

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025
Expressed in United States Dollars

Dated: November 12, 2026

The Management's Discussion and Analysis of Financial Condition and Results of Operations for Planet 13 Holdings Inc. is also included in the Form 10-Q for the nine months ended September 30, 2026, filed on SEDAR+ on November 12, 2026, in its entirety.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of Planet 13 is for the three and nine months ended September 30, 2026. It is supplemental to, and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2026 and 2025, and the accompanying notes presented herein. Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("**GAAP**"). Financial information presented in this MD&A is presented in United States dollars ("$", "USD" or "US$"), unless otherwise indicated.

In this MD&A, unless the context otherwise requires, the terms "**we**," "**us**," "**our**," "**Company**," or "**Planet 13**" refer to Planet 13 Holdings Inc. together with its wholly owned subsidiaries.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable United States and Canadian securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading "Cautionary Note Regarding Forward-Looking Statements," identified in this Quarterly Report on Form 10-Q. As a result of many factors, our actual results may differ materially from those anticipated in these forward-looking statements and information.

Overview

We are a multi-state cannabis operator with licenses to operate in Nevada, Florida, and Illinois. We are headquartered in Las Vegas, Nevada. During 2026, we completed our exit from the California market.

As of September 30, 2026, we employed approximately 650 people and remain focused on providing our customers with the best products, best services, and an experiential shopping experience at our superstore-themed dispensary while expanding our products and sales through neighborhood stores. Each of our state operations is held in state-focused subsidiaries: (a) MM Development Company, Inc. for all licensed Nevada cannabis cultivation, production, distribution, and dispensing, (b) VidaCann LLC. ("**VidaCann**") which holds our Florida Medical Marijuana Treatment Center ("**MMTC**") license, and (c) Planet 13 Illinois, LLC ("**Planet 13 Illinois**") which holds an Illinois social-equity justice impaired dispensing license. We have focused on our large-store dispensing stores as superstores which offer an experiential approach to our customers, including drones, robotics, 3-D mapping projection, cannabis-culture inspired social-media backdrops for customer interaction, customer-facing production, one-on-one sales staffing and customer education, and other interactive marketing elements to differentiate from more traditional dispensing locations, which we refer to herein as "neighborhood stores". Each of our cannabis facilities is state-licensed as an adult-use cannabis facility, a medical cannabis facility, or a dual-use facility, allowing for both adult-use and medical cannabis licensed activity, as designated below in the state-by-state breakdown.

On July 26, 2026, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Vireo Growth Inc., a British Columbia corporation ("Vireo" or "Parent"), and Supernova Merger Sub Inc., a Nevada corporation and a wholly owned subsidiary of Vireo ("Merger Sub"), pursuant to which Vireo will, as a result of the merger contemplated thereby, acquire all of the issued and outstanding equity interests of the Company. Pursuant to the Merger Agreement, Merger Sub will be merged with and into the Company (the "Merger" and, together, with the other transactions contemplated by the Merger Agreement, the "Transactions"), with the Company surviving as a direct wholly owned subsidiary of Vireo. Capitalized terms used but not defined herein have the meanings given to them in the Merger Agreement, except as otherwise indicated.

Proposed Merger

On July 26, 2026, we entered into an Agreement and Plan of Merger (the "**Merger Agreement**") with Vireo Growth Inc., a British Columbia corporation ("**Vireo**" or "**Parent**"), and Supernova Merger Sub Inc., a Nevada corporation and a wholly owned subsidiary of Vireo ("**Merger Sub**"), pursuant to which Vireo will, as a result of the merger contemplated thereby, acquire all of the issued and outstanding equity interests of the Company. Pursuant to the Merger Agreement, Merger Sub will be merged with and into the Company (the "**Merger**" and, together, with the other transactions contemplated by the Merger Agreement, the "**Transactions**"), with the Company surviving as a direct wholly owned subsidiary of Vireo. Capitalized terms used but not defined herein have the meanings given to them in the Merger Agreement, except as otherwise indicated.

The Company's board of directors (the "**Company Board**"), acting on the unanimous recommendation of a special committee of the Company Board, consisting solely of directors who are independent and disinterested directors of the Company (the "**Special Committee**"), has unanimously, among other things, (i) determined that the Merger Agreement and the transactions contemplated thereby are fair to, and in the best interests of, the Company and its stockholders, (ii) approved, authorized, adopted and declared advisable the Merger Agreement and the transactions contemplated thereby and (iii) resolved to recommend that the stockholders of the Company vote in favor of the adoption of the Merger Agreement and the approval of transactions contemplated thereby, including the Merger.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the "**Effective Time**"), each share of common stock, no par value, of the Company ("**Company Common Stock**") that is issued and outstanding as of immediately prior to the Effective Time (other than Canceled Shares and Dissenting Shares) will be automatically cancelled, extinguished and converted into the right to receive 0.015383618 (the "**Exchange Ratio**") of a subordinate voting share of Parent (the "**Parent Shares**" and such amount, the "**Merger Consideration**").

