



**Vext Science, Inc.**

**Condensed Consolidated Interim Financial Statements**

**For the three and six months ended June 30, 2025 and 2024**

(Expressed in U.S. Dollars)

(Unaudited)

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under Part 4, subsection 4.3(3)(a) of National Instrument 51-102 *Continuous Disclosure Obligations*, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Vext Science, Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management and are approved by the Company’s board of directors.

The Company’s independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity’s auditor.

# **Vext Science, Inc.**

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**VEXT SCIENCE, INC.****Condensed Consolidated Interim Financial Statements of Financial Position**

(Expressed in thousands of United States Dollars, except share and per share amounts)

(Unaudited)

	Notes	June 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 4,551	\$ 4,625
Amounts receivable, net	4	1,386	1,014
Inventory	5	8,834	11,740
Biological assets	6	1,414	1,577
Prepaid expenses, deposits, and other receivables	7	1,411	6,640
Notes receivable – current portion	8	213	800
<b>Total current assets</b>		<b>17,809</b>	<b>26,396</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	36,608	35,943
Investment in joint ventures	10	—	357
Right-of-use assets	11	3,569	3,526
Due from related party	12	1,357	1,347
Intangible assets	13	68,407	64,263
Goodwill	13	5,135	5,135
<b>Total Assets</b>		<b>\$ 132,885</b>	<b>\$ 136,967</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Payables and accrued liabilities	14	\$ 13,458	\$ 11,912
Due to related parties	12	237	474
Notes payable – current portion	15	2,412	4,644
Lease liability – current portion	11	881	831
Uncertain tax position	21	2,000	—
<b>Total current liabilities</b>		<b>18,988</b>	<b>17,861</b>
<b>Long-term liabilities</b>			
Notes payable – non-current portion	15	29,312	31,083
Lease liability – non-current portion	11	3,019	2,960
Deferred tax liabilities		10,525	9,327
<b>Total liabilities</b>		<b>61,844</b>	<b>61,231</b>
<b>Shareholders' equity</b>			
Subordinated and multiple voting shares	16	53,588	53,486
Reserves		4,623	4,609
Accumulated other comprehensive income		2,355	2,355
Retained earnings		10,475	15,286
<b>Total shareholders' equity</b>		<b>71,041</b>	<b>75,736</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 132,885</b>	<b>\$ 136,967</b>

Approved on August 19, 2025 by the Board of Directors:

"Mark Opzoomeer" \_\_\_\_\_, Chairman

"Eric J. Offenberger" \_\_\_\_\_, Director

**VEXT SCIENCE, INC.**
**Condensed Consolidated Interim Financial Statements of Loss and Comprehensive Loss**

(Expressed in thousands of United States Dollars, except share and per share amounts)

(Unaudited)

