal year ended December 31, 2022 were filed as Exhibits 99.4 of the Company’s Current Report on Form 8-K, filed on March 4, 2024, and are incorporated into this Item 9.01(a).

**(b) Pro forma financial information.**

The unaudited pro forma condensed combined balance sheet as of March 31, 2024 and the unaudited pro forma condensed combined statements of operations and comprehensive income for the three months ended March 31, 2024 and for the year ended December 31, 2023 are filed as Exhibit 99.4 and incorporated into this Item 9.01(b).

**(d) Exhibits**

Exhibit No.	Description	Incorporated by Reference			Filed/Furnished Herewith
		Form	Exhibit	Filing Date	
23.1	<a href="#">Consent of Masters, Smith &amp; Wisby, P.A. (VidaCann 2022).</a>	8-K	23.2	03/04/2024	
23.2	<a href="#">Consent of Masters, Smith &amp; Wisby, P.A. (VidaCann 2023).</a>				✓
99.1	<a href="#">Audited financial statements of VidaCann, LLC as of December 31, 2023 and for the year ended December 31, 2023, and the notes related thereto.</a>				✓
99.2	<a href="#">Unaudited financial statements of VidaCann, LLC as of March 31, 2024 and for the three months ended March 31, 2024, and the notes related thereto.</a>				✓
99.3	<a href="#">Audited financial statements of VidaCann, LLC as of December 31, 2022 and for the year ended December 31, 2022, and the notes related thereto.</a>	8-K	99.4	03/04/2024	
99.4	<a href="#">Unaudited Pro Forma Consolidated Financial Statements.</a>				✓
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document.				

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Planet 13 Holdings Inc.

Date: July 24, 2024

By: /s/ Robert Groesbeck  
Name Robert Groesbeck  
Its: Co-Chief Executive Officer

Date: July 24, 2024

By: /s/ Larry Scheffler  
Name Larry Scheffler  
Its: Co-Chief Executive Officer

**CONSENT OF INDEPENDENT AUDITORS**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-274829) and Form S-8 (No. 333-264140 and No. 333-274566) of Planet 13 Holdings Inc. of our report dated April 15, 2024, relating to the financial statements of VidaCann LLC for the year ended December 31, 2023 appearing in this Current Report on Form 8-K dated July 24, 2024.

/s/ Masters, Smith & Wisby, P.A.

Jacksonville, Florida  
July 24, 2024

*Financial Statements*

**VIDACANN, LLC**

December 31, 2023



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## INDEPENDENT AUDITOR'S REPORT

To Management and the Members  
Vidacann, LLC  
Jacksonville, Florida

### **Opinion**

We have audited the accompanying financial statements of Vidacann, LLC., which comprise the balance sheet as of December 31, 2023, and the related statement of income, changes in members equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vidacann, LLC. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vidacann, LLC. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Vidacann, LLC.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vidacann, LLC.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vidacann, LLC.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ Masters, Smith & Wisby P.A.  
Certified Public Accountants  
Jacksonville, Florida

April 15, 2024



VIDACANN, LLC.

**BALANCE SHEET**  
**December 31, 2023**

ASSETS

**Current Assets:**

Cash and cash equivalents	\$ 2,477,687
Inventory	5,351,599
Capitalized cultivation costs	1,985,854
Prepaid expenses	124,056
Total Current Assets	<u>9,939,196</u>

**Property and Equipment:**

Leasehold improvements	14,731,111
Machinery, equipment and vehicles	6,625,701
Furniture and fixtures	523,072
Computer equipment and software	271,796
Construction in progress	74,682
	<u>22,226,362</u>
Accumulated depreciation	(4,693,044)
Total Property and Equipment	<u>17,533,318</u>

**Other Assets:**

Operating lease right-of-use assets	20,874,473
Intangible assets - net	81,081
Deposits and other assets	386,722
Total Other Assets	<u>21,342,276</u>

Total Assets	<u>\$ 48,814,790</u>
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LIABILITIES AND MEMBERS' EQUITY

**Current Liabilities:**

Accounts payable	\$ 689,115
Accrued expenses	357,795
Line of credit	2,979,742
Current portion of long-term debt	74,339
Current portion of operating lease liabilities	4,107,362
Total Current Liabilities	<u>8,208,353</u>

**Long-Term Liabilities:**

Long-term debt	110,629
Operating lease liabilities, less current portion	16,950,911
Due to investors	2,194,481
Total Long-Term Liabilities	<u>19,256,021</u>

Total Liabilities	27,464,374
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Members' Equity	<u>21,350,416</u>
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Total Liabilities and Members' Equity	<u>\$ 48,814,790</u>
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See Accompanying Notes to the Financial Statements

VIDACANN, LLC

STATEMENT OF INCOME  
Year Ended December 31, 2023

Net Sales	\$ 34,263,343
Cost of Goods Sold	<u>21,688,917</u>
Gross Profit	<u>12,574,426</u>
Selling, General and Administrative Expenses:	
Salaries, wages and related payroll expenses	14,830,186
Rent	4,229,636
Cultivation/branding fees	878,738
Packaging and supplies	4,766,280
Advertising	398,955
Automobile	234,577
Depreciation	1,270,563
Employee benefits	491,748
Contributions	3,025
Commissions	262,184
Insurance	673,332
Outside services	237,255
Professional fees	604,374
License and permits	71,908
Office expense	781,763
Taxes	147,372
Amortization	17,186
Retail expense	77,416
Product testing	830,856
Royalties	4,721
Travel	152,501
Utilities	1,014,368
Repairs	<u>638,425</u>
Total Selling, General and Administrative Expenses	<u>32,617,369</u>
Applied overhead costs	<u>(19,706,192)</u>
Operating Loss	<u>(336,751)</u>
Other Income (Expense):	
Employee retention credit refund, net	2,798,264
Regulatory assessments	(401,500)
Loss on sale of property and equipment and discontinued operations	(69,837)
Interest expense	(537,774)
Other income, net	<u>50,000</u>
Net Income	<u>\$ 1,502,402</u>

See Accompanying Notes to the Financial Statements

VIDACANN, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

	<u>Loop's Dispensaries LLC - 74%</u>	<u>Loop's Nursery &amp; Greenhouses Inc. - 1%</u>	<u>Ray of Hope 4 Florida LLC - 25%</u>	<u>Total</u>
<b>Balances at January 1, 2023</b>	\$ 14,146,117	\$ 1,952,593	\$ 3,749,304	\$ 19,848,014
Net income	<u>1,111,777</u>	<u>15,024</u>	<u>375,601</u>	<u>1,502,402</u>
<b>Balances at December 31, 2023</b>	<u>\$ 15,257,894</u>	<u>\$ 1,967,617</u>	<u>\$ 4,124,905</u>	<u>\$ 21,350,416</u>

See Accompanying Notes to the Financial Statements

VIDACANN, LLC

STATEMENT OF CASH FLOWS  
Year Ended December 31, 2023

<b>Cash Flows from Operating Activities:</b>	
Net Income	\$ 1,502,402
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,270,563
Amortization	17,186
Loss on disposal of property and equipment	54,838
(Increase) decrease in:	
Inventory	(852,935)
Cultivation costs	575,741
Prepaid expenses	5,032
Other assets	358,395
Net operating lease liability	(348,145)
Increase (decrease) in:	
Accounts payable	253,131
Accrued expenses	60,389
	<hr/>
Net cash provided by operating activities	2,896,597
<b>Cash Flows From Investing Activities:</b>	
Proceeds from sale of property and equipment	4,800
Purchase of property and equipment	(494,399)
	<hr/>
Net cash used by investing activities	(494,399)
<b>Cash Flows from Financing Activities:</b>	
Repayment of long-term debt	(69,860)
Repayment to investors	(1,376,816)
	<hr/>
Net cash provided by financing activities	(1,446,676)
Net Increase in Cash and Cash Equivalents	955,522
Cash and Cash Equivalents at Beginning of Year	<hr/> 1,522,165
Cash and Cash Equivalents at End of Year	<u>\$ 2,477,687</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>	
Cash paid during the year for interest	<u>\$ 537,774</u>
<b>Non-Cash Investing and Financing Information:</b>	
Equipment acquired through note payable	<u>\$ 202,757</u>