Representations and Warranties; Covenants

The Company, Parent and Merger Sub have each made customary representations, warranties and covenants in the Merger Agreement. Among other things, the Company has agreed, subject to certain exceptions, from the date of the Merger Agreement until the earlier to occur of the termination of the Merger Agreement in accordance with its terms and the Effective Time, subject to specified exceptions, to, (i) use reasonable best efforts to conduct the business of the Company and its Subsidiaries in all material respects in the ordinary course of business and in a manner consistent with past practice and, to the extent consistent therewith, use reasonable best efforts to preserve in all material respects its assets and business organization and maintain in all material respects its existing business relations and goodwill with customers, suppliers, licensors, distributors, Governmental Authorities, independent contractors, employees, and business partners with whom the Company has material business relations, and (ii) not to take certain actions prior to the Effective Time without the prior written consent of Parent.

Treatment of Company Equity Awards

Company RSU Awards

Prior to the Effective Time, the Company will take all actions necessary or appropriate to cause each award of restricted stock units of the Company (a "**Company RSU Award**") that is outstanding as of immediately prior to such acceleration, whether vested or unvested, to become fully vested immediately prior to the Effective Time. In connection with such acceleration, the Company will issue to each holder of a Company RSU Award the shares of Company Common Stock underlying such Company RSU Award, subject to the Company's satisfaction of all applicable tax withholding obligations in accordance with applicable Law, the applicable Company Equity Plan and award agreement, and the Merger Agreement. Each share of Company Common Stock issued pursuant to the preceding sentence will be issued and outstanding immediately prior to the Effective Time and will be converted into the right to receive the Merger Consideration.

Treatment of Company Warrants

At the Effective Time, subject to the option of holders thereof to receive the alternative consideration in respect thereof as set forth in, and in accordance with, the terms of each warrant to purchase Company Common Stock issued by the Company that are issued and outstanding immediately prior to the Effective Time (collectively, the "**Company Warrants**"), Company Warrants shall become exercisable into Parent Shares in accordance with their terms. Consistent with the terms of the Company Warrants, any such Company Warrant shall be exercisable for a number of Parent Shares (if applicable, rounded in accordance with the terms of the Company Warrants) equal to the product of (x) the aggregate number of shares of Company Common Stock issuable in respect of such Company Warrants immediately prior to the Effective Time multiplied by (y) the Exchange Ratio (the "**Assumed Warrants**") and the exercise price (rounded up to the nearest whole cent) of the Assumed Warrants will equal (i) the Exercise Price (as defined in the Company Warrants) of the Company Warrants in effect immediately prior to the Effective Time, divided by (ii) the Exchange Ratio.

Closing Conditions

The closing of the Merger is subject to the satisfaction of certain conditions, including (i) the adoption of the Merger Agreement by (a) the affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock entitled to vote thereon; and (b) the affirmative vote of a simple majority of the votes cast by holders, excluding the votes for shares of Company Common Stock held or controlled by persons described in items (a) through (d) of Section 8.1(2) of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators, at a special meeting of the Company's stockholders; and (ii) other customary conditions for a transaction of this type, such as the absence of any legal restraint prohibiting the consummation of the Transactions, the accuracy of the Company's representations and warranties contained in the Merger Agreement and the absence of any Company Material Adverse Effect since the date of the Merger Agreement.

Non-Solicitation; Company Adverse Recommendation Change

From the date of the Merger Agreement until the earlier of the Effective Time or termination of the Merger Agreement in accordance with its terms, the Company is subject to customary "no-shop" restrictions requiring the Company not to, among other things, directly or indirectly, (a) initiate, seek, solicit, facilitate or knowingly encourage, or induce or take any other action designed or intended to lead to, or that would reasonably be expected to lead to, any inquiry with respect to, or the making, submission or announcement of, any Company Acquisition Proposal, (b) enter into, continue or otherwise participate in any negotiations or discussions with, or furnish or cause to be furnished any information or data to, or furnish access to the Company's (or any of its Subsidiaries') properties with

respect to, or otherwise cooperate in any way with, any Person (other than Parent or any of its Affiliates or Representatives) relating to any Company Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to lead to any Company Acquisition Proposal, or grant any waiver or release under (or terminate, amend or modify any provision of), or fail to enforce to the fullest extent permitted under applicable Law, any confidentiality or standstill or similar agreement, (c) execute or enter into any binding or non-binding letter of intent, agreement in principle, memorandum of understanding, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other agreement, commitment, arrangement or understanding relating to or in connection with, or that is intended to or would reasonably be expected to lead to, any Company Acquisition Proposal, (d) submit to the stockholders of the Company for their approval any Company Acquisition Proposal or Company Superior Proposal, or (e) resolve to do, or agree or announce an intention to do, any of the foregoing.

