

Planet 13 Exits California, Sells Orange County Dispensary

Planet 13 Holdings Inc. Completes Strategic Exit From California Market With Divestiture of Orange County Retail and Distribution Operations

Planet 13 Holdings Inc., a vertically integrated multistate cannabis operator, has announced the successful completion of the previously disclosed divestiture of its retail and distribution licenses in Orange County, marking a major milestone in the company's planned withdrawal from the California cannabis market.

The transaction finalizes the sale of the company's dispensary and associated distribution operations in the region, effectively ending its retail footprint in the nation's largest cannabis market.

In addition to the licensing divestiture, the company confirmed it has closed on the sale of the property tied to its cultivation facility in Coalinga. The cultivation license linked to that site is currently in the process of being transferred to the buyer.

Together, the deals represent the substantial completion of Planet 13's previously announced plan to exit California.

Leadership Frames Market Withdrawal as Disciplined Capital Reallocation Toward Higher-Return Growth States

Company executives described the move as a calculated step aligned with a broader capital allocation and operational focus strategy spanning 2025–2026.

"These actions represent significant progress against our previously communicated strategic priority," said co-CEO Bob Groesbeck. "Exiting California was a deliberate priority for 2025–2026, and we have now successfully completed the closure of our retail and distribution operations while advancing the final steps related to cultivation."

Groesbeck added that the transition reflects disciplined execution and a commitment to shareholder accountability as the company moves through 2026.

Company Shifts Resources Toward Core Markets Including Nevada and Florida Expansion Efforts

With California operations now largely wound down, Planet 13 plans to reallocate both capital and management attention toward markets viewed as delivering stronger returns—particularly Nevada and Florida.

Executives said concentrating on these core regions will support expansion initiatives, operational efficiency and long-term profitability, especially as competitive pressures intensify across mature cannabis markets.

The company already maintains a significant presence in Nevada, where its flagship superstore operations have served as a cornerstone of its retail strategy, while Florida represents a high-growth medical cannabis market with future adult-use potential.

California Footprint Reduction Expected to Streamline Operations and Improve Liquidity Position

Planet 13 noted that its California segment historically accounted for only a small share of consolidated revenue while remaining cash-flow negative.

By exiting the state, the company expects to:

- Reduce operating complexity
- Lower overhead expenses
- Strengthen its balance sheet
- Improve liquidity
- Redirect investment into higher-performing assets

The simplification of its operating footprint is also expected to allow leadership to focus more directly on execution in priority markets rather than managing geographically dispersed and underperforming assets.

Exit Reflects Broader Industry Pressures Facing Cannabis Operators in Mature State Markets

While company leadership framed the move as strategic, the decision also underscores broader challenges within California's cannabis sector.

Operators across the state have grappled with:

- Price compression
- High taxation
- Regulatory costs
- Illicit market competition
- Local licensing constraints

For multistate operators like Planet 13, these pressures have prompted portfolio reassessments aimed at prioritizing profitability over geographic breadth.

Strategic Realignment Positions Company for Operational Focus and Shareholder Value Creation Through 2026

With retail and distribution operations now divested and cultivation license transfer underway, Planet 13's California exit is effectively complete.

Leadership says the restructuring positions the company to pursue operational excellence, disciplined growth and improved financial performance in the years ahead.

As the U.S. cannabis industry continues to evolve, Planet 13's market withdrawal highlights a growing trend: multistate operators refining their footprints to focus on jurisdictions offering stronger margins, scalable infrastructure and clearer long-term regulatory pathways.

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