



Planet 13 Announces Full Year 2019 Financial Results and Q1 2020 Revenue

- *2019 Revenue of \$63.6 million*
- *SuperStore accounted for 9.1% of all Nevada cannabis dispensary revenue in 2019¹*
- *2019 EBITDA of \$9.9 million*
- *Q1 2020 Revenue of \$16.6 million*

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

Las Vegas, Nevada – April 14, 2020 – Planet 13 Holdings Inc. (CSE: PLTH) (OTCQB: PLNHF) (“Planet 13” or the “Company”), a leading vertically-integrated Nevada cannabis company, today announced financial results for the three-month and twelve-month periods ended December 31, 2019. Planet 13’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

Larry Scheffler, Co-CEO of Planet 13 commented, “Over the past month, businesses across the country have had to quickly adjust to the reality of COVID-19 related restrictions, and Planet 13 has been no exception. While this has impacted our day to day operations, we are approaching this challenge as an opportunity to deliver safe and responsible cannabis to our community. When cannabis dispensaries in Nevada were told to close, we pivoted to focus on our delivery business, and in only 25 days we’ve ramped our delivery service from five to twenty-eight vehicles and have shifted our customer mix from 15% local area residents, to 100%.”

Mr. Scheffler continued, “While tourism will continue to be a strong driver of our business when things return to normal, this is a unique opportunity for us to build a strong local base and gain lasting market share as we become a fixture in the daily lives of Las Vegas Valley residents.

Bob Groesbeck, Co-CEO added, “We opened Phase II of the SuperStore during Q4 and are pleased to report that as projected, it drove increased traffic, customer engagement, and higher average ticket. Through Q4, a seasonally slow period, we delivered \$16.5 million in revenue. During Q1 2020, we saw the network effect of Phase II accelerate, resulting in ~\$16.6 million in revenue, a 20% increase compared to Q1 of 2019, despite effects of COVID-19 starting in the middle of March. In addition, the customer-facing production facility is fully ramped up and we have begun to offer Planet 13’s portfolio of in-house brands to select third-party dispensaries on a wholesale basis.”

¹ [https://tax.nv.gov/uploadedFiles/taxnv.gov/Content/TaxLibrary/NV-Marijuana-Revenue-FY20\(4\).pdf](https://tax.nv.gov/uploadedFiles/taxnv.gov/Content/TaxLibrary/NV-Marijuana-Revenue-FY20(4).pdf)

Financial Highlights – Q4 – 2019

Operating Results

All comparisons below are to the quarter ended December 31, 2018, unless otherwise noted

- Revenues were \$16.5 million as compared to \$8.3 million, an increase of 99.8%
- Gross profit before biological adjustments was \$9.4 million or 57.1% as compared \$4.2 million or 50.5%, an increase of 125.8%
- Operating expenses, excluding non-cash compensation expense, were \$7.1 million as compared to \$5.8 million, an increase of 21.5%
- Net loss before taxes of \$0.9 million as compared to a net loss of \$2.2 million
- Net loss of \$2.6 million as compared to a net loss of \$3.1 million
- Adjusted EBITDA of \$2.5 million as compared to Adjusted EBITDA loss of \$1.5 million

Balance Sheet

All comparisons below are to December 31, 2018, unless otherwise noted

- Cash of \$12.8 million as compared to \$19.4 million
- Total assets of \$62.9 million as compared to \$44.9 million
- Total liabilities of \$21.6 million as compared to \$7.0 million

Financial Highlights – Full Year – 2019

All comparisons below are to the year ended December 31, 2018, unless otherwise noted

- Revenues were \$63.6 million as compared to \$21.2 million, an increase of 200.4%
- Gross profit before biological adjustments was \$36.5 million or 57.3% as compared \$10.7 million or 50.4%, an increase of 242.0%
- Operating expenses, excluding non-cash compensation expense, were \$26.8 million as compared to \$11.3 million, an increase of 137.5%
- Net income before taxes of \$0.5 million as compared to a net loss of \$8.4 million
- Net loss of \$6.7 million as compared to a net loss of \$10.7 million
- Adjusted EBITDA of \$9.9 million as compared to Adjusted EBITDA loss of \$367,874

Q4 Highlights and Recent Developments

For a more comprehensive overview of these highlights and recent developments, please refer to Planet 13's *Management's Discussion and Analysis of the Financial Condition and Results of Operations for the Three and Twelve Months Ended December 31, 2019* (the "MD&A").

- On November 1, 2019, Planet 13 announced the opening of the customer-facing production facility.