The Company may, however, prior to obtaining the Company Stockholder Approval, engage in negotiations or substantive discussions with, or furnish any information to, a third party that has made a bona fide, written Company Acquisition Proposal that did not result from a breach of the non-solicitation provisions of the Merger Agreement if the Special Committee and the Company determine in good faith (after consultation with their respective financial advisors and outside legal counsel) that (x) such Company Acquisition Proposal constitutes or is reasonably likely to constitute a Company Superior Proposal and (y) failure to take such action would be inconsistent with the fiduciary duties of the Special Committee or the Company Board under applicable Law.

If, at any time prior to the receipt of the Company Stockholder Approval, the Company, the Company Board or the Special Committee receives a Company Superior Proposal that did not result from a breach of the non-solicitation provisions of the Merger Agreement, the Company Board or the Special Committee may authorize and cause the Company, in certain circumstances, to make a Company Adverse Recommendation Change and cause the Company to terminate the Merger Agreement and to concurrently enter into a definitive agreement relating to a Company Superior Proposal, subject to complying with specified notice requirements to Parent and other conditions set forth in the Merger Agreement, including paying the Company Termination Fee (as defined below) to Parent in specified circumstances, as described below.

Termination Rights

The Merger Agreement contains certain customary termination rights for the Company and Parent, including, (i) if the Merger is not consummated on or before 5:00 p.m. (New York City time) on July 26, 2027, subject to extension to October 26, 2027, solely to the extent that the requisite cannabis regulatory approvals have not been obtained (as extended, if applicable, the "**Termination Date**"), (ii) if the Company Stockholder Approval is not obtained at a meeting of Company stockholders (or any adjournment or postponement thereof) at which a vote is taken on the adoption of the Merger Agreement, (iii) if the other party breaches its representations, warranties or covenants in a manner that would cause the conditions to the closing of the Transactions with respect to such representations, warranties or covenants to not be satisfied and fails to cure such breach within the applicable cure period, (iv) if any Governmental Authority of competent jurisdiction shall have issued or entered any Order after the date of the Merger Agreement or any Law shall have been enacted or promulgated after the date of the Merger Agreement that has the effect of permanently restraining, enjoining, rendering illegal or otherwise prohibiting the Merger or other transactions contemplated by the Merger Agreement, and in the case of such an Order, such Order shall have become final and non-appealable, and (v) by mutual written agreement of Parent and the Company. In addition, (x) subject to compliance with certain terms of the Merger Agreement, the Merger Agreement may be terminated by the Company (prior to obtaining the Company Stockholder Approval) in order to enter into a definitive agreement providing for a Company Superior Proposal and (y) the Merger Agreement may be terminated by Parent if the Company Board or the Special Committee shall have made a Company Adverse Recommendation Change or the Company or the Company Board, as applicable, shall have materially breached any of its obligations under certain non-solicitation provisions of the Merger Agreement.

Termination Fee

If the Merger Agreement is terminated (i)(a) by Parent on the basis of a breach of a covenant or agreement contained in the Merger Agreement or (b) by either Parent or the Company if the Merger is not consummated on or before the Termination Date or if the Company Stockholder Approval is not obtained at a meeting of Company stockholders (or any adjournment or postponement thereof) at which a vote is taken on the adoption of the Merger Agreement, and prior to such termination, a Company Acquisition Proposal has been publicly disclosed and not publicly withdrawn at least three business days prior to the Company Stockholders' Meeting or is otherwise known to the Company Board and not withdrawn and within nine months after any such termination, any Company Acquisition Proposal is consummated or the Company enters into a definitive agreement with respect to any Company Acquisition Proposal (regardless of when or whether such transaction is ultimately consummated), (ii) by the Company at any time prior to receipt of the Company Stockholder Approval, in order for the Company to enter into a definitive agreement with respect to a Company Superior Proposal to the extent permitted by the Merger Agreement, or (iii) by Parent if the Company Board or the Special Committee shall have made a Company Adverse Recommendation Change or the Company or the Company Board, as applicable, shall have materially breached any of its obligations under certain non-solicitation provisions of the Merger Agreement, then the Company will be required to pay Parent a termination fee equal to $1,800,000 (the "**Termination Fee**").

Concurrently with the execution of the Merger Agreement, and as a condition and inducement to Parent's willingness to enter into the Merger Agreement, each of Larry Scheffler, Robert Groesbeck, David Loop and Christopher Wren, and certain Affiliates of each of them, entered into a voting agreement (collectively, the "**Voting Agreements**") with Parent, pursuant to which each such individual

has agreed, among other things, and subject to the terms thereof, to vote the respective shares of Company Common Stock beneficially owned by each such individual in favor of the adoption of the Merger Agreement and against any Company Acquisition Proposal (including any Company Superior Proposal).

The Voting Agreements will terminate upon the earliest of (i) the valid termination of the Merger Agreement in accordance with its terms, (ii) the Effective Time, and (iii) the written agreement of the parties thereto.