See Accompanying Notes to the Financial Statements

VIDACANN, LLC

NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2023

A. Summary of Significant Accounting Policies:

Nature of Business

Vidacann, LLC (the “Company”) d/b/a VidaCann is a limited liability corporation formed on June 13, 2019 and is the successor to Vidacann, Ltd. which was formed on September 5, 2017 and dissolved on June 13, 2019. The Company is licensed in the State of Florida as a Medical Marijuana Treatment Center under Florida Statue 381.986. The Company maintains cultivation facilities located in Jacksonville, FL and a manufacturing complex also located in Jacksonville. The Company operates 27 dispensaries located throughout the state of Florida.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid instruments with original maturities of three months or less. No such instruments were held at December 31, 2023.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, other current assets, accounts payable, accrued liabilities, and notes payable approximate fair value because of the short maturity of those instruments.

Inventory

Inventories are stated at the lower of cost or net realizable value based on their estimated value in the process from seed to finished product. Inventories of harvested plants are transferred from cultivation costs at an estimated cost based on the value of distilled oils. As the plants are processed into distilled oils, they are revalued to reflect the value added in the distillation process. A final revaluation is made as the oils are manufactured into the finished product. Unused packaging and hardware are initially valued at cost, less any reserves for obsolescence. All inventories are determined on the first in first out (“FIFO”) method of accounting.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided principally using the straight-line method based on the following estimated useful lives of the assets:

	<u>Years</u>
Leasehold improvements	40
Machinery and equipment	10
Vehicles	10
Furniture and fixtures	5-10
Computer equipment and software	3-10

Depreciation expense was \$1,270,563 for the year ended December 31, 2023.

Expenditures for maintenance and repairs are charged to operations, while renewals and betterments are capitalized. The cost and associated accumulated depreciation of assets retired or disposed of are removed from the records and any resulting gain or loss is included in income.

VIDACANN, LLC

NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2023

A. Summary of Significant Accounting Policies (continued):

Capitalized Cultivation Costs

The Company has adopted FASB ACC 905 “*Agricultural Producers and Agricultural Cooperatives*”, which prescribes that all direct and indirect costs of growing crops be capitalized and reported at the lower of cost or net realizable value.

Intangible Assets

The Company has adopted FASB ASC 350, “Intangibles-Goodwill and Other.” This statement requires that an intangible asset with a definite life be amortized over that life in a pattern that reflects the use or consumption of the asset’s economic benefits. Intangible assets consist primarily of a licensing agreement and capitalized software costs totaling \$134,727. The accumulated amortization for these assets was \$53,646 at December 31, 2023. For those assets that have no definite useful life, however, no amortization is to be recorded until the remaining useful life is no longer indefinite. Intangible assets that are thus not subject to amortization should be analyzed annually to determine if there has been an impairment of the asset’s value, i.e., whether future economic benefits associated with that asset are less than its current recorded value. If necessary, an impairment loss would then be recognized to reduce the asset’s carrying value to its current fair value.

Leases:

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842). This guidance amends existing lease standards requiring lessees to recognize a liability for what were previously defined as operating leases, an off-balance sheet item, on their balance sheets with a corresponding right to use asset. The Company adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate used is the U.S. Treasury par yield curve rate based on the information available at the commencement date for all leases. The right-to-use asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company has elected, for all underlying classes of assets, to not recognize right-to-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

Revenue Recognition

The Company has adopted Financial Accounting Standards Board (FASB) ASU 2014-09 *Revenue from Contracts with Customers*. This ASU establishes a uniform 5-step (performance obligations) process to ensure that revenues are recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods and services. The standard also distinguishes the timing of revenues of those transferred at a point in time and those that are transferred over time.

VIDACANN, LLC

NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2023

**A. Summary of Significant Accounting Policies (continued):**

The Company adopted the standard using the modified retrospective approach as allowed under the standard which allows only contracts not completed as of the date of adoption, with no restatement of comparative periods. Management has determined that the adoption of ASU 2014-09 has not significantly altered the way revenue is recognized for the Company.

The company generates all its revenue from retail sales of its medical marijuana products in the State of Florida to licensed patients via its retail dispensaries. The performance obligations of these sales are satisfied at a point in time when the customer transfers the transaction price to the Company and the customer receives the product.

Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred. For the year ended December 31, 2023, the total cost of advertising and promotion charged to operations was \$398,955.

Income Taxes

The Company reports to its members their proportionate share of its modified cash basis income or loss for each tax year, with the members including that income or loss in their respective income tax returns. The Company itself is not a taxpaying entity for federal or state income tax purposes and accordingly, no income taxes have been recorded in these financial statements. The Company takes certain tax positions which it believes are adhering to the laws established by the taxing authorities taking into consideration IRS Section 280E rules. The Company doesn't believe it has taken any uncertain tax positions which could subject it to penalties or interest; therefore, none have been accrued in the accompanying financial statements.

Use of Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenue and expenses recognized during the period reported, actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

**B. Inventory:**

Inventory at December 31, 2023 consisted of the following:

Finish product - lab	\$ 2,622,300
Finish product-dispensaries	2,033,173
Packaging and supplies	<u>696,126</u>
Total Inventory	<u><u>\$ 5,351,599</u></u>

VIDACANN, LLC

**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

**C. Notes Payable:**

Notes payable consist of the following:

	<b>2023</b>
Notes payable to equipment finance company, payable in monthly payments of \$6,400 of principle and interest at 8.49%, secured by related equipment, maturing May 2026	\$ 162,148
Notes payable to equipment finance company, payable in monthly payments of \$1,976 of principle and interest at 0%, secured by related equipment, maturities through July 2026	22,820
Less current obligation	184,968 (74,339)
Note payable, net of current portion	<b>\$ 110,629</b>

Maturities of principal payment and the notes payable are as follows:

2024	74,339	
2025	78,771	
2026	31,858	
	<b>\$ 184,968</b>	

**D. Concentrations:**

The Company is limited by Florida law to retail customers residing in the State of Florida who have a valid medical marijuana certificate.

**E. Lease Commitments:**

The Company leases dispensary, cultivating, manufacturing facilities and vehicles under operating leases expiring in various years through 2029. The components of lease cost for the year ended December 31, 2023 are as follows:

Operating lease cost -buildings	\$ 4,229,636	
Operating lease costs – vehicles	104,438	
Total Lease Cost	<b>\$ 4,334,074</b>	

Amounts reported in the consolidated balance sheet as of December 31, 2023 were as follows:

Operating lease ROU assets	\$ 20,874,473	
Current portion of operating lease liability	\$ 4,107,362	
Long-term portion of operating lease liability	<b>\$ 16,950,911</b>	



VIDACANN, LLC

**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2023**

**E. Lease Commitments (continued):**

Other information related to leases as of December 31, 2023 was as follows:

Supplemental cash flow information:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flow from operating lease	\$ 4,334,074

ROU assets obtained in exchange for lease obligations	
Operating leases	\$ 1,524,185

Weighted average remaining lease term:	
Operating leases	5.06 years

Weighted average discount rate:	
Operating leases	1.29%

Maturities of lease liabilities under noncancelable operating leases as of December 31, 2023 are as follows:

2024		\$ 4,314,218
2025		4,042,094
2026		3,880,383
2027		3,816,919
2028		3,173,593
Thereafter		<u>2,591,072</u>
Total undiscounted leases		21,818,279
Less imputed interest		<u>(760,006)</u>
Total		<u><u>\$ 21,058,273</u></u>

**F. Line of Credit:**

The Company has a bank line of credit available for a total of \$3,000,000 secured by a blanket lien on business assets. This line of credit requires monthly interest payments at the WSJ Prime Rate plus 1.5% (10.00% at December 31, 2023). The line of credit is payable on demand and expires February 20, 2025.