	Notes	For the Three Months Ended		For the Six Months Ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Retail revenue		\$ 10,815	\$ 8,156	\$ 18,897	\$ 13,290
Wholesale revenue		2,592	271	6,071	3,527
<b>Revenue</b>		<b>13,407</b>	<b>8,427</b>	<b>24,968</b>	<b>16,817</b>
Cost of goods sold	5, 9	8,201	6,645	15,804	13,097
<b>Gross profit before fair value adjustments</b>		<b>5,206</b>	<b>1,782</b>	<b>9,164</b>	<b>3,720</b>
Unrealized fair value of biological assets	6	(1,061)	(1,106)	(1,902)	(1,880)
Realized fair value of inventory sold	6	1,395	1,334	3,915	2,712
<b>Gross profit</b>		<b>4,872</b>	<b>1,554</b>	<b>7,151</b>	<b>2,888</b>
<b>Operating expenses</b>					
Amortization	11, 13	2,261	2,169	4,327	4,042
Depreciation	9	199	131	295	256
General and administrative	17	2,889	3,014	5,148	5,587
<b>Total operating expenses</b>		<b>5,349</b>	<b>5,314</b>	<b>9,770</b>	<b>9,885</b>
<b>Other income (expense)</b>					
Share of loss in joint ventures/joint operations	10	—	(118)	(904)	(281)
Loss on disposal of assets	9	(32)	—	(32)	(1)
Change in fair value of debt	19	685	104	838	(357)
Change in fair value of purchase option	19	—	—	—	(2,022)
Foreign exchange gain/(loss)		(3)	1	(5)	1
Interest expense		(931)	(851)	(1,705)	(1,741)
Interest income		42	49	97	138
Miscellaneous income	22	980	58	1,038	68
<b>Total other income (expense)</b>		<b>741</b>	<b>(757)</b>	<b>(673)</b>	<b>(4,195)</b>
<b>Net income (loss) before income tax</b>		<b>264</b>	<b>(4,517)</b>	<b>(3,292)</b>	<b>(11,192)</b>
Income tax (expense) recovery		(1,742)	127	(1,519)	468
<b>Net loss after income tax</b>		<b>\$ (1,478)</b>	<b>\$ (4,390)</b>	<b>\$ (4,811)</b>	<b>\$ (10,724)</b>
Remeasurement of financial liabilities measured at fair value through profit or loss	19	—	2,493	—	2,493
<b>Total comprehensive loss</b>		<b>\$ (1,478)</b>	<b>\$ (1,897)</b>	<b>\$ (4,811)</b>	<b>\$ (8,231)</b>
<b>Basic loss per subordinated voting share</b>		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>
<b>Diluted loss per subordinated voting share</b>		<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of subordinated voting shares outstanding – basic</b>		<b>247,580,747</b>	<b>245,450,556</b>	<b>247,535,761</b>	<b>235,290,937</b>
<b>Weighted average number of subordinated voting shares outstanding - diluted</b>		<b>247,580,747</b>	<b>245,450,566</b>	<b>247,535,761</b>	<b>235,290,937</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**VEXT SCIENCE, INC.**
**Condensed Consolidated Interim Financial Statements of Changes in Shareholders' Equity**

(Expressed in thousands of United States Dollars, except share and per share amounts)

(Unaudited)

	Share Capital					Reserves: Compensatory Warrants	Reserves: Stock Options	Reserves: RSU	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Number of Subordinated Voting Shares	Amount: Subordinated Voting Shares	Share capital - Shares to be issued	Number of Multiple Voting Shares	Amount: Multiple Voting Shares						
<b>Balance at December 31, 2023</b>	<b>150,209,109</b>	<b>\$ 46,274</b>	<b>\$ 4,847</b>	<b>672,747</b>	<b>\$ 1,934</b>	<b>\$ 1,782</b>	<b>\$ 2,129</b>	<b>\$ 433</b>	<b>\$ (138)</b>	<b>\$ 37,721</b>	<b>\$ 94,982</b>
Share-based compensation	—	—	—	—	—	—	40	207	—	—	247
Shares issued from RSUs exercised	266,132	67	—	—	—	—	—	(67)	—	—	—
Shares issued from debenture conversion	27,700,625	4,847	(4,847)	—	—	—	—	—	—	—	—
Other comprehensive income for the period	—	—	—	—	—	—	—	—	2,493	—	2,493
Net loss for the period	—	—	—	—	—	—	—	—	—	(10,723)	(10,723)
<b>Balance at June 30, 2024</b>	<b>178,175,866</b>	<b>\$ 51,188</b>	<b>—</b>	<b>672,747</b>	<b>\$ 1,934</b>	<b>\$ 1,782</b>	<b>\$ 2,169</b>	<b>\$ 573</b>	<b>\$ 2,355</b>	<b>\$ 26,998</b>	<b>\$ 86,999</b>
<b>Balance at December 31, 2024</b>	<b>180,168,038</b>	<b>\$ 51,552</b>	<b>\$ —</b>	<b>672,747</b>	<b>\$ 1,934</b>	<b>\$ 1,782</b>	<b>\$ 2,215</b>	<b>\$ 612</b>	<b>\$ 2,355</b>	<b>\$ 15,286</b>	<b>\$ 75,736</b>
Share-based compensation	—	—	—	—	—	—	34	8	—	—	42
Shares issued from RSUs exercised	138,009	28	—	—	—	—	—	(28)	—	—	—
Shares issuance for acquired companies	—	74	—	—	—	—	—	—	—	—	74
Net loss for the period	—	—	—	—	—	—	—	—	—	(4,811)	(4,811)
<b>Balance at June 30, 2025</b>	<b>180,306,047</b>	<b>\$ 51,654</b>	<b>—</b>	<b>672,747</b>	<b>\$ 1,934</b>	<b>\$ 1,782</b>	<b>\$ 2,249</b>	<b>\$ 592</b>	<b>\$ 2,355</b>	<b>\$ 10,475</b>	<b>\$ 71,041</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**VEXT SCIENCE, INC.**

## Condensed Consolidated Interim Financial Statements of Cash Flows

(Expressed in thousands of United States Dollars, except share and per share amounts)

(Unaudited)

	For the period ended June 30, 2025	For the period ended June 30, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (4,811)	\$ (10,724)
Items not affecting cash:		
Unrealized fair value of biological assets	(1,902)	(1,880)
Realized fair value of inventory sold	3,915	2,712
Amortization	4,327	4,040
Depreciation	3,525	3,432
Share-based compensation	42	247
Accretion on leases and debt	(91)	—
Share of loss in joint ventures/joint operations	904	281
Loss on disposal of assets	(32)	2
Change in fair value of debt	(838)	461
Change in fair value of purchase option	—	2,022
Due from related party	(10)	(9)
Uncertain tax positions	2,000	—
Deferred tax liabilities	(481)	(599)
Amortized debt transaction costs	78	44
Expensed construction in progress	—	90
Non-cash working capital item changes:		
Amounts receivable	(647)	(77)
Biological assets (capitalized costs)	(4,313)	(4,125)
Inventory	5,850	3,414
Prepaid expenses, deposits, and other receivables	(98)	(347)
Payables and accrued liabilities	76	784
Reduction in due to related parties	(237)	(251)
<b>Net cash provided by operating activities</b>	<b>\$ 7,257</b>	<b>\$ (483)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for acquisitions, net of cash received	\$ (2,127)	\$ (3,078)
Acquisition of property, plant and equipment, net of disposals	(1,594)	(679)
Loan to joint operations	—	(126)
Notes receivable issued	(80)	(235)
Investment in joint ventures	31	(104)
<b>Net cash used in investing activities</b>	<b>\$ (3,770)</b>	<b>\$ (4,222)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of notes payable	\$ (3,151)	\$ (367)
Payment of lease liabilities	(410)	(258)
<b>Net cash used in financing activities</b>	<b>\$ (3,561)</b>	<b>\$ (625)</b>
<b>Net change in cash during the period</b>	<b>\$ (74)</b>	<b>\$ (5,330)</b>
<b>Cash, beginning of the period</b>	<b>4,625</b>	<b>8,720</b>
<b>Cash, end of the period</b>	<b>\$ 4,551</b>	<b>\$ 3,390</b>
<b>Cash paid for</b>		
Interest	\$ (2,357)	\$ (1,741)
Income tax	(60)	(122)
<b>Non-cash investing and financing activities</b>		
Acquisition of entities in exchange for receivables & notes due from seller (Note 20)	\$ —	\$ 8,096
Recognition of new right of use assets (ROU) (Note 11)	519	—

The accompanying notes are an integral part of these condensed consolidated interim financial statements

## **VEXT SCIENCE, INC.**

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

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### **1. NATURE OF OPERATIONS**

Vext Science, Inc. (referred to as "the Company" or "Vext") possesses full ownership of two integrated cannabis operations in Arizona as well as complete ownership of a cultivation and manufacturing facility, and four (4) fully-operational dispensaries in Ohio.

The Company extends its services to the cannabis industry by offering management, advisory, cultivation, non-cannabis products, and dispensary services through operating agreements and direct sales to various entities.

Operating within the Company's dispensaries and partner markets, the Company engages in the full spectrum of cannabis product lifecycle, from development and manufacturing to distribution. The Company produces a diverse range of branded offerings, including proprietary Vapen, Revibe, Herbal Wellness Center, and Appalachian Pharm lines. The Company produces CBD products under the Vapen CBD and Hempy Endings brands, manufactured at the Vapen Kentucky facility. Furthermore, through strategic licensing agreements, the Company manufactures the Microbar brand in Arizona.

The Company's registered office is situated at Suite 1500 – 1055 West Georgia Street, Vancouver, BC V6E 4N7, while its head office is located at 4152 N. 39th Ave, Phoenix, Arizona 85019.

In Arizona, the dispensaries operate under the Herbal Wellness Center brand, with one licensed as Herbal Wellness Center and the other as Organica Patient Group. In Ohio, the cultivation and manufacturing operations are licensed and branded as Appalachian Pharms Cultivation and Appalachian Pharm Processing. The Ohio dispensaries operate under the Herbal Wellness Center brand.

### **2. BASIS OF PRESENTATION**

#### **a. Statement of Compliance**

These interim condensed consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), specifically International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IAS 34"). The same accounting policies and methods of computation were followed in the preparation of these condensed consolidated interim financial statements as were followed in the preparation of the annual consolidated financial statements as at and for the year ended December 31, 2024. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements.

Accordingly, these condensed consolidated interim financial statements should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2024, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **b. Basis of Preparation**

These condensed consolidated interim financial statements have been prepared on the going concern basis, under historical cost, except for certain financial instruments classified as fair value through profit or loss and biological assets that are measured at fair value less costs to sell. The financial statements, unless otherwise specified, are presented in United States ("U.S.") dollars.

**VEXT SCIENCE, INC.**

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

**2. BASIS OF PRESENTATION (CONTINUED...)****c. Basis of Consolidation**

The condensed consolidated interim financial statements include consolidated accounts of the Company and its subsidiaries, including its economic interest in joint operations. Joint ventures are recorded as an investment. Subsidiaries are those entities that the Company controls. The Company controls an entity when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are de-consolidated from the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

As of June 30, 2025, the Company's subsidiaries and affiliates are listed below.

<b>Name</b>	<b>Jurisdiction</b>	<b>Ownership</b>
<b>Vext Science, Inc.</b>	<b>BC, Canada</b>	
<b>Subsidiaries:</b>		
New Gen Holdings, Inc.	Wyoming, USA	100%
Step 1 Consulting, LLC	Delaware, USA	100%
New Gen Admin Services, LLC	Arizona, USA	100%
New Gen Real Estate Services, LLC	Arizona, USA	100%
Hydroponics Solutions, LLC	Arizona, USA	100%
New Gen Phoenix (PHX), LLC	Arizona, USA	100%
New Gen Eloy, LLC	Arizona, USA	100%
Pure Touch Botanicals, LLC	Arizona, USA	100%
Vapen, LLC	Arizona, USA	100%
Vapen CBD, LLC	Arizona, USA	100%
Herbal Wellness Center, LLC	Arizona, USA	100%
Organica Patient Group, LLC	Arizona, USA	100%
ReVibe Cannabis, LLC	Arizona, USA	100%
Vapen Kentucky, LLC	Kentucky, USA	100%
New Gen Ohio, LLC	Ohio, USA	100%
New Gen Ohio Real Estate, LLC	Ohio, USA	100%
New Gen Athens, LLC	Ohio, USA	100%
New Gen Columbus, LLC	Ohio, USA	100%
Jackson Pharm, LLC dba Herbal Wellness Center Ohio Jackson	Ohio, USA	100%
Appalachian Pharms Processing, LLC	Ohio, USA	100%
Appalachian Pharms Products, LLC	Ohio, USA	100%
APP 1803, LLC dba Herbal Wellness Center Ohio Columbus	Ohio, USA	100%
Herbal Wellness Center Athens, LLC	Ohio, USA	100%
Herbal Wellness Center Jeffersonville, LLC	Ohio, USA	100%

**d. Approval of the Condensed Consolidated Interim Financial Statements**

These condensed consolidated interim financial statements for the period ended June 30, 2025 and 2024 were approved and authorized for issue by the Board of Directors on August 19, 2025.

**e. Foreign currency**

Functional and presentation currency

These condensed consolidated interim financial statements are presented in United States Dollars ("USD"). The Company's functional currency is the Canadian dollar, while the functional currency of the subsidiaries has been determined to be USD.

## **VEXT SCIENCE, INC.**

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

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### **2. BASIS OF PRESENTATION (*CONTINUED...*)**

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of loss and comprehensive loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the presentation currency, which is USD, at exchange rates at the reporting date. The income and expenses of foreign operations are translated to USD using average exchange rates for the month during which the transactions occurred. Foreign currency differences are recognized in the consolidated statement of loss and comprehensive loss within other comprehensive loss and are accumulated in the foreign currency translation reserve in the consolidated statement of financial position. When the Company disposes of its entire interest in a foreign operation, or loses control over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive (loss) income related to the foreign operation are recognized in profit or loss.

#### **f. Significant Accounting Judgments and Estimates**

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the Company's annual consolidated financial statements for the year ended December 31, 2024.

### **3. MATERIAL ACCOUNTING POLICIES**

**Standards not yet adopted**

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which is intended to give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. It will affect all companies using IFRS Accounting Standards. IFRS 18 introduces new sets of requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies through:

- Improved comparability in the statement of profit or loss or income statement
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

IFRS 18 also requires companies to provide more transparency about operating expenses, helping investors to find and understand the information they need. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged. The Company will assess the impact of adoption of IFRS 18 on its financial statements.

**VEXT SCIENCE, INC.**

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

**4. AMOUNTS RECEIVABLE**

The Company's amounts receivable consists of the following:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Accounts receivable	\$ 1,648	\$ 1,276
Allowance for credit losses	(286)	(286)
GST input tax credits	24	24
<b>Total Amounts Receivable</b>	<b>\$ 1,386</b>	<b>\$ 1,014</b>

**5. INVENTORY**

Inventory consists of costs directly related to the production or procurement of products sold to customers. These include salaries and benefits, cultivation supplies, product packaging, manufacturing costs, included biological assets and other production costs.

The Company's inventory consists of the following:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Work in Process</b>		
Capitalized Cost	\$ 672	\$ 1,682
Fair Value Adjustment	290	761
<b>Carrying Value</b>	<b>962</b>	<b>2,443</b>
<b>Finished Goods</b>		
Capitalized Cost	6,889	7,996
Fair Value Adjustment	983	1,301
<b>Carrying Value</b>	<b>7,872</b>	<b>9,297</b>
<b>Total</b>	<b>\$ 8,834</b>	<b>\$ 11,740</b>

For the period ended June 30, 2025, the Company recognized \$15,804 of inventory expensed to cost of goods sold (June 30, 2024 - \$13,097).

**TEXT SCIENCE, INC.**

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

**6. BIOLOGICAL ASSETS**

Biological assets consist of cannabis plants. The changes in the carrying value of biological assets are as follows:

<b>Balance, December 31, 2024</b>	<b>\$</b>	<b>1,577</b>
Capitalized costs		4,312
Change in fair value less costs to sell due to biological transformation		1,902
Transferred into inventory upon harvest		(6,377)
<b>Balance at June 30, 2025</b>	<b>\$</b>	<b>1,414</b>

The fair value less costs to sell of biological assets is determined using a market approach where the fair value at the point of harvest is estimated based on spot prices of wholesale cannabis less post-harvest costs and costs to sell. For in process biological assets, the estimated fair value at point of harvest is attributed based on the plants' stage of growth. Stage of growth is determined by reference to days remaining to harvest over average growth cycle.

The following key inputs are used in determining the fair value of biological assets:

- Average selling price per gram - third-party cannabis spot price for wholesale cannabis.
- Average yield per plant - the number of grams a finished cannabis inventory which are expected to be derived from each harvested cannabis plant.
- Wastage of plants based on their various stages of growth - represents the weighted average percentage of biological assets which are expected to fail to mature into cannabis plants that can be harvested.
- Post-harvest costs - calculated as the cost per gram of harvested cannabis to complete the sale of cannabis plants post-harvest; and
- Stage of completion in the cultivation process - calculated by taking the weighted average number of weeks in production over a total average grow cycle of approximately 15 weeks.

**Significant unobservable inputs**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Average selling price per gram of flower	\$ 1.59	\$ 1.87
Weighted average yield of flower per plant (in grams)	67.86	59.86

**Effect on fair value****Sensitivity**

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Increase or decrease by \$0.50 per gram	\$ 231	\$ 206
Increase or decrease by \$0.10 per gram	\$ 56	\$ 47
Increase or decrease of yield by 10%	\$ 141	\$ 158

The Company estimated the harvest yields for the cannabis plants at various stages of growth at the reporting date as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>Total expected yield (in grams)</b>	<b>1,311,920</b>	<b>2,559,368</b>

The effect of changes in the fair value of biological assets and inventory are as follows:

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30, 2025</b>	<b>June 30, 2024</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Unrealized change in fair value of biological assets	\$ 1,061	\$ 1,106	\$ 1,902	\$ 1,880
Realized change in fair value on inventory sold in the period	(1,395)	(1,334)	(3,915)	(2,712)
Net effect of changes in fair value of biological assets and inventory	\$ (334)	\$ (228)	\$ (2,013)	\$ (832)

**VEXT SCIENCE, INC.**

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

**7. PREPAID EXPENSES, DEPOSITS AND OTHER RECEIVABLES**

The Company's prepaid deposits and other receivables consist of the following:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Vendor deposits	\$ 697	\$ 221
Deposit on Big Perm Dispensaries <sup>(1)</sup>	—	5,588
Prepaid Expense/Insurance/Maintenance	597	707
Security deposits	117	124
<b>Total prepaid expenses, deposits, and other receivables</b>	<b>\$ 1,411</b>	<b>\$ 6,640</b>

<sup>(1)</sup> On April 1, 2025, the Company completed the Big Perm acquisition and began consolidating the two additional Ohio dispensaries in Q2 2025 (Note 20).

**8. NOTES RECEIVABLE**

As at June 30, 2025, the Company's notes receivable consist of the following:

	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Due from Rinse Repeat Ventures, an arm's length party, accruing interest at 0% per annum	\$ 213	\$ —	\$ 213
<b>Total</b>	<b>\$ 213</b>	<b>\$ —</b>	<b>\$ 213</b>

As at December 31, 2024, the Company's notes receivables consisted of the following:

	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Due from Vapen Kentucky, an arm's length party, accruing interest at 0% per annum	\$ 447	\$ —	\$ 447
Due from Rinse Repeat Ventures, an arm's length party, accruing interest at 0% per annum	257	—	257
Working Capital loan for Athens Ohio Dispensary, an arm's length party, accruing interest at 0% per annum	62	—	62
Working Capital loan for Jeffersonville Ohio Dispensary, an arm's length party, accruing interest at 0% per annum	34	—	34
<b>Total</b>	<b>\$ 800</b>	<b>\$ —</b>	<b>\$ 800</b>

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**9. PROPERTY, PLANT AND EQUIPMENT**

	Land	Building	Equipment and machinery	Building improvements	Leasehold improvements	Construction in progress	Automobile	Total
<b>Cost</b>								
<b>Balance at December 31, 2023</b>	\$ 1,821	\$ 7,556	\$ 18,637	\$ 13,673	\$ 9,287	\$ 370	\$ 208	\$ 51,552
Disposals	—	(280)	(644)	(1,526)	(179)	(78)	(5)	(2,712)
Additions	772	2,282	116	74	38	277	—	3,559
Additions from CIP	—	—	—	88	—	(88)	—	—
Additions from acquisition (Note 20)	—	—	1	—	909	—	—	910
<b>Balance at December 31, 2024</b>	\$ 2,593	\$ 9,558	\$ 18,110	\$ 12,309	\$ 10,055	\$ 481	\$ 203	\$ 53,309
Disposals	—	—	(85)	—	—	—	(9)	(94)
Additions	—	—	44	363	526	715	14	1,662
Additions from CIP	—	—	—	627	160	(787)	—	—
Additions from acquisition (Note 20)	—	—	118	1,548	894	—	—	2,560
<b>Balance at June 30, 2025</b>	\$ 2,593	\$ 9,558	\$ 18,187	\$ 14,847	\$ 11,635	\$ 409	\$ 208	\$ 57,437
<b>Accumulated Depreciation</b>								
<b>Balance at December 31, 2023</b>	\$ —	\$ 908	\$ 5,879	\$ 4,891	\$ 1,239	\$ —	\$ 92	\$ 13,009
Disposals	—	(280)	(630)	(1,526)	(36)	—	(5)	(2,477)
Depreciation	—	224	2,577	2,216	1,767	—	50	6,834
<b>Balance at December 31, 2024</b>	\$ —	\$ 852	\$ 7,826	\$ 5,581	\$ 2,970	\$ —	\$ 137	\$ 17,366
Disposals	—	—	(57)	—	—	—	(5)	(62)
Depreciation	—	60	1,235	1,297	922	—	11	3,525
<b>Balance at June 30, 2025</b>	\$ —	\$ 912	\$ 9,004	\$ 6,878	\$ 3,892	\$ —	\$ 143	\$ 20,829
<b>Net Book Value</b>								
Balance at December 31, 2023	\$ 1,821	\$ 6,648	\$ 12,758	\$ 8,782	\$ 8,048	\$ 370	\$ 116	\$ 38,543
Balance at December 31, 2024	\$ 2,593	\$ 8,706	\$ 10,284	\$ 6,728	\$ 7,085	\$ 481	\$ 66	\$ 35,943
<b>Balance at June 30, 2025</b>	\$ 2,593	\$ 8,646	\$ 9,183	\$ 7,969	\$ 7,743	\$ 409	\$ 65	\$ 36,608

Of total depreciation expense during the three and six months ended June 30, 2025, \$1,650 and \$3,230, respectively was included in the cost of sales (three and six months ended June 30, 2024 was \$1,587 and \$3,177, respectively) and \$199 and \$295, respectively was included in operating expense (three and six months ended June 30, 2024 was \$131 and \$256, respectively).

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**10. INVESTMENT IN JOINT VENTURES****Vapen Kentucky, LLC**

On February 1, 2020, an operating agreement of Vapen Kentucky, LLC (“Vapen KY”) was signed for the purpose of being engaged in commercial hemp processing, manufacturing, extraction, and distribution activities. The Company originally held 50% membership ownership of Vapen KY with Emerald Pointe Hemp, LLC (“EPH”) owning the other 50%.

On March 16, 2025, the Company acquired the remaining 50% membership interest in Vapen Kentucky utilizing non-cash consideration. This resulted in a non-cash contribution of \$479 related to the impairment of the accounts receivable due from Vapen KY, and an aggregate impairment loss of \$882, which was recognized in net loss for the period ended March 31, 2025.

**Vapen Oklahoma, LLC**

On February 12, 2020, the Company entered into a joint venture term sheet with Texoma Processing and Extraction, LLC (“TPE”) regarding Vapen Oklahoma, LLC (“Vapen OK”). The Company is a minority member of Vapen OK holding 25% membership ownership, whereas TPE is a majority member owning 75% membership ownership of Vapen OK and both parties have equal voting rights. The Company has a 50% economic interest in the venture until the working capital loan is repaid. The terms of the initial joint venture will be five years, with automatic successive renewal terms of additional five-year periods each. The working capital loan is interest free.

As at December 31, 2024, Management of the Company has determined that Vext’s investment in and receivable from Vapen OK was impaired. Accordingly, both will be written down to \$nil. This resulted in a non-cash contribution of \$534 related to the impairment of the accounts receivable due from Vapen OK, and an aggregate impairment loss of \$1,404, which was recognized in net income for the year ended December 31, 2024.

There was an additional non-cash contribution of \$22 related to the impairment of the accounts receivable due from Vapen OK for the period ended June 30, 2025.

As at June 30, 2025 and December 31, 2024, the balance of investments is comprised of the following:

	Vapen KY	Vapen OK	Total
<b>Balance as at December 31, 2023</b>	<b>\$ 560</b>	<b>\$ 1,154</b>	<b>\$ 1,714</b>
Contributions	199	20	219
Contributions - Impairment of AR balances	—	534	534
Share of loss of the joint ventures during the year	(402)	(304)	(706)
Impairment	—	(1,404)	(1,404)
<b>Balance as at December 31, 2024</b>	<b>\$ 357</b>	<b>\$ —</b>	<b>\$ 357</b>
Contributions	46	—	46
Contributions - Impairment of AR balances	479	22	501
Impairment	(882)	(22)	(904)
<b>Balance as at June 30, 2025</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

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**11. LEASES****Right-of-use asset:**

The ROU asset schedules for the period ended June 30, 2025 and year ended December 31, 2024 were as follows:

<b>Cost</b>	<b>Office Leases</b>	<b>Dispensary Leases</b>	<b>Cultivation Leases</b>	<b>Processing Leases</b>	<b>Total</b>
<b>Balance at December 31, 2023</b>	\$ 437	\$ 572	\$ 917	\$ 932	\$ 2,858
Additions (new leases)	—	1,861	—	—	1,861
Disposals / terminations	—	(182)	—	—	(182)
<b>Balance at December 31, 2024</b>	\$ 437	\$ 2,251	\$ 917	\$ 932	\$ 4,537
Additions (new leases)	—	627	—	—	627
Disposals / terminations	—	(108)	—	—	(108)
<b>Balance at June 30, 2025</b>	\$ 437	\$ 2,770	\$ 917	\$ 932	\$ 5,056
<b>Accumulated amortization</b>					
<b>Balance at December 