Concurrently with the execution of the Merger Agreement, and as a condition and inducement to Parent's willingness to enter into the Merger Agreement, each of Larry Scheffler, Robert Groesbeck, David Loop and Christopher Wren, and certain Affiliates of each of them, has also entered into a lock-up agreement (collectively, the "**Lock-Up Agreements**") with Parent, pursuant to which each such Person has agreed not to transfer Parent Shares beneficially held or to be held by such Person that constitute, or will constitute, Merger Consideration (the "**Locked-Up Shares**"). With respect to each such group of stockholders, 5% of the Locked-Up Shares will be released at the Effective Time, 31.67% of the Locked-Up Shares will be released nine months after the Effective Time, 31.66% of the Locked-Up Shares will be released 15 months after the Effective Time and 31.67% of the Lock-Up Shares will be released 18 months after the Effective Time.

On October 9, 2026, Vireo filed a registration statement on Form S-4 with the SEC, which includes a preliminary proxy statement of the Company and a prospectus of Vireo relating to the Parent Shares to be issued in the Merger. The registration statement was declared effective by the SEC on November 2, 2026, and the Company will hold a special meeting of its stockholders to vote on the adoption of the Merger Agreement on December 10, 2026. If the Merger is completed, the Company will become a direct wholly owned subsidiary of Vireo, the Company Common Stock will be delisted from the Canadian Securities Exchange, withdrawn from the OTCQX and deregistered under the Exchange Act, and the Company will no longer file periodic reports with the SEC. If the Merger is not completed, the Company will remain an independent public company.

Nevada

As of September 30, 2026, we held the following licensed operations in Nevada: (a) one dual-licensed dispensary superstore adjacent to the Las Vegas Strip with 24,000 square feet of licensed dispensary (the "**Planet 13 Las Vegas Superstore**"), (b) one adult-use "neighborhood store" at 2,300 square feet of licensed dispensary (the "**Medizin dispensary**"), (c) three dual-licensed production facilities, one of which is co-located and customer-facing at the Las Vegas SuperStore Entertainment complex with 18,500 square feet of licensed production, (d) three dual-licensed cultivation facilities, one with approximately 16,100 square foot indoor cultivation facility under perpetual harvest cycle, a second with 45,000 square feet co-located with our production license at that facility, and a small-indoor rural site in Beatty, Nevada that is expandable up to 2,300,000 square feet of greenhouse located on 80-acres owned by us, also co-located with our production license at that facility, (e) one cannabis distribution license and (f) one cannabis consumption license operating as DAZED! Consumption lounge, a 3,000 square foot location inside the Planet 13 Las Vegas Superstore Entertainment complex. Of the three Nevada cultivation facilities, the Company is currently only utilizing one, the 45,000 sq ft shared use cultivation/production facility, while the other two facilities are dark and reserved for future expansion, or potential sale.

At the Planet 13 Las Vegas Superstore Entertainment complex, we also offer ancillary services to our customers, including a restaurant with a liquor license, and a retail store, which sells branded merchandise products and other non-regulated items in our facility.

Exit from California

During 2026, we completed our exit from the California market. We discontinued operations at our Orange County, California retail store, with the final day of sales on February 10, 2026, and on August 3, 2026, we completed the transfer and sale of the California licenses associated with our previously sold Coalinga cultivation facility. As of September 30, 2026, we no longer held any California cannabis licenses or conducted cannabis operations in California.

Florida

As of September 30, 2026, we are continuing capital outlays to utilize our Florida MMTC license issued by the Florida Department of Health that was acquired through our acquisition of VidaCann. Licensed MMTCs are vertically integrated and the only businesses in Florida authorized to dispense medical marijuana cannabis to qualified patients and caregivers. MMTCs are authorized to cultivate, process, transport and dispense medical marijuana. As of December 31, 2025 there were 22 companies with MMTC licenses in Florida, many of which are not yet operational. License holders are not subject to restrictions on the number of dispensaries that may be opened or on the number or size of cultivation and processing facilities they may operate. On September 15, 2023, we recorded an impairment charge of $32,750,466 against our previously acquired Florida MMTC License to reflect the value of the Florida MMTC License as of the date we domesticated to Nevada. We recognized an additional impairment of $7,197,418, that brought the carrying value of our Florida MMTC License to $9,000,000, as of December 31, 2023. The amount was equal to the sale price negotiated with a third party who acquired the license from us on May 6, 2024, prior to us closing the acquisition of VidaCann on May 10, 2024. The VidCann acquisition added a cultivation and processing facility, a production facility and a twenty-six (26) retail store network, to which we have added seven (7) additional locations, bringing the total number of medical dispensaries we operate in Florida to thirty three (33).

As part of our Florida expansion, as of the date of this Quarterly Report on Form 10-Q, we have entered into two leases for additional dispensing locations in Florida, which remain subject to completion of tenant improvements and regulatory inspection prior to sales to customers. The first location in Sarasota, became operational on August 21, 2026, which will be followed by the second location in St. Petersburg, beginning construction in the forth quarter of 2026.

Illinois

On August 5, 2021, Planet 13 Illinois won a Conditional Adult Use Dispensing Organization License in the Chicago-Naperville-Elgin region from the Illinois Department of Financial and Professional Regulation. The conditional license was issued to Planet 13 Illinois on July 22, 2022. At the time the license was awarded, we owned 49% of Planet 13 Illinois and 51% was owned by Frank Cowan.