- On December 16, 2019, Planet 13 announced winning U.S. Market Leader Award in Retail at MJBizCon.
- On January 20, 2020, Planet 13 announced the opening of dosist™ shop-in-shop wellness experience.
- On March 19, 2020, Planet 13 announced offering expanded online ordering and delivery services.
- On March 23, 2020, Planet 13 announced 24-hour delivery service.
- On April 13, 2020, Planet 13 announced termination of Santa Ana acquisition.

Results of Operations (Summary)

The following tables set forth consolidated statements of financial information for the three-month and twelve-month period ending December 31, 2019 and December 31, 2018. For further information regarding the Company's financial results for these periods, please refer to the Company's interim financial statements for the period ended December 31, 2019 together with the MD&A, available on Planet 13's issuer profile on SEDAR at www.sedar.com and the Company's website <https://www.planet13holdings.com>.

Adjusted EBITDA

	NV Cannabis Ops		Consolidated		NV Cannabis Ops		Consolidated	
	Three Months Ended Dec-31-2019	Three Months Ended Dec-31-2019	Three Months Ended Dec-31-2018	Percentage Change	Year Ended Dec-31-2019	Year Ended Dec-31-2019	Year Ended Dec-31-2018	Percentage Change
EBITDA								
Profit (loss) before taxes	1,416,699	(914,960)	(2,215,973)	(58.7%)	8,422,424	542,664	(8,433,501)	(106.4%)
Add back:								
Biological asset adjustments	351,080	351,080	(108,084)	(424.8%)	480,181	480,181	(192,908)	(348.9%)
Non-cash share based payments	-	1,694,370	367,497	361.1%	-	4,822,787	2,601,233	85.4%
Depreciation and amortization	900,278	900,278	332,925	170.4%	2,845,464	2,845,464	400,116	611.2%
Depreciation included in COGS	157,030	157,030	141,205	11.2%	286,987	286,987	258,788	10.9%
Interest and non-operating expense (income)	329,291	329,291	(24,928)	(1421.0%)	954,960	954,960	4,998,398	(80.9%)
EBITDA	3,154,378	2,517,089	(1,507,358)	267.0%	12,990,016	9,933,043	(367,874)	2800.1%
Margin	19.1%	15.2%	(18.2%)		20.4%	15.6%	(1.7%)	

Expressed in USD\$

	Three Months Ended Dec-31-2019	Three Months Ended Dec-31-2018	Percentage Change	Year Ended Dec-31-2019	Year Ended Dec-31-2018	Percentage Change
Revenue						
Revenues, net of discounts	16,540,324	8,279,698	99.8%	63,595,036	21,166,755	200.4%
Cost of Goods Sold	(7,098,908)	(4,097,973)	73.2%	(27,139,658)	(10,507,200)	158.3%
Gross Profit, Before Biological Asset Adjustment	9,441,416	4,181,725	125.8%	36,455,378	10,659,555	242.0%
Gross Profit Margin %	57.1%	50.5%		57.3%	50.4%	
Realized fair value amounts included in COGS	(695,361)	207,865	(434.5%)	(1,500,965)	(1,726,685)	(13.1%)
Unrealized fair value gain on growth of biological assets	344,281	(99,781)	(445.0%)	1,020,784	1,919,593	(46.8%)
Gross profit	9,090,336	4,289,809	111.9%	35,975,197	10,852,463	231.5%
Gross Profit Margin %	55.0%	51.8%		56.6%	51.3%	
Expenses						
General and Administrative	5,351,056	4,682,652	14.3%	20,269,839	9,583,376	111.5%
Sales and Marketing	1,730,301	1,147,636	50.8%	6,539,483	1,702,841	284.0%
Depreciation and Amortization	900,278	332,925	170.4%	2,845,464	400,116	611.2%
Share based payments	1,694,370	367,497	361.1%	4,822,787	2,601,233	85.4%
Total Expenses	9,676,005	6,530,710	48.2%	34,477,573	14,287,566	141.3%
Income (Loss) From Operations	(585,669)	(2,240,901)	(73.9%)	1,497,624	(3,435,103)	(143.6%)
Other (Income) Expense:						
Interest Expense, net	404,332	5,674	7026.0%	1,306,876	241,860	440.3%
Realized Foreign Exchange gain (loss)	-	(4,376)	(100.0%)	(1,141)	37,879	(103.0%)
RTO acquisition costs	-	-	na	-	4,702,604	na
Other expense (income)	(75,041)	(26,226)	186.1%	(350,775)	(80,285)	336.9%
Loss on settlement of accounts payable (Note 13(d))	-	-	na	-	96,340	na
Total Other Expense (Income)	329,291	(24,928)	(1421.0%)	954,960	4,998,398	(80.9%)
Income (loss) for the period before tax	(914,960)	(2,215,973)	(58.7%)	542,664	(8,433,501)	(106.4%)
Provision for income tax (current and deferred)	1,662,213	889,066	87.0%	7,200,997	2,290,203	214.4%
(Loss) for the period	(2,577,173)	(3,105,039)	(17.0%)	(6,658,333)	(10,723,704)	(37.9%)
Other Comprehensive Income (Loss)						
<i>Items that may be reclassified subsequently to profit/loss</i>						
Foreign exchange translation adjustment	(24,607)	(666,969)		195,213	(802,920)	
Net Comprehensive (Loss) for the period	(2,601,780)	(3,772,008)		(6,463,120)	(11,526,624)	
(Loss) per share for the period						
Basic and fully diluted loss per share	(\$0.02)	(\$0.02)		(\$0.05)	(\$0.11)	
Weighted Average Number of Shares Outstanding						
Basic and fully diluted	135,888,982	128,166,081		134,074,476	95,997,827	