**G. Related Party Transactions:**

Due to Investors

The Company had amounts due to several investors totaling \$1,376,817, with interest of 7.5% payable monthly. These notes were paid off in the 3rd quarter of the year ended December 31, 2023.

VIDACANN, LLC

NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2023

**G. Related Party Transactions (continued):**

The Company has amounts due to three investors totaling \$2,194,481, with interest ranging from 7.5% to 10% payable monthly. As repayment is not expected within the year they have been classified as long-term on the balance sheet.

Purchases

The Company's vendor for certain packaging supplies is owned by an investor. The Company incurred expenses of \$227,617 with this vendor for the year ended December 31, 2023.

Cultivation facility/land lease

In May of 2020, the Company entered into a land lease agreement for its cultivation facility with a member which calls for rent of \$300,000 per year, per greenhouse not to exceed \$4,000,000 per year. This agreement expires on December 31, 2029 with renewal options for two successive periods of five years each. During 2023, the Company operated 8 greenhouses the minimum rent payments for seven greenhouses are included in the schedule of lease payments at Note E.

Manufacturing facility lease

The Company leases its manufacturing facility under a ten -year lease agreement with an investor expiring on April 30, 2028. The initial base rent of \$126,000 per year, plus additional amounts for insurance, taxes and common area maintenance and base rent increases of 3% per year. Rent expense related to this lease was \$144,292 for the year ended December 31, 2023. Future minimum lease payments are included in the schedule of lease payments at Note E.

**H. Concentrations of Credit Risk:**

Cash balances are exposed to credit risk since the company periodically maintains balances in excess of FDIC insurance limits. The Company maintains its cash balances at a high-quality financial institution and does not believe it is exposed to any significant risk with respect to these cash balances. At December 31, 2023 cash balances exceed FDIC insured limits by \$1,196,366.

**I. Retirement Plan**

The Company has adopted a qualified 401(k) deferred compensation plan. Employees meeting certain eligibility requirements can participate in the plan by making elective salary deferrals up IRS limits. The plan provides for discretionary employer contributions as determined by management. The Company did not make any elective contributions to the plan for the years ended December 31, 2023.

**J. Subsequent Events**

Under the provisions of the Coronavirus Aid, Relief, and Economic Security act (the "CARES Act") the Company became eligible for a refund of certain payroll taxes paid. The Company has applied for and received a refund of \$3,299,022 and incurred related expenses of \$450,758.

VIDACANN, LLC

NOTES TO FINANCIAL STATEMENTS  
Year Ended December 31, 2023

**K. Membership Interest Purchase Agreement**

On August 28, 2023, the Company and its members (the “Sellers”) entered into a Membership Interest Purchase Agreement (“Purchase Agreement”) with Planet 13 Holdings, Inc. (Planet 13) pursuant to which, upon the terms and subject to the conditions, Planet 13 will acquire from the Sellers all of the membership interests in VidaCann.

Pursuant to the Purchase Agreement, Planet 13 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 Planet 13 (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 Purchase Agreement contains customary termination provisions, including the ability to terminate in the event the transaction has not been completed by April 30, 2024.

*Financial Statements*

**VIDACANN, LLC**



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STEVEN D. RAWLINS, CPA  
GARY M. HUGGETT, CPA  
DAVID W. HOWIE, CPA

## INDEPENDENT AUDITOR'S REPORT

To Management and the Members  
Vidacann, LLC  
St Johns, Florida

### **Results of Review of Interim Financial Information**

We have reviewed the accompanying financial statements of Vidacann, LLC., which comprise the balance sheet as of March 31, 2024, and the related statements of operations and members equity and cash flows for the three months ended March 31, 2024 and 2023, and the related notes to the financial statements (collectively referred to as the *interim financial information*).

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Review Results**

We conducted our review in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of Vidacann, LLC. and to meet our ethical responsibilities in accordance with relevant ethical requirements related to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

### **Responsibilities of Management for the Interim Financial Information**

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Report on Balance Sheet as of December 31, 2023**

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet as of December 31, 2023, and the related statements of operations, changes in members equity, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 15, 2024. In our opinion, the accompanying balance sheet of Vidacann, LLC as of December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it was derived.

/s/ Masters, Smith & Wisby P.A.  
Certified Public Accountants  
Jacksonville, Florida

July 11, 2024

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VIDACANN, LLC.

**BALANCE SHEET**

**ASSETS**

	<b><u>(Reviewed)</u></b>	<b><u>(Audited)</u></b>
	<b><u>March 31, 2024</u></b>	<b><u>December 31, 2023</u></b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 5,638,045	\$ 2,477,687
Inventory	5,314,502	5,351,599
Capitalized cultivation costs	1,081,926	1,985,854
Prepaid expenses	124,056	124,056
Total Current Assets	<u>12,158,529</u>	<u>9,939,196</u>
<b>Property and Equipment:</b>		
Leasehold improvements	14,756,785	14,731,111
Machinery, equipment and vehicles	6,867,001	6,625,701
Furniture and fixtures	523,072	523,072
Computer equipment and software	276,829	271,796
Construction in progress	74,682	74,682
	<u>22,498,369</u>	<u>22,226,362</u>
Accumulated depreciation	(5,025,117)	(4,693,044)
Total Property and Equipment	<u>17,473,252</u>	<u>17,533,318</u>
<b>Other Assets:</b>		
Operating lease right-of-use assets	20,013,366	20,874,473
Intangible assets - net	81,081	81,081
Deposits and other assets	413,549	386,722
Total Other Assets	<u>20,507,996</u>	<u>21,342,276</u>
Total Assets	<u>\$ 50,139,777</u>	<u>\$ 48,814,790</u>

**LIABILITIES AND MEMBERS' EQUITY**

<b>Current Liabilities:</b>		
Accounts payable	\$ 630,883	\$ 689,115
Accrued expenses	772,687	357,795
Line of credit	2,981,752	2,979,742
Due to investors	694,481	-
Current portion of long-term debt and finance leases	179,444	74,339
Current portion of operating lease liabilities	4,059,772	4,107,362
Total Current Liabilities	<u>9,319,019</u>	<u>8,208,353</u>
<b>Long-Term Liabilities:</b>		
Long-term debt and finance leases	191,229	110,629
Operating lease liabilities, less current portion	16,147,166	16,950,911
Due to investors	1,500,000	2,194,481
Total Long-Term Liabilities	<u>17,838,395</u>	<u>19,256,021</u>
Total Liabilities	27,157,414	27,464,374
Members' Equity	<u>22,982,363</u>	<u>21,350,416</u>
Total Liabilities and Members' Equity	<u>\$ 50,139,777</u>	<u>\$ 48,814,790</u>