On August 5, 2022, we entered into an option purchase agreement that gives us the option to purchase 51% of Planet 13 Illinois that it does not already own from Frank Cowan for $866,250 in cash and 1,063,377 common shares of the Company. The option was exercisable at our discretion for a period of two years.

On October 14, 2022, the Company, through its wholly owned subsidiary Planet 13 Chicago, LLC, entered into a $2,500,000 real property purchase agreement for a proposed dispensing location in Waukegan, Illinois, for an approximately 8,000 square foot building on 1.9 acres, previously occupied by a financial institution tenant. The Company's obligation to close on the transaction is conditioned upon obtaining local jurisdiction zoning and land-use approvals, completion of customary due diligence, and that the current non-occupying tenant terminate their lease at the property. On November 1, 2022, the Company provided notice of this site selection to the Illinois cannabis regulator.

On February 7, 2023, we exercised and closed our option to purchase Mr. Cowan's 51% interest in Planet 13 Illinois. On February 3, 2023, we closed on the purchase of a dispensary location in the town of Waukegan, a suburb of the greater Chicago area, and on December 4, 2023, opened the Planet 13 Illinois dispensary to the public.

As of September 30, 2026 we operate one Planet 13 branded dispensary in Waukegan, Illinois. The Company has plans to leverage its resources in Illinois by introducing its exclusive line of products through licensing agreements for sale at its retail store and wholesale throughout the State in 2026.

Competitive Conditions

The markets in which we operate are highly competitive, with increasing competition from larger, better financed companies, as well as new entrants. Competition has become more intense as competitors offer an increasing number of diversified products and engage in price competition in all markets. Planet 13 is committed to enhancing the customer experience through events, exclusive product offerings, improved pricing and enhancements to its loyalty program to help attract and retain customers in light of this competitive environment.

We expect to continue to focus on several areas, including customer experience, product innovation, production efficiencies, marketing and branding, and ongoing cost control and reductions. The management team constantly monitors ongoing developments in the cannabis and related industries to help us remain competitive. We have been closely tracking the illicit market for cannabis and manufacturers and retailers of intoxicating hemp products as the illicit market also has a direct financial impact on our business.

Recent Developments

On July 26, 2026, we entered into the Merger Agreement with Vireo and Merger Sub, and on October 9, 2026, Vireo filed a registration statement on Form S-4 with the SEC in connection with the Merger, which was declared effective by the SEC on November 2, 2026. The Company will hold a special meeting of its stockholders to vote on the adoption of the Merger Agreement on December 10, 2026. See “Overview” above and Part II, Item 1A, “Risk Factors” for additional information regarding the Merger.

Results of Operations

Expressed in USD$	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Percentage Change
Revenue			
Net revenue	23,079,891	23,270,211	(0.8)%
Cost of Goods Sold	(10,104,273)	(18,311,350)	(44.8)%
Gross Profit	12,975,618	4,958,861	161.7%
Gross Profit Margin %	56.2%	21.3%	
Expenses			
General and Administrative	13,543,891	11,987,649	13.0%
Sales and Marketing	1,394,944	1,171,083	19.1%
Lease expense	1,120,390	1,345,835	(16.8)%
Depreciation and Amortization	1,435,121	1,855,914	(22.7)%
Total Expenses	17,494,346	46,204,708	(62.1)%
Income (Loss) From Operations	(4,518,728)	(41,245,847)	(89.0)%
Other Income (Expense):			
Interest expense, net	(100,445)	(91,934)	9.3%
Foreign exchange gain (loss)	**—**	—	**#DIV/0!**
Other income, net	278,902	(1,799,946)	(115.5)%
Total Other Income	178,457	(1,891,880)	(109.4)%
Loss for the period before tax	(4,340,271)	(43,137,727)	(89.9)%
Provision for income tax (current and deferred)	(2,016,011)	(818,126)	146.4%
Loss for the period	(6,356,282)	(43,955,853)	(85.5)%
Loss per share for the period			
Basic and fully diluted income (loss) per share	$ (0.02)	$ (0.14)	
Weighted Average Number of Shares Outstanding			
Basic and diluted	335,319,455	325,363,800	

Expressed in USD$	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Percentage Change
Revenue			
Net revenue	67,031,413	78,156,379	(14.2)%
Cost of Goods Sold	(32,318,074)	(49,531,520)	(34.8)%
Gross Profit	34,713,339	28,624,859	21.3%
Gross Profit Margin %	51.8%	36.6%	
Expenses			
General and Administrative	36,082,534	39,645,372	(9.0)%
Sales and Marketing	3,921,486	4,344,072	(9.7)%
Lease expense	3,440,793	4,032,796	(14.7)%
Depreciation and Amortization	4,347,413	5,442,633	(20.1)%
Total Expenses	47,792,226	83,309,100	(42.6)%
Income (Loss) From Operations	(13,078,887)	(54,684,241)	(76.1)%
Other Income (Expense):			
Interest expense, net	(275,070)	(645,635)	(57.4)%
Foreign exchange gain (loss)	—	(3,113)	(100.0)%
Other income, net	2,383,691	3,504,281	(32.0)%
Total Other Income	2,108,621	2,855,533	(26.2)%
Loss for the period before tax	(10,970,266)	(51,828,708)	(78.8)%
Provision for income tax (current and deferred)	(9,068,264)	(7,475,554)	21.3%
Loss for the period	(20,038,530)	(59,304,262)	(66.2)%
Loss per share for the period			
Basic and fully diluted income (loss) per share	$ (0.06)	$ (0.18)	
Weighted Average Number of Shares Outstanding			
Basic and diluted	331,318,143	325,362,689	

Three and Nine Months Ended September 30, 2026 Compared to the Three and Nine Months Ended September 30, 2025

Revenue, net of Discounts

Net Revenue for the three months ended September 30, 2026 was $23,079,891 vs $22,859,292 in the prior quarter for a sequential increase of 1.0% or $220,599. The Company, experienced a slight, 0.8% decrease in net revenue of $190,320 from $23,079,891 in the comparable prior year period. Net Revenue during the nine months ended September 30, 2026 was $67,031,413, a 14.2% decrease of $11,124,966 when compared to the prior year period of $78,156,379.

The quarter over quarter sequential increase was primarily driven by a 15.1% revenue increase in the Florida market vs the prior quarter. Florida also experienced a 45% increase in revenue vs the prior year quarter. The year over year decreases in net revenue were primarily driven by the Company's exit from the California market with the wholesale portion substantially complete at the end of 2025 and the final day of sales at the dispensary on February 10, 2026. California revenue represented approximately $9,555,057 of the overall $11,124,966 revenue decline vs prior year with the remaining decrease coming from the Nevada market.

In Nevada, The Company continues to be impacted by an overall decline in Las Vegas tourism, with a corresponding reduction in tourist foot traffic at the Planet 13 Las Vegas Superstore compared to the prior year. In particular, ongoing pricing pressure and oversupply in the market have had a negative impact on the Nevada wholesale business, which The Company has decided to exit in the fourth quarter of 2026. The impact of the wholesale exit on revenue is expected to be negligible. The Company is focused on driving customer traffic to the Las Vegas Superstore location with local marketing efforts, partnerships with taxi cab and rideshare drivers and targeting high impact events such as certain concerts, events at the Sphere, sporting events, as well as using ongoing social media content to help promote the unique Las Vegas Superstore experience.

Details of net revenue by product category are as follows:

	Three Months Ended		
	September 30, 2026	September 30, 2025	**Percentage Change**
Flower	$ 10,388,337	$ 8,577,585	21.1%
Concentrates	8,075,344	7,661,562	5.4%
Edibles	3,422,472	3,667,384	(6.7)%
Topicals and Other Revenue	845,963	1,119,393	(24.4)%
Wholesale	347,775	2,244,287	(84.5)%
Net revenue	$ 23,079,891	$ 23,270,211	(0.8)%

	Nine Months Ended		
	September 30, 2026	September 30, 2025	**Percentage Change**
Flower	$ 28,061,968	$ 28,728,017	(2.3)%
Concentrates	23,467,483	24,876,348	(5.7)%
Edibles	10,881,604	12,801,895	(15.0)%
Topicals and Other Revenue	2,789,039	3,447,300	(19.1)%
Wholesale	1,831,319	8,302,819	(77.9)%
Net revenue	$ 67,031,413	$ 78,156,379	(14.2)%

Gross Profit

Gross profit margin for the three months ended September 30, 2026 was 56.2% compared to 21.3% for the three months ended September 30, 2025. Overall gross profit was $12,975,618 and $4,958,861 for the three months ended September 30, 2026 and 2025 respectively, a year over year increase of 161.7% or $8,016,757.

Gross profit margin for the nine months ended September 30, 2026 was 51.8% compared to 36.6% for the nine months ended September 30, 2025. Overall gross profit was $34,713,339 and $28,624,859 for the nine months ended September 30, 2026 and 2025 respectively, a year over year increase of 21.3% or $6,088,480.

The increase in gross profit margin percentage for the nine months ended September 30, 2026 was the result of several factors including: the exit from California wholesale, the cost reductions in Nevada cultivation and improvements in third party procurement in Nevada. The Company also had a positive, ytd adjustment to its inventory reserve balance of $2,093,977 with $1,000,000 impacting Q2 and $1,093,977 impacting Q3. Without the inventory reserve adjustment, gross profit margin would have been 51.5%

for the three month and 48.7% for the nine month periods. The Company expects margins to stabilize at this level going forward as a result of the continued efforts in Nevada, and as Florida begins to scale and butane hash oil products are introduced.

General and Administrative Expenses

General and Administrative ("**G&A**") expenses (which includes non-cash share-based compensation expenses), decreased by 9.0% during the nine months ended September 30, 2026, when compared to the nine months ended September 30, 2025. The decrease in G&A expenses across board was the result of the focused cost cutting initiatives undertaken by the Company during 2025 now showing in the results. Overall, excluding non-cash share-based compensation expenses and non-operating legal and transaction related costs, G&A expenses decreased $6,907,037 or 18.0%. When expressed as a percentage of revenue, adjusted G&A expenses equaled 47.1% for the nine months ended September 30, 2026, compared to 49.2% for the nine months ended September 30, 2025.

A detailed breakdown of G&A expenses is as follows:

	Three Months Ended		
	September 30, 2026	September 30, 2025	**Percentage Change**
Salaries and wages	$ 4,991,362	$ 4,793,367	4.1%
Share-based compensation expense	360,007	616,654	(41.6)%
Executive compensation	772,608	728,180	6.1%
Licenses and permits	555,601	683,859	(18.8)%
Payroll taxes and benefits	958,197	1,150,290	(16.7)%
Supplies and office expenses	137,066	200,787	(31.7)%
Subcontractors	452,253	562,979	—%
Professional fees (legal, audit and other)	2,927,065	1,133,736	158.2%
Miscellaneous general and administrative expenses	2,389,732	2,117,797	12.8%
	$ 13,543,891	$ 11,987,649	13.0%

	Nine Months Ended		
	September 30, 2026	September 30, 2025	**Percentage Change**
Salaries and wages	$ 13,717,540	$ 16,032,900	(14.4)%
Share-based compensation expense	1,715,500	1,174,281	46.1%
Executive compensation	2,265,934	2,816,843	(19.6)%
Licenses and permits	1,587,041	2,030,477	(21.8)%
Payroll taxes and benefits	2,971,253	3,734,383	(20.4)%
Supplies and office expenses	466,273	736,928	(36.7)%
Subcontractors	1,401,333	1,761,008	(20.4)%
Professional fees (legal, audit and other)	5,106,998	4,114,199	24.1%
Miscellaneous general and administrative expenses	6,850,662	7,244,353	(5.4)%
	$ 36,082,534	$ 39,645,372	(9.0)%

Non-cash, share-based compensation of $360,007 was recognized during the three months ended September 30, 2026, increasing from $616,654 that was recognized during the three months ended September 30, 2025. The decrease is primarily attributable to fewer Restricted Share Units ("**RSUs**") outstanding vs the prior year and no new RSUs being granted in 2026. These amounts are non-cash, and the expense is recognized in accordance with the vesting schedule of the underlying RSUs. See Note 12 to our audited consolidated financial statements filed with our Annual Report on Form 10-K for the year ended December 31, 2025, for additional details on the assumptions used to calculate fair value as well as information regarding the vesting of the various components of the non-cash share-based compensation.

Sales and marketing expenses increased by 19.1% or $223,861 during the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase in marketing expenses was a result of the Company's overall efforts to drive increased customer traffic to the Planet 13 Las Vegas Superstore.

Lease expense decreased by 16.8% during the three months ended September 30, 2026, when compared to the three months ended September 30, 2025. The decrease in Lease expense is primarily due to the exit from the Orange County, California dispensary, which was completed on February 10, 2026, the exit from administrative office space in Nevada and two unprofitable store locations in Miami Florida.

Depreciation and amortization decreased by 22.7% during the three months ended September 30, 2026, when compared to the three months ended September 30, 2025. The reduction is primarily due to the elimination of depreciation charges as a result of the asset sales in California.

Interest expense of $100,445 was incurred during the three months ended September 30, 2026, compared to net interest expense of $91,934 during the three months ended September 30, 2025. The interest expense is net of interest earned on a corresponding money market account. The balance of long-term debt as of September 30, 2026, was $1,282,370 compared to $1,234,353 as of December 31, 2025.

We conduct our operations primarily in United States dollars and hold all of our currency in US dollars. An insignificant amount of expenses are incurred in Canadian dollars, or Euros. The foreign currency gains/losses reflect fluctuations in the underlying exchange rates on the dates expenses are incurred compared to when they are paid. It is our policy not to hedge our foreign exchange exposure.

Other income/expense, consisting of gains on the sale of fixed assets and other miscellaneous transactions, including Automated Teller Machine ("**ATM**") fees, and other income, was income of $278,902 for the three months ended September 30, 2026, compared to other income consisting of ATM fees, and other miscellaneous expenses of $1,799,946 for the three months ended September 30, 2025. Other income for the nine months ended September 30, 2026 included $1,565,000 gain on the sale of assets. The prior year other income included the recovery of a property in a legal settlement related to the El Capitan matter valued at $4,570,227.