Outstanding Shares

As at the date of this report, the Company had 84,451,832 common shares and 55,232,940 class A convertible, restricted voting shares issued and outstanding for a total of 139,684,772 shares outstanding. There were 558,507 options issued and outstanding of which 250,834 have fully vested. There were 13,572,238 warrants outstanding and 3,454,589 RSU's outstanding of which nil RSUs had fully vested as at the date of this report.

Conference Call

Planet 13 will host a conference call on Tuesday, April 14, 2020 at 5:00 p.m. EST to discuss its third quarter financial results and provide investors with key business highlights. The call will be chaired by Bob Groesbeck, Co-CEO, Larry Scheffler, Co-CEO, and Dennis Logan, CFO.

CONFERENCE CALL DETAILS

Date: April 14, 2020 | Time: 5:00 p.m. EST
Participant Dial-in: 416-764-8688 or 1-888-390-0546
Replay Dial-in: 416-764-8677 or 1-888-390-0541
(Available for 2 weeks)
Reference Number: 656850
Listen to webcast: <https://bit.ly/3dUnQs2>

Financial Measures

There are measures included in this news release that do not have a standardized meaning under generally accepted accounting principles (GAAP) and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The Company includes these measures because it believes certain investors use these measures and metrics as a means of assessing financial performance. EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated as net earnings before finance costs (net of finance income), income tax expense, and depreciation and amortization of intangibles and is a non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.

For further inquiries, please contact:

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About Planet 13

Planet 13 (www.planet13holdings.com) is a vertically integrated cannabis company based in Nevada, with award-winning cultivation, production and dispensary operations in Las Vegas - the entertainment capital of the world. Planet 13's mission is to build a recognizable global brand known for world-class dispensary operations and a creator of innovative cannabis products. Planet 13's shares trade on the Canadian Stock Exchange (CSE) under the symbol PLTH and OTCQX under the symbol PLNHF.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves

discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward looking statements relate to, among other things, future expansion plans.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: final regulatory and other approvals or consents; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Nevada and California cannabis markets and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in the States of Nevada and California; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The Company is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States through its subsidiary MM Development Company, Inc. ("MMDC") in Nevada. Local state laws where MMDC operates permit such activities however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's annual information form dated April 30, 2019 filed on its issuer profile on SEDAR at www.sedar.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Expressed in United States Dollars

	As at December 31, 2019	As at December 31, 2018
Assets		
Current Assets		
Cash	\$ 12,814,712	\$ 19,364,086
HST receivable	16,544	101,831
Inventories	5,474,004	5,322,111
Biological assets	514,526	915,177
Prepaid expenses and other current assets	3,694,272	1,391,278
Total Current Assets	22,514,058	27,094,483
Property and equipment	30,211,154	17,256,484
Right of use assets	9,478,733	-
Long-term deposits and other assets	694,601	594,339
	40,384,488	17,850,823
Total Assets	\$ 62,898,546	\$ 44,945,306
Liabilities		
Current Liabilities		
Accounts payable	\$ 864,260	\$ 1,720,721
Accrued expenses	1,910,046	1,306,145
Income taxes payable	7,015,606	2,187,109
Notes payable - current portion	884,000	884,000
Current portion of lease liabilities	-	14,459
Total Current Liabilities	10,673,912	6,112,434
Long -term lease liabilities	10,522,377	29,768
Deferred rent	-	427,508
Other long-term liabilities	28,000	-
Deferred tax liability	379,665	470,856
	10,930,042	928,132
Total Liabilities	21,603,954	7,040,566
Shareholders' Equity		
Share capital	51,986,849	42,460,824
Restricted share units	4,119,485	2,800,335
Warrants	5,961,091	7,046,843
Option reserve	399,439	305,890
Accumulated other comprehensive loss	(607,707)	(802,920)
Deficit	(20,564,565)	(13,906,232)
Total Shareholders' Equity	41,294,592	37,904,740
Total Liabilities and Shareholders' Equity	\$ 62,898,546	\$ 44,945,306