See Accompanying Notes to the Financial Statements

VIDACANN, LLC

STATEMENTS OF OPERATIONS

	<u>(Reviewed)</u> <u>Three months ended</u> <u>March 31, 2024</u>	<u>(Reviewed)</u> <u>Three months ended</u> <u>March 31, 2023</u>
Net Sales	\$ 12,511,055	\$ 7,643,561
Cost of Goods Sold	<u>6,939,022</u>	<u>5,476,683</u>
Gross Profit	<u>5,572,033</u>	<u>2,166,878</u>
Selling, General and Administrative Expenses:		
Salaries, wages and related payroll expenses	4,230,262	3,624,136
Rent	1,119,652	1,042,366
Cultivation/branding fees	131,537	138,015
Packaging and supplies	1,544,213	1,269,298
Advertising	44,312	154,195
Automobile	60,417	51,114
Depreciation	311,351	283,799
Employee benefits	127,009	133,200
Contributions	1,743	525
Commissions	-	82,942
Insurance	135,923	181,525
Outside services	39,893	58,077
Professional fees	25,423	144,494
Office expense	218,853	179,491
Taxes	146,848	53,018
Amortization	22,942	31,241
Retail expense	20,950	11,346
Product testing	232,983	222,461
Royalties	2,505	-
Travel	27,771	54,011
Utilities	251,207	263,718
Repairs	<u>103,161</u>	<u>186,722</u>
Total Selling, General and Administrative Expenses	<u>8,798,955</u>	<u>8,165,694</u>
Applied overhead costs	<u>(5,477,971)</u>	<u>(4,348,992)</u>
Operating Income (Loss)	<u>2,251,049</u>	<u>(1,649,824)</u>
Other Income (Expense):		
Loss on disposal of property and equipment	(1,981)	(64,264)
Interest expense	(125,243)	(164,045)
Other income, net	<u>-</u>	<u>50,000</u>
Net Income (Loss)	<u>\$ 2,123,825</u>	<u>\$ (1,798,133)</u>

See Accompanying Notes to the Financial Statements



VIDACANN, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

	<u>Loop's Dispensaries LLC - 74%</u>	<u>Loop's Nursery &amp; Greenhouses Inc. - 1%</u>	<u>Ray of Hope 4 Florida LLC - 25%</u>	<u>Total</u>
<b>Balance at January 1, 2023</b>	\$ 14,146,117	\$ 1,952,593	\$ 3,749,304	\$ 19,848,014
Net income	<u>1,111,777</u>	<u>15,024</u>	<u>375,601</u>	<u>1,502,402</u>
<b>Balance at December 31, 2023</b>	<u>\$ 15,257,894</u>	<u>\$ 1,967,617</u>	<u>\$ 4,124,905</u>	<u>\$ 21,350,416</u>
<b>Balance at January 1, 2024</b>	\$ 15,257,894	\$ 1,967,617	\$ 4,124,905	\$ 21,350,416
Net income	1,571,631	21,238	530,956	2,123,825
Member distributions	<u>(491,878)</u>	<u>-</u>	<u>-</u>	<u>(491,878)</u>
<b>Balance at March 31, 2024</b>	<u>\$ 16,337,647</u>	<u>\$ 1,988,855</u>	<u>\$ 4,655,861</u>	<u>\$ 22,982,363</u>

See Accompanying Notes to the Financial Statements

VIDACANN, LLC

STATEMENT OF CASH FLOWS

	<u>(Reviewed)</u> <u>Three months ended</u> <u>March 31, 2024</u>	<u>(Reviewed)</u> <u>Three months ended</u> <u>March 31, 2023</u>
<b>Cash Flows from Operating Activities:</b>		
Net Income	\$ 2,123,825	\$ (1,798,133)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation	311,351	283,799
Amortization	22,942	31,241
Gain on disposal of property and equipment	-	(64,264)
(Increase) decrease in:		
Inventory	37,097	(302,442)
Cultivation costs	906,919	671,864
Prepaid expenses	-	5,032
Other assets	(26,827)	30,247
Right of use asset	861,107	1,003,630
Increase (decrease) in:		
Accounts payable	(58,232)	288,236
Accrued expenses	414,892	317,007
Operating lease liability	(851,335)	(1,031,627)
Net cash provided (used) by operating activities	<u>3,741,739</u>	<u>(565,410)</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of property and equipment	<u>(33,908)</u>	<u>(246,313)</u>
Net cash used by investing activities	<u>(33,908)</u>	<u>(246,313)</u>
<b>Cash Flows from Financing Activities:</b>		
Member distributions	(491,878)	
Payments on debt and finance leases	<u>(55,595)</u>	<u>(6,917)</u>
Net cash used by financing activities	<u>(547,473)</u>	<u>(6,917)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,160,358	(818,639)
Cash and Cash Equivalents at Beginning of Period	<u>2,477,687</u>	<u>1,522,165</u>
Cash and Cash Equivalents at End of Period	<u>\$ 5,638,045</u>	<u>\$ 703,526</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the period for interest	<u>\$ 125,243</u>	<u>\$ 134,045</u>
<b>Non-Cash Investing and Financing Information:</b>		
Equipment acquired through finance lease	<u>\$ 241,300</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

## VIDACANN, LLC

### NOTES TO FINANCIAL STATEMENTS March 31, 2024 and December 31, 2023 and for the Three Months Ended March 31, 2024 and 2023

#### A. Summary of Significant Accounting Policies:

##### Nature of Business

Vidacann, LLC (the “Company”) d/b/a VidaCann is a limited liability corporation formed on June 13, 2019 and is the successor to Vidacann, Ltd. which was formed on September 5, 2017 and dissolved on June 13, 2019. The Company is licensed in the State of Florida as a Medical Marijuana Treatment Center under Florida Statue 381.986. The Company maintains cultivation facilities located in Jacksonville, FL and a manufacturing complex also located in Jacksonville. The Company operates 27 dispensaries located throughout the state of Florida.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid instruments with original maturities of three months or less. No such instruments were held at March 31, 2024 or December 31, 2023.

##### Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, other current assets, accounts payable, accrued liabilities, and notes payable approximate fair value because of the short maturity of those instruments.

##### Inventory

Inventories are stated at the lower of cost or net realizable value based on their estimated value in the process from seed to finished product. Inventories of harvested plants are transferred from cultivation costs at an estimated cost based on the value of distilled oils. As the plants are processed into distilled oils, they are revalued to reflect the value added in the distillation process. A final revaluation is made as the oils are manufactured into the finished product. Unused packaging and hardware are initially valued at cost, less any reserves for obsolescence. All inventories are determined on the first in first out (“FIFO”) method of accounting.

##### Property and Equipment

Property and equipment are stated at cost. Depreciation is provided principally using the straight-line method based on the following estimated useful lives of the assets:

	<u>Years</u>
Leasehold improvements	40
Machinery and equipment	10
Vehicles	10
Furniture and fixtures	5-10
Computer equipment and software	3-10

Depreciation expense was \$311,351 and \$283,799 for the three months ended March 31, 2024 and 2023, respectively.

Expenditures for maintenance and repairs are charged to operations, while renewals and betterments are capitalized. The cost and associated accumulated depreciation of assets retired or disposed of are removed from the records and any resulting gain or loss is included in income.

VIDACANN, LLC

NOTES TO FINANCIAL STATEMENTS  
March 31, 2024 and December 31, 2023  
and for the Three Months Ended March 31, 2024 and 2023

A. Summary of Significant Accounting Policies (continued):

Capitalized Cultivation Costs

The Company has adopted FASB ACC 905 “*Agricultural Producers and Agricultural Cooperatives*”, which prescribes that all direct and indirect costs of growing crops be capitalized and reported at the lower of cost or net realizable value.

Intangible Assets

The Company has adopted FASB ASC 350, “Intangibles-Goodwill and Other.” This statement requires that an intangible asset with a definite life be amortized over that life in a pattern that reflects the use or consumption of the asset’s economic benefits. For those assets that have no definite useful life, however, no amortization is to be recorded until the remaining useful life is no longer indefinite. Intangible assets that are thus not subject to amortization should be analyzed annually to determine if there has been an impairment of the asset’s value, i.e., whether future economic benefits associated with that asset are less than its current recorded value. If necessary, an impairment loss would then be recognized to reduce the asset’s carrying value to its current fair value.

