



Vext Announces Financial Results for Q1 2024

- Revenue of \$8.4 million; Adjusted EBITDA¹ of \$1.9 million.
- With launch of adult-use program in Ohio anticipated to occur in the near term, Vext will benefit from its vertically-integrated position in the state.
- Announced \$2 million standby credit facility, providing additional liquidity to fund operations.

VANCOUVER, BC, May 29, 2024 - [Vext Science, Inc.](#) (“VEXT” or the “Company”) (CSE: VEXT; OTCQX: VEXTF) a U.S.-based cannabis operator with vertical operations in Arizona and Ohio, today reported its financial results for the period ended March 31, 2024. All currency references used in this news release are in U.S. currency unless otherwise noted.

Summary Financial Results

	Q1 2024	Q4 2023	Q1 2023
Revenue	\$8,390,023	\$8,415,253	\$9,110,651
EBITDA ¹	(\$2,285,845)	\$12,275,213	\$1,638,009
Adjusted EBITDA ¹	\$1,957,074	\$550,621	\$2,930,919
Adjusted EBITDA Margin (%) ¹	23.3%	6.5%	31.3%

Management Commentary

“The first quarter of 2024 continued to present consumer-related challenges to all operators, with the Arizona market overall experiencing another decline in quarterly revenue,” said **Eric Offenberger, CEO of Vext**. “At Vext, we utilized our expertise as seasoned operators to drive traffic by offering bundled products at the retail level, and outperforming state averages despite impacts on revenue and gross margins. With the transition to an adult-use framework occurring this year, we believe the expansion of the addressable consumer base will more than offset any continued consumer weakness, making Ohio a promising market for the foreseeable future. With relatively modest maintenance capital requirements, all significant growth capital expenditures completed and an imminent sea change in the Ohio market, we expect to begin growing cash flow meaningfully, while driving returns for shareholders.”

Mr. Offenberger added, “Ohio presents a significant, multi-year growth opportunity for Vext, and the standby credit line we announced today will offer us additional flexibility to address any short-term funding needs as the adult-use program gains momentum and our own cash flow returns to growth following the build-out of our significant presence in the state.”

Standby Credit Facility

The Company also announces that it has entered into a loan agreement with certain third-party lenders (collectively, the “Lenders”), including Sopica Special Opportunities Fund Limited (“SSOFL”), pursuant to which the Company has obtained a standby credit facility in the principal amount of up to \$2 million (the “Standby Credit Facility”) to provide additional financial flexibility primarily in connection with the Company’s working capital investment and

¹ See “Non-IFRS Financial Measures” below for more information regarding Vext’s use of non-IFRS financial measures and other reconciliations.



dispensary additions in Ohio. Interest on any drawn portion of the Standby Credit Facility accrues at a rate of 12% per annum. Any undrawn amounts are subject to a monthly standby commitment fee equal to 0.25% of such undrawn amounts. All obligations owing under the Standby Credit Facility will be converted into a term loan on November 28, 2024, repayable over a period of six months and maturing on May 28, 2025.

SSOFL, an insider shareholder of the Company, is one of the Lenders and has committed a portion of the Standby Credit Facility. Accordingly, SSOFL's participation constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* ("MI 61-101"). Such transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of, nor the consideration paid for, the Standby Credit Facility, insofar as it involves SSOFL exceeds 25% of the Company's market capitalization.

Q1 2024 Financial Results Conference Call

Vext will host a conference call and webcast on Wednesday, May 29, 2024, at 8:00 a.m. ET to discuss its first quarter 2024 financial results.

Date: May 29, 2024 | **Time:** 8:00 am ET

Participant Dial-in: +1-647-484-8814 or 1-844-763-8274

Replay Dial-in: +1-604-674-8052 or 1-855-669-9658

Conference ID: 10023534

Playback #: 0924 (Expires on June 12, 2024)

Listen to webcast: <https://www.gowebcasting.com/13356>

For more details, visit Vext's [investor website](#) or contact the IR team at investors@vextscience.com.

Non-IFRS Financial Measures

This news release contains certain "non-IFRS financial measures" (equivalent to "non-GAAP financial measures", as such term is defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112")), "non-IFRS ratios" (equivalent to "non-GAAP ratios", as such term is defined in NI 52-112), including "EBITDA", "Adjusted EBITDA" and "Adjusted EBITDA margin". These financial measures do not have a standardized definition under IFRS, nor are they calculated or presented in accordance with IFRS and may not be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization. The Company defines "Adjusted EBITDA" as net income (loss) from operations, as reported, before interest and tax, adjusted to exclude extraordinary items, non-recurring items, other non-cash items, including stock-based compensation expense, depreciation and amortization, foreign exchange and acquisition related costs, if applicable. The Company defines "Adjusted EBITDA margin" as Adjusted EBITDA divided by Revenue.