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

Expressed in United States Dollars

	Year Ended December 31, 2019	Year Ended December 31, 2018	Three months Ended December 31, 2019	Three months Ended December 31, 2018
Revenue				
Revenues, net of discounts	\$ 63,595,036	\$ 21,166,755	\$ 16,540,324	\$ 8,279,698
Cost of Goods Sold	(27,139,658)	(10,507,200)	(7,098,908)	(4,097,973)
Gross Profit before fair value asset adjustment	36,455,378	10,659,555	9,441,416	4,181,725
Realized fair value amounts included in inventory sold	(1,500,965)	(1,726,685)	(695,361)	207,865
Unrealized fair value gain on growth of biological assets	1,020,784	1,919,593	344,281	(99,781)
Gross Profit	35,975,197	10,852,463	9,090,336	4,289,809
Expenses				
General and Administrative	20,269,839	9,583,376	5,351,056	4,682,652
Sales and Marketing	6,539,483	1,702,841	1,730,301	1,147,636
Depreciation and Amortization	2,845,464	400,116	900,278	332,925
Share-Based Compensation Expense	4,822,787	2,601,233	1,694,370	367,497
Total Expenses	34,477,573	14,287,566	9,676,005	6,530,710
Income (Loss) From Operations	1,497,624	(3,435,103)	(585,669)	(2,240,901)
Other Expense:				
Interest expense, net	1,306,876	241,860	404,332	5,674
Realized foreign exchange (gain) loss	(1,141)	37,879	-	(4,376)
Other income	(350,775)	(80,285)	(75,041)	(26,226)
RTO listing expense	-	4,702,604	-	-
Loss on settlement of accounts payable	-	96,340	-	-
Total Other Expense	954,960	4,998,398	329,291	(24,928)
Income (Loss) before income taxes	542,664	(8,433,501)	(914,960)	(2,215,973)
Provision for tax - current	7,292,188	2,198,295	1,402,227	909,107
Provision for tax - deferred	(91,191)	91,908	259,986	(20,041)
Net (loss) for the Year	\$ (6,658,333)	\$ (10,723,704)	\$ (2,577,173)	\$ (3,105,039)
Other Comprehensive Income (Loss)				
Foreign exchange translation gain (loss)	195,213	(802,920)	(24,607)	(666,969)
Net Comprehensive (Loss) for the Year	\$ (6,463,120)	\$ (11,526,624)	\$ (2,601,780)	\$ (3,772,008)
Loss per share for the Year				
Basic and diluted loss per share	(\$0.05)	(\$0.11)	(\$0.02)	(\$0.02)
Weighted Average Number of Common Shares Outstanding Basic and Diluted (Note 17)	134,074,476	95,997,827	135,888,982	128,166,081

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Expressed in United States Dollars

	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities		
Net (loss) for the year	\$ (6,658,333)	\$ (10,723,704)
Add (deduct) non-cash items:		
Share based payments	4,822,787	2,601,233
Depreciation and amortization	3,607,286	988,768
Write-off of fixed assets during the year	82,882	-
Loss on settlement of accounts payable	-	96,340
Share base payment to Carpincho shareholders on RTO	-	4,040,637
Deferred tax liability	(91,191)	91,908
Realized foreign exchange (gain) loss	-	37,879
Interest on lease liabilities	1,367,759	-
Non-cash interest expense	-	217,048
Net change in non-cash working capital		
HST receivable	85,287	(101,831)
Inventories	(151,893)	(3,618,283)
Biological assets	400,651	152,129
Prepaid expenses and other assets	(2,426,866)	(1,299,148)
Long term deposits and other assets	(100,262)	(594,339)
Accounts payable	(856,462)	798,672
Accrued expenses	603,902	250,318
Income tax payable	4,828,497	927,433
Other liabilities	28,000	427,508
Cash flow provided by (used in) operating activities	5,542,044	(5,707,432)
Investing activities		
Net cash acquired on acquisition	-	34,678
Purchase of property, plant and equipment	(16,061,582)	(13,313,401)
Cash flow used in investing activities	(16,061,582)	(13,278,723)
Financing activities		
Issuance of common shares and warrants	-	40,381,022
Issuance of shares on warrant and option exercises	5,030,185	2,374,253
Share and warrant issuance costs	-	(4,032,025)
Principal and interest payment on lease liabilities	(1,247,546)	(11,845)
Cash flow provided by financing activities	3,782,639	38,711,405
Net increase (decrease) in cash	(6,736,899)	19,725,250
Cash at beginning of the year	19,364,086	451,869
Effect of foreign exchange on cash	187,525	(813,033)
Cash at end of the year	\$ 12,814,712	\$ 19,364,086