Recent Accounting Pronouncements:

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842). This guidance amends existing lease standards requiring lessees to recognize a liability for what were previously defined as operating leases, an off-balance sheet item, on their balance sheets with a corresponding right to use asset. The Company adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption. Comparative information has not been restated and continues to be reported under the accounting standards in effect for the prior period.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The discount rate used is the U.S. Treasury par yield curve rate based on the information available at the commencement date for all leases. The right-to-use asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company has elected, for all underlying classes of assets, to not recognize right-to-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

Revenue Recognition

The Company has adopted Financial Accounting Standards Board (FASB) ASU 2014-09 *Revenue from Contracts with Customers*. This ASU establishes a uniform 5-step (performance obligations) process to ensure that revenues are recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods and services. The standard also distinguishes the timing of revenues of those transferred at a point in time and those that are transferred over time.

VIDACANN, LLC

NOTES TO FINANCIAL STATEMENTS  
March 31, 2024 and December 31, 2023  
and for the Three Months Ended March 31, 2024 and 2023

A. Summary of Significant Accounting Policies (continued):

The Company adopted the standard using the modified retrospective approach as allowed under the standard which allows only contracts not completed as of the date of adoption, with no restatement of comparative periods. Management has determined that the adoption of ASU 2014-09 has not significantly altered the way revenue is recognized for the Company. The company generates all its revenue from retail sales of its medical marijuana products in the State of Florida to licensed patients via its retail dispensaries. The performance obligations of these sales are satisfied at a point in time when the customer transfers the transaction price to the Company and the customer receives the product.

Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense were \$44,312 and \$154,195 for the three months ended March 31, 2024 and 2023, respectively.

Income Taxes

The Company reports to its members their proportionate share of its modified cash basis income or loss for each tax year, with the members including that income or loss in their respective income tax returns. The Company itself is not a taxpaying entity for federal or state income tax purposes and accordingly, no income taxes have been recorded in these financial statements. The Company takes certain tax positions which it believes are adhering to the laws established by the taxing authorities taking into consideration IRS Section 280E rules. The Company doesn't believe it has taken any uncertain tax positions which could subject it to penalties or interest; therefore, none have been accrued in the accompanying financial statements.

Use of Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenue and expenses recognized during the period reported, actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through the date of the Independent Auditor's Review Report, which is the date the financial statements were available to be issued.

B. Inventory:

Inventory at March 31, 2024 and December 31, 2023 consisted of the following:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Finish product - lab	\$ 2,927,039	\$ 2,622,300
Finish product-dispensaries	1,565,873	2,033,173
Packaging and supplies	821,590	696,126
	<hr/>	<hr/>
Total Inventory	<u>\$ 5,314,502</u>	<u>\$ 5,351,599</u>

**VIDACANN, LLC**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2024 and December 31, 2023**  
**and for the Three Months Ended March 31, 2024 and 2023**

**C. Notes Payable:**

Notes payable consist of the following:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Notes payable to equipment finance company, payable in monthly payments of \$1,976 of principle and interest at 0%, secured by related equipment, maturities through July 2026	19,626	22,820
Note payable to equipment finance company, payable in monthly payments of \$6,400 of principle and interest at 8.49%, secured by related equipment, matures May 2026	146,388	162,148
	166,014	184,968
Less current obligation	(74,416)	(74,339)
Note payable, net of current portion	<b>\$ 91,598</b>	<b>\$ 110,629</b>

Maturities of principal payment and the notes payable are as of September 30, 2023:

2025	\$ 74,416
2026	80,285
2027	11,313
	<b>\$ 166,014</b>

**D. Concentrations:**

The Company is limited by Florida law to retail customers residing in the State of Florida who have a valid medical marijuana certificate.

**E. Lease Commitments:**

The Company leases dispensary, cultivating, manufacturing facilities and vehicles under operating leases expiring in various years through 2029. The lease cost for the three months ended March 31, 2024 and 2023 was \$1,153,987 and \$1,075,944, respectively.

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Operating Lease Cost – Buildings	\$ 1,119,652	\$ 1,042,306
Operating Lease Cost – Vehicles	34,335	33,578
Total Lease Cost	<b>\$ 1,153,987</b>	<b>\$ 1,075,944</b>

VIDACANN, LLC

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2024 and December 31, 2023**  
**and for the Three Months Ended March 31, 2024 and 2023**

**E. Lease Commitments (continued):**

Amounts reported in the consolidated balance sheet as of March 31, 2024 and December 31, 2023 were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Operating Lease ROU assets	\$ 20,013,366	\$ 20,874,473
Finance lease ROU assets- property and equipment	235,770	-
Total Lease Assets	\$ 20,249,136	\$ 20,874,473
Current portion of operating lease liability	\$ 4,059,772	\$ 4,107,362
Current portion of finance lease liability	105,028	-
Long-term portion of operating lease liability	\$ 16,147,166	\$ 16,950,911
Long-term portion of finance lease liability	99,631	-

Other information related to leases as of March 31, 2024 and December 31, 2023 was as follows:

Supplemental cash flow information:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flow from operating lease	\$ 1,078,555	\$ 4,334,074
Operating cash flow for finance leases	41,164	-
ROU assets obtained in exchange for lease obligations:		
Operating Leases	\$ 432,973	\$ 1,524,185
Finance leases	241,300	-
Weighted average remaining lease term:		
Operating leases	4.90 years	5.06 years
Finance leases	1.75 years	-
Weighted average discount rate:		
Operating leases	1.29%	1.29%
Finance leases	27.20%	-

**VIDACANN, LLC**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2024 and December 31, 2023**  
**and for the Three Months Ended March 31, 2024 and 2023**

**E. Lease Commitments (continued):**

Maturities of lease liabilities under noncancelable operating leases as of March 31, 2024 are as follows:

	<b>Operating Leases</b>	<b>Finance Leases</b>
2025	\$ 4,270,933	\$ 148,337
2026	4,009,340	111,253
2027	3,908,284	-
2028	3,812,857	-
2029	2,981,522	-
Thereafter	1,926,167	-
Total	20,909,103	259,590
Less inputted interest	(702,165)	(54,932)
Total	\$ 20,206,938	\$ 204,658

**F. Line of Credit:**

The Company has a bank line of credit available for a total of \$3,000,000 secured by a blanket lien on business assets. This line of credit requires monthly interest payments at the WSJ Prime Rate plus 1.5% (10.00% at March 31, 2024). The line of credit is payable on demand and expires February 20, 2025.

**G. Related Party Transactions:**

Due to Investors

The Company has amounts due to three investors totaling \$2,194,481, at March 31, 2024 and December 31, 2023 with interest ranging from 7.5% to 10% payable monthly.

Purchases

The Company's vendor for certain packaging supplies is owned by an investor. The Company incurred expenses of \$173,337 and \$44,127 for the three months ended March 31, 2024 and 2023, respectively.

Cultivation facility/land lease

In May of 2020, the Company entered into a land lease agreement for its cultivation facility with a member which calls for rent of \$300,000 per year, per greenhouse not to exceed \$4,000,000 per year. This agreement expires on December 31, 2029 with renewal options for two successive periods of five years each. The Company operates nine greenhouses, the minimum rent payments for the greenhouses are included in the schedule of lease payments at Note E.



**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2024 and December 31, 2023**  
**and for the Three Months Ended March 31, 2024 and 2023**

**G. Related Party Transactions (continued):**Manufacturing facility lease

The Company leases its manufacturing facility under a ten -year lease agreement with an investor expiring on April 30, 2028. The initial base rent of \$126,000 per year, plus additional amounts for insurance, taxes and common area maintenance and base rent increases of 3% per year. Rent expense related to this lease was \$36,517 and \$35,454 for the three months ended March 31, 2024 and 2023, respectively. Future minimum lease payments are included in the schedule of lease payments at Note E.