The Company has provided these financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. The Company believes that these supplemental financial measures provide a valuable additional measure to use when analyzing the operating performance of the business. These supplemental financial measures should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the IFRS financial measures presented herein.

The following information provides reconciliations of the non-IFRS financial measures presented herein to the most directly comparable financial measures calculated and presented in accordance with IFRS.



	Q1 2024	Q4 2023	Q1 2023
Revenue	\$ 8,390,023	\$ 8,415,253	\$ 9,110,651
Net Income after taxes	\$ (6,333,412)	\$ 5,628,139	\$ 73,059
Interest (Net)	800,680	826,062	860,978
Income Taxes	(340,522)	2,310,796	(1,141,064)
Depreciation & Amortization	3,587,409	3,510,216	1,845,036
EBITDA	\$ (2,285,845)	\$ 12,275,213	\$ 1,638,009
<i>Share-based compensation</i>	13,065	111,794	130,332
<i>Accretion</i>	-	(989)	(6,026)
<i>Share (Profit) / Loss on JVs</i>	162,916	(65,285)	91,205
<i>(Gain)/Loss on Asset Disposal</i>	1,444	800,154	
<i>Refinance of loan payable</i>	-	-	
<i>Loan costs WPCU loan</i>	-	-	742,036
<i>FV of WPCU loan</i>	460,870	1,634,445	190,984
<i>Loan costs EWB amortized</i>	44,286	155,068	125,451
<i>FV of APP1803 option</i>	2,022,211	2,633,784	-
<i>RSU Taxes</i>	4,199	3,789	75,825
<i>Foreign Exchange</i>	(559)	1,881	2,726
<i>ERC tax credit</i>	-	-	-
<i>Relative FV adjustment to inventory</i>	-	-	-
<i>Change in FV of Biological</i>	604,982	1,207,553	(59,623)
<i>FV increment on acquired inventory sold</i>	929,505	-	-
<i>Gain on acquisition of control and bargain purchase</i>	-	(20,550,163)	-
<i>Reserves on Notes Receivable and Investments in Joint Operations</i>	-	1,403,377	-
<i>Executive Chairman Severance</i>	-	940,000	-
Adjusted EBITDA	\$ 1,957,074	\$ 550,621	\$ 2,930,919
Adjusted EBITDA Margin (%) ¹	23.3%	6.5%	31.3%

About VEXT Science, Inc.

[Vext Science, Inc.](#) is a U.S.-based cannabis operator with vertical operations in Arizona and Ohio. Vext's expertise spans from cultivation through to retail operations in its key markets. Based out of Arizona, Vext owns and operates state-of-the-art cultivation facilities, fully built-out manufacturing facilities as well as dispensaries in both Arizona and Ohio. The Company manufactures Vapen™, one of the leading THC concentrates, edibles, and distillate cartridge brands in Arizona. Its selection of award-winning products are created with Vext's in-house, high-quality flower and distributed across Arizona and Ohio, as well as through Vext's partnerships in other states. Vext's leadership team brings a proven track record of building and operating profitable multi-state operations, with the Company having operated profitably since 2016. The Company's primary focus is to continue growing in its core states of Arizona and Ohio, bringing together cutting-edge science, manufacturing, and marketing to provide a reliable and valuable



customer experience while generating shareholder value.

Vext Science, Inc. is listed on the Canadian Securities Exchange under the symbol VEXT and trades on the OTCQX market under the symbol VEXTF. Learn more at www.vextscience.com and connect with Vext on [Twitter/X](#) and [LinkedIn](#).

For more details on the Vapen brand:

Vapen website: VapenBrands.com

Instagram: [@vapen](#)

Facebook: [@vapenbrands](#)

Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in Vext's periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements regarding future developments and the business and operations of Vext, market projections of the cannabis industry in the jurisdictions in which the Company operates, and statements regarding the Standby Credit Facility including the use of proceeds thereof, all of which are subject to the risk factors contained in Vext's continuous disclosure filed on SEDAR+ at www.sedarplus.ca.

Although Vext has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; being engaged in activities currently considered illegal under U.S. Federal laws; change in laws; reliance on management; requirements for additional financing; competition; hindered market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. Because of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. Vext disclaims any intention or obligation to update or revise such information, except as required by applicable law, and Vext does not assume any liability for disclosure relating to any other company mentioned herein.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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SOURCE: Vext Science, Inc.