Income tax expense for the three months ended September 30, 2026, was $2,016,011 compared to $818,126 for the prior year period. The tax expense increased primarily due to a deferred tax recovery benefit of $2,236,050 in the prior year. Non-medical markets are still subject to Section 280E of the Internal Revenue Code (the "**Code**"), which prohibits businesses from taking deductions or credits in carrying on any trade or business consisting of trafficking in certain controlled substances that are prohibited by federal law. We, to the extent our "trafficking" activities, and/or key contract counterparties directly engaged in trafficking in cannabis, have incurred significant tax liabilities from the application of Section 280E. Our income tax obligations under Section 280E of the Code are typically substantially higher as compared to companies to which Section 280E does not apply. Section 280E essentially requires us to pay federal, and as applicable, state income taxes on gross profit, which presents a significant financial burden that increases our net loss and may make it more difficult for us to generate net profit and cash flow from operations in future periods. In addition, to the extent that the application of Section 280E creates a financial burden on contract counterparties, such burdens may impact the ability of such counterparties to make full or timely payment to us, which would also have a material adverse effect on our business.

The overall net loss for the three months ended September 30, 2026, was $6,356,282 (($0.02) per share) compared to an overall net loss of $43,955,853 (($0.14) per share) for the three months ended September 30, 2025.

Segmented Disclosure

The Company determined that each of its locations represents an operating segment. These operating segments have been aggregated into a single reportable segment as the Company operates as a vertically integrated cannabis company with dispensary, cultivation, production and distribution operations in the States of Nevada and Florida, and dispensary operations in the State of Illinois.

Liquidity and Capital Resources

As of September 30, 2026, our financial instruments consist of cash, deposits, accounts receivable, accounts payable and accrued liabilities, and notes payable. We have no speculative financial instruments, derivatives, forward contracts, or hedges.

As of September 30, 2026, we have working capital of $14,756,340 compared to working capital of $18,564,637 as of September 30, 2025. The working capital reduction is the result of substantially less inventory and accounts receivable related to our former California operations and the reduction in Nevada cultivation, partially offset by a reduction in accounts payable and accrued expenses in the current period. The Company believes that it has adequate liquidity in the form of cash on hand to continue to fund its operations over the next 12 months.

The following table relates to the nine months ended September 30, 2026 and 2025:

	Nine Months Ended	
	September 30, 2026	September 30, 2025
Cash flows used in operating activities	$ (175,319)	$ (10,570,883)
Cash flows provided by investing activities	292,361	514,518
Cash flows provided by financing activities	-	1,802,368

Cash Flows from Operating Activities

Net cash used in operating activities was $175,319 for the nine months ended September 30, 2026, compared to cash used in operating activities of $10,570,883 for the nine months ended September 30, 2025. A significant portion of the increase in cash used in operating activities is directly attributable to the net change in certain working capital items during the nine months ended September 30, 2026, when compared to the nine months ended September 30, 2025. This was driven primarily by decreases in accounts receivable, inventory, accounts payable and accrued expense accounts in the six months ended September 30, 2025.

Cash Flows from Investing Activities

Net cash provided by investing activities was $292,361 for the nine months ended September 30, 2026, compared to net cash provided by investing activities of $514,518 for the nine months ended September 30, 2025. Funds received in the current period were related to the sale of dispensary assets in Orange County, California, offset by capital expenditures in Florida. Capital expenditures in the prior year period were primarily related to new store buildouts and upgrades to the cultivation facilities in Florida.

Cash Flows from Financing Activities

Net cash provided by financing activities was $0 during the nine months ended September 30, 2026, compared to net cash provided by financing activities of $1,802,368 for the nine months ended September 30, 2025. The funds received in the prior period were a $9,750,000 draw from the revolving line of credit, mostly offset by the payoff of debts related to the VidaCann acquisition.

Capital Resources

We have a recent history of operating losses. It may be necessary for us to arrange for additional financing to meet our ongoing operational needs and growth initiatives. Under the Merger Agreement, we generally may not issue securities, incur or guarantee certain indebtedness or make certain capital expenditures without Vireo's prior written consent until the earlier of the completion of the Merger and the termination of the Merger Agreement.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.

Should financing not be available, the Company has adequate liquidity in the form of cash on hand and assets for sale to fund all of its planned capital expenditures and expansion plans as well as to continue to fund its operation over the next 12 months, including the planned build-out of its operations in Florida.

If the Merger is not completed, as a result of the limited capital available for small-cap cannabis companies in the current market, we may need to consider other available options to restructure or reorganize our operations.

Capital Management

Our capital consists of shareholders' equity. Our objective when managing capital is to maintain adequate levels of funding to support the development of our businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance we will be able to raise funds in the future. We invest all capital that is surplus to our immediate operational needs in short-term, highly liquid, and high-grade financial instruments. There were no changes to our approach to capital management during the period. We are not subject to externally imposed capital requirements.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of September 30, 2026.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with GAAP requires our management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There have been no material changes to our critical accounting estimates as set forth in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our market risk disclosures as set forth in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Our management, with the participation of our Co-Chief Executive Officers and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act. Based on that evaluation as of September 30, 2026, our Co-Chief Executive Officers and Chief Financial Officer concluded that our Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, cannot provide absolute assurance of achieving the desired control objectives. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions and cannot provide absolute assurance that its objectives will be met. Similarly, an evaluation of controls cannot provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.