**H. Concentrations of Credit Risk:**

Cash balances are exposed to credit risk since the company periodically maintains balances in excess of FDIC insurance limits. The Company maintains its cash balances at a high-quality financial institution and does not believe it is exposed to any significant risk with respect to these cash balances. At March 31, 2024 cash balances exceed FDIC insured limits by \$4,602,297.

**I. Retirement Plan**

The Company has adopted a qualified 401(k) deferred compensation plan. Employees meeting certain eligibility requirements can participate in the plan by making elective salary deferrals up IRS limits. The plan provides for discretionary employer contributions as determined by management. The Company did not make any elective contributions to the plan for the three months ended March 31, 2024 and 2023, respectively.

**J. Membership Interest Purchase Agreement**

On August 28, 2023, the Company and its members (the "Sellers") entered into a Membership Interest Purchase Agreement ("Purchase Agreement") with Planet 13 Holdings, Inc. (Planet 13) pursuant to which, upon the terms and subject to the conditions, Planet 13 will acquire from the Sellers all of the membership interests in VidaCann.

Pursuant to the Purchase Agreement, the Planet 13 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 Planet 13 (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.

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2024 and December 31, 2023**  
**and for the Three Months Ended March 31, 2024 and 2023**

**J. Membership Interest Purchase Agreement (continued):**

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.

This transaction was completed on May 9, 2024.

**K. Subsequent Events**

The Company's biennial license renewal for the period July 24, 2024 to July 24, 2026 was approved by the Florida Department of Health letter dated July 8, 2024. The Company paid a fee of \$1,332,124.

During the 2nd quarter of 2024 the Company made member distributions of \$1,360,151 and paid down investor loans of \$694,481.

**Planet 13 Holdings Inc.**  
**Unaudited Pro Forma Condensed Combined**  
**Financial Statements**

**As of March 31, 2024**

(Unaudited and Expressed in United States dollars)

The unaudited pro forma condensed combined financial statements of Planet 13 Holdings Inc. (“Planet 13” or the “Company”) consist of a condensed combined balance sheet at March 31, 2024, and condensed combined statements of operations and comprehensive loss for the three months ended March 31, 2024 and the year ended December 31, 2023, all of which reflect the Company’s acquisition of VidaCann LLC (“VidaCann”) and the disposition of Planet 13 Florida Inc. (“P13 Florida”) (such acquisition and disposition referred to herein as the “Transactions”). The unaudited pro forma condensed combined financial statements included herein have been derived from the following historical financial statements:

- The audited consolidated financial statements of Planet 13 as at and for the year ended December 31, 2023;
- The audited financial statements of VidaCann as at and for the year ended December 31, 2023;
- The unaudited interim condensed consolidated financial statements of Planet 13 as at and for the three-month period ended March 31, 2024; and,
- The unaudited interim condensed financial statements of VidaCann as at and for the three-month period ended March 31, 2024.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the related notes, which are included herein, the financial statements and notes included in Planet 13’s Annual Report on Form 10-K for the year ended December 31, 2023, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, and the financial statements and notes of VidaCann attached as Exhibits 99.1 and 99.2 in Planet 13’s Current Report on Form 8-K filed by Planet 13 on July 24, 2024.

The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and do not necessarily reflect what the combined financial condition and results of operations would have reflected had the Transactions occurred on the dates indicated. They also may not be useful in predicting the future financial condition and results of the operations of the combined company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The unaudited pro forma information and adjustments are based upon current available information and certain assumptions that we believe are reasonable in the circumstances, as described in the notes to the unaudited pro forma condensed combined financial statements. The actual adjustments to Planet 13’s consolidated financial statements recorded upon approval of the Transaction will likely differ from those recorded in the unaudited pro forma condensed combined financial statements.

# **Planet 13 Holdings Inc.**

**Pro forma Consolidated Financial Statements**

**March 31, 2024**

(Unaudited and Expressed in United States dollars)

PLANET 13 HOLDINGS INC.  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT MARCH 31, 2024  
(EXPRESSED IN UNITED STATES DOLLARS)

	Planet 13 Holdings Inc.	VidaCann LLC	Note	Adjustments	Consolidated
	\$	\$		\$	\$
<b>ASSETS</b>					
<b>Current</b>					
Cash	20,771,317	5,638,045	5 (a)	(1,899,489)	
			5 (b)	(1,332,124)	
			5 (c)	(694,481)	
			5 (d)	(356,807)	
			5 (e)	(84,462)	
			5 (f)	(4,000,000)	
			5 (g)	9,000,000	
			5 (g)	(662,091)	26,379,908
Restricted Cash	2,050,584			-	2,050,584
Assets held for sale (P13 Florida license)	9,000,000		5 (g)	(9,000,000)	-
Accounts Receivable	1,035,465	-		-	1,035,465
Inventory	16,998,825	6,396,428		-	23,395,253
Prepaid expenses and Other Current Assets	2,893,277	124,056	5 (b)	1,332,124	4,349,457
	52,749,468	12,158,529		(7,697,330)	57,210,667
<b>Long-term</b>					
Property and Equipment	67,342,325	17,473,252		-	84,815,577
Intangible Assets and goodwill	15,253,797	81,081	5 (j)	42,337,612	57,672,490
Right of Use Assets - operating	20,516,518	20,013,366		-	40,529,884
Long-term Deposits and Other Assets	800,757	413,549		-	1,214,306
Deferred Tax Assets	725,196	-		-	725,196
<b>Total assets</b>	<b>157,388,061</b>	<b>50,139,777</b>		<b>34,640,282</b>	<b>242,168,120</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Accounts Payable	1,953,157	630,883	5 (d)	(356,807)	2,227,233
Accrued Expenses	5,187,413	772,687		-	5,960,100
Income Tax Payable	7,499,412	-		-	7,499,412
Notes Payable - Current Portion	884,000	3,056,168	5 (i)	5,000,000	
			5 (e)	(84,462)	8,855,706
Operating Lease Liabilities	779,389	4,164,800		-	4,944,189
	16,303,371	8,624,538		4,558,731	29,486,640
<b>Long-term Liabilities</b>					
Operating Lease Liabilities	25,801,491	16,246,797		-	42,048,288
Long-term debt	-	91,598		-	91,598
Due to Members	-	2,194,481	5 (c)	(694,481)	1,500,000
Other Long-term Liabilities	33,000	-		-	33,000
Deferred tax Liability	3,510,826	-		-	3,510,826
<b>Total Liabilities</b>	<b>45,648,688</b>	<b>27,157,414</b>		<b>3,864,250</b>	<b>76,670,352</b>
<b>Shareholders' Equity</b>					
Common Stock , no par value, 1,500,000,000 shares authorized, 222,247,854 issued and outstanding at Sept 30, 2023	-	-		-	-
Preferred Stock , no par value, 50,000,000 shares authorized, 0 issued and outstanding at March 31, 2024	-	-		-	-
Member's Equity	-	22,982,363	5 (a)	(21,082,874)	-
Payment to Members pre-closing			5 (a)	(1,899,489)	
Additional Paid-in Capital	325,923,704	-	5 (h)	54,420,486	380,344,190
Deficit	(214,184,331)	-	5 (g)	(662,091)	(214,846,422)
<b>Total Shareholders' Equity</b>	<b>111,739,373</b>	<b>22,982,363</b>		<b>30,776,032</b>	<b>165,497,768</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>157,388,061</b>	<b>50,139,777</b>		<b>34,640,282</b>	<b>242,168,120</b>

The accompanying notes are an integral part of the financial statements.

**PLANET 13 HOLDINGS INC.**  
**PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(EXPRESSED IN UNITED STATES DOLLARS)**

	<b>Planet 13 Holdings Inc.</b> Three Months Ended 31-Mar-24	<b>VidaCann LLC</b> Three Months Ended 31-Mar-24	Note	Adjustments	<b>Consolidated</b> Three Months Ended 31-Mar-24
	\$	\$			
Revenue, net of discounts	22,877,471	12,511,055		-	35,388,526
Cost of Goods Sold	(12,392,992)	(6,939,022)		-	(19,332,014)
<b>Gross Profit</b>	10,484,479	5,572,033		-	16,056,512
<b>Expenses</b>					
General and Administrative	10,024,787	1,822,727		-	11,847,514
Sales and Marketing	1,290,737	44,312		-	1,335,049
Lease Expense	774,946	1,119,652		-	1,894,598
Depreciation	2,059,023	334,293		-	2,393,316
<b>Total Expenses</b>	14,149,493	3,320,984		-	17,470,477
<b>Income (Loss) from Operations</b>	(3,665,014)	2,251,049		-	(1,413,965)
<b>Other Income (Expense):</b>					
Interest Income (expense), Net	24,562	(125,243)		-	(100,681)
Foreign exchange gain/(loss)	(3,097)	-		-	(3,097)
Loss on Sale of Equipment	-	(1,981)		-	(1,981)
Other income, net	113,749	-		-	113,749
<b>Total Other Income</b>	135,214	(127,224)		-	7,990
<b>Income (Loss) Before Provision for Income Taxes</b>	(3,529,800)	2,123,825		-	(1,405,975)
<b>Provision For Income Taxes</b>					
Current Tax Expense	(2,363,860)	-	7	(1,170,127)	(3,533,987)
Deferred Tax Recovery	19,891	-		-	19,891
	(2,343,969)	-		(1,170,127)	(3,514,096)
<b>Net Income (Loss) and Comprehensive Income (Loss)</b>	(5,873,769)	2,123,825		(1,170,127)	(4,920,071)
<b>Basic and diluted loss per share</b>	(0.03)	-			(0.02)
<b>Weighted Average Number of shares of Common Stock</b>					
Basic and Diluted	228,437,545		6	81,872,252	310,309,797

*The accompanying notes are an integral part of the financial statements.*

**PLANET 13 HOLDINGS INC.**  
**PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(EXPRESSED IN UNITED STATES DOLLARS)**

	<b>Planet 13 Holdings Inc.</b> Amended & Restated	<b>VidaCann LLC</b>		<b>Consolidated</b>	
	Year Ended 31-Dec-23	Year Ended 31-Dec-23	Note	Adjustments	Year Ended 31-Dec-23
	\$	\$			
Revenue, net of discounts	98,505,170	34,263,343		-	132,768,513
Cost of Goods Sold	(53,682,026)	(21,688,917)		-	(75,370,943)
<b>Gross Profit</b>	<b>44,823,144</b>	<b>12,574,426</b>		<b>-</b>	<b>57,397,570</b>
<b>Expenses</b>					
General and Administrative	42,421,172	7,318,921		-	49,740,093
Sales and Marketing	5,368,473	398,955		-	5,767,428
Lease Expense	3,105,996	4,307,052		-	7,413,048
Impairment Loss	46,846,866	-		-	46,846,866
Depreciation	8,180,465	1,287,749		-	9,468,214
<b>Total Expenses</b>	<b>105,922,972</b>	<b>13,312,677</b>		<b>-</b>	<b>119,235,649</b>
<b>Income (Loss) from Operations</b>	<b>(61,099,828)</b>	<b>(738,251)</b>		<b>-</b>	<b>(61,838,079)</b>
<b>Other Income (Expense):</b>					
Interest Income (Expense), Net	195,722	(537,774)		-	(342,052)
Foreign exchange gain/(loss)	3,653	-		-	3,653
Change in fair value of warrant liability	18,127	-		-	18,127
Gain on Sale-Leaseback	-	-		-	-
Provision for misappropriated funds	(2,000,000)	-		-	(2,000,000)
Gain on Sale of Equipment	-	(69,837)		-	(69,837)
Other income, net	807,023	2,848,264		-	3,655,287
<b>Total Other Income (Loss)</b>	<b>(975,475)</b>	<b>2,240,653</b>		<b>-</b>	<b>1,265,178</b>
<b>Income (Loss) Before Provision for Income Taxes</b>	<b>(62,075,303)</b>	<b>1,502,402</b>		<b>-</b>	<b>(60,572,901)</b>
<b>Provision For Income Taxes</b>					
Current Tax Expense	(9,868,881)	-	7	(2,640,629)	(12,509,510)
Deferred Tax Recovery	(1,664,574)	-		-	(1,664,574)
	(11,533,455)	-		(2,640,629)	(14,174,084)
<b>Net Income (Loss) and Comprehensive Income (Loss)</b>	<b>(73,608,758)</b>	<b>1,502,402</b>		<b>(2,640,629)</b>	<b>(74,746,985)</b>
<b>Basic and diluted loss per share</b>	<b>(0.33)</b>	<b>-</b>			<b>(0.25)</b>
<b>Weighted Average Number of shares of Common Stock</b>					
Basic and Diluted	221,964,287	-	6	81,872,252	303,836,539

*The accompanying notes are an integral part of the financial statements.*

**PLANET 13 HOLDINGS INC.**  
**NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**AS OF MARCH 31, 2024**  
**(EXPRESSED IN UNITED STATES DOLLARS)**

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**1. DESCRIPTION OF BUSINESS**

The accompanying unaudited pro forma condensed consolidated financial statements of Planet 13 Holdings Inc. (“Planet 13” or the “Company”) have been prepared to give effect to a transaction between Planet 13 and VidaCann LLC (“VidaCann”).

Planet 13 was originally incorporated under the Canada Business Corporations Act on April 26, 2002, and continued under the British Columbia Business Corporations Act on September 24, 2019.

On September 15, 2023 (the “Effective Date”), Planet 13 Holdings Inc., a British Columbia corporation (“Planet 13 BC”) filed articles of domestication and articles of incorporation with the Secretary of State of the State of Nevada and changed its jurisdiction from the Province of British Columbia, Canada, to the State of Nevada (the “Domestication”), pursuant to a court-approved plan of arrangement (“Plan of Arrangement”).

On the Effective Date, pursuant to the Plan of Arrangement and by operation of law, all the rights, privileges and powers of Planet 13 BC, all property owned by Planet 13 BC, all debt due to Planet 13 BC, and all other causes of action belonging to Planet 13 BC immediately prior to the Effective Date remain vested in, or attached to, the Company following the Effective Date.

On the Effective Date, each holder of issued and outstanding common share of Planet 13 BC (the “Common Shares”) was deemed to receive one share of common stock of the Company (“Common Stock”), without any action required on the part of the holder thereof. Additionally, each holder of outstanding options to purchase Common Shares was deemed to receive options to purchase an equal number of shares of Common Stock at the same exercise price per share and otherwise the same terms under the Planet 13 Holdings Inc. 2018 Stock Option Plan, and each holder of restricted share units was deemed to receive restricted share units for an equal number of shares of the Common Stock and otherwise with the same terms and conditions under the Planet 13 Holdings Inc. 2018 Share Unit Plan.

Planet 13 common stock is listed on the Canadian Securities Exchange (“CSE”) under the ticker “PLTH” and is quoted on the OTCQX under the symbol “PLNH”.

VidaCann is a limited liability corporation formed on June 13, 2019, and is the successor to VidaCann, Ltd. which was formed on September 5, 2017, and dissolved on June 13, 2019. VidaCann is licensed in the State of Florida as a Medical Marijuana Treatment Center under Florida Statute 381.986. VidaCann maintains cultivation facilities located in Jacksonville, FL and a manufacturing complex also located in Jacksonville. VidaCann operates 27 dispensaries located throughout the state of Florida.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These unaudited pro forma consolidated financial statements have been compiled using the significant accounting policies as set out in the audited consolidated financial statements of Planet 13 as of December 31, 2023. Management has determined that no material pro forma adjustments are necessary to conform the VidaCann accounting policies to the accounting policies used by Planet 13 in the preparation of its audited financial statements.

**3. BASIS OF PRESENTATION**

These unaudited pro forma consolidated financial statements have been prepared by the management of Planet 13 in connection with the transaction described in Note 4, as of March 31, 2024.

The pro forma consolidated financial statements have been compiled from the following financial statements and should be read in conjunction with the following financial statements:



**PLANET 13 HOLDINGS INC.**  
**NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**AS OF MARCH 31, 2024**  
**(EXPRESSED IN UNITED STATES DOLLARS)**

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- The audited financial statements of Planet 13 as at and for the year ended December 31, 2023;
- The audited financial statements of VidaCann as at and for the period ended December 31, 2023;
- The unaudited interim condensed financial statements of Planet 13 as at and for the three months ended March 31, 2024; and,
- The unaudited interim condensed financial statements of VidaCann as at and for the three months ended March 31, 2024.

For the pro forma consolidated statements of comprehensive income (loss) for the three months ended March 31, 2024, Planet 13 has utilized the unaudited interim condensed financial statements of VidaCann as at and for the three months ended March 31, 2024, as it is the most current information available.

These unaudited pro forma consolidated financial statements are not necessarily indicative of the Company's financial position on closing of the proposed transaction. In preparing these unaudited pro forma consolidated financial statements, no adjustments have been made to reflect additional costs or savings that could result from the transaction described in Note 4. Actual amounts recorded at the closing of the transaction will likely differ from those recorded in the unaudited pro forma consolidated financial statements.

The accompanying unaudited pro forma consolidated financial statements of the Company have been prepared by management from information derived from the financial statements, which were prepared in accordance with US GAAP Reporting Standards ("US GAAP"), of Planet 13 and VidaCann to show the effect of the transaction as discussed in Note 4.

#### **4. TRANSACTION**

On August 28, 2023, Planet 13 and VidaCann entered into a binding Membership Interest Purchase Agreement (the "Purchase Agreement").

Pursuant to the Purchase Agreement, the Company acquired VidaCann from the Sellers for agreed consideration of: (i) 81,872,252 common shares in the capital of the Company (the "Share Consideration") issued on May 10, 2024 on closing of the transaction (78,461,538 common shares pursuant to the Purchase Agreement, adjusted to reflect additional shares issued for closing working capital balances); (ii) a cash payment of US\$4,000,000 (the "Closing Cash Payment"), subject to adjustments as set out in the Purchase Agreement; and (iii) promissory notes issued by the Company to the Sellers in the aggregate principal amount of US\$5,000,000, subject to adjustments as set out in the Purchase Agreement. On May 9, 2024, the closing price of Planet 13 common stock was US\$0.6647 (as quoted on the Canadian Securities Exchange and converted to USD at the Bank of Canada CAD/USD exchange rate in effect as of May 9, 2024), the total consideration is valued at approximately US\$63,420,486. The Purchase Agreement contemplated that VidaCann will continue to have US\$3,000,000 of bank notes and US\$1,500,000 or less of related party notes payable to former VidaCann owners at the time of closing. The final determination of the consideration transferred and the related allocation of the fair value of the underlying net assets of VidaCann pursuant to the transaction are yet to be fully determined.

Post-transaction, the former equity holders of VidaCann, along with the VC Advisor, hold approximately 23.7% pro forma ownership of Planet 13 on a fully diluted basis. All shares issued by the Company are subject to resale restrictions under applicable U.S. and Canadian securities laws. Furthermore, each Seller or equity holder of a Seller that holds over 5% in indirect interest in VidaCann and received shares is 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 on the same date in each subsequent six months thereafter. The transaction closed on May 10, 2024, after receiving approval from the applicable state cannabis regulators. The Company also completed the divestiture of its Florida Medical Marijuana Treatment Center license on May 6, 2024, prior to closing the transaction.

The Sellers were granted the right on closing to nominate one additional (fifth) director to the board of directors of Planet 13 (the "Board") and David Loop was appointed to the Company's Board of Directors on June 12, 2024.

**PLANET 13 HOLDINGS INC.**  
**NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**AS OF MARCH 31, 2024**  
**(EXPRESSED IN UNITED STATES DOLLARS)**

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**5. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS**

The unaudited pro forma condensed consolidated statement of financial position reflects the following adjustments as if the Transactions had occurred on March 31, 2024. The unaudited pro-forma condensed consolidated statements of operations and comprehensive loss for the year ended December 31, 2023, and for the three months ended March 31, 2024 reflect the following adjustments as if the acquisition had occurred on January 1, 2023 and January 1, 2024 respectively.

The unaudited pro forma consolidated financial statements have been presented giving effect to the following assumptions and pro forma adjustments:

- a) A reduction in share capital of \$21,082,874 after reflecting a cash distribution to members of \$1,899,489, to eliminate VidaCann's historical Members Equity,
- b) Payment of the 2024 VidaCann license renewal fee of \$1,332,124 prior to closing
- c) A reduction of the related party debt due to VidaCann members of \$694,481 to reduce the balance to \$1,500,000 on closing.
- d) A reduction in accounts payable of \$356,807 based on the estimated balance on closing.
- e) A reduction in notes payable to a third-party bank by \$84,462 to reflect the balance of the notes on closing.
- f) An adjustment of \$4,000,000 to the consolidated cash balance representing a \$4,000,000 cash payment to the VidaCann Members on closing.
- g) An increase in cash of \$9,000,000 representing the cash proceeds realized on the sale of the Planet 13 Florida Inc. MMTC license to a third party on May 6, 2024, prior to the closing of the VidaCann acquisition and a reduction in cash of \$662,091 in estimated transaction costs that were expensed as part of the sale of the Planet 13 Florida license.
- h) An increase in Additional Paid in Capital of \$54,420,486 reflects the issuance of 81,872,252 shares of Common Stock at \$0.6647 per share based on the closing share price of PLTH as quoted on the CSE on May 9, 2024, converted to USD at the Bank of Canada daily exchange rate.
- i) An increase of \$5,000,000 in Vendor Take-Back Notes issued to VidaCann Members on closing.
- j) To record the Transactions in accordance with ASC 805 as at March 31, 2024:

Planet 13 Shares of common stock issued	81,872,252
Share price on May 9, 2024	\$0.6647
Value of share consideration	\$54,420,486
Cash	\$4,000,000
Vendor-Take-Back Notes	\$5,000,000
Total consideration	\$63,420,486
Less: Net Book Value of VidaCann	<u>\$21,082,874</u>
Estimated Goodwill	<u>\$42,337,612</u>

The Company estimates that the value ascribed to intangible assets and goodwill as part of the acquisition is \$42,337,612.

PLANET 13 HOLDINGS INC.  
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
AS OF MARCH 31, 2024  
(EXPRESSED IN UNITED STATES DOLLARS)

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6. PRO FORMA SHARES OF COMMON STOCK

Common Stock in the unaudited pro forma consolidated financial statements is comprised of the following:

	Number of shares	Additional Paid in Capital (\$)
<b>Planet 13's Shares of Common Stock outstanding - March 31, 2024</b>	<b>243,291,548</b>	<b>325,923,704</b>
Shares of Common stock issued to VidaCann's Members	81,872,252	54,420,486
<b>Pro forma consolidated Shares of Common Stock</b>	<b>325,163,800</b>	<b>380,344,190</b>

7. INCOME TAXES

The pro forma effective statutory income tax rate applicable to the consolidated operations subsequent to the completion of the Proposed Acquisition is approximately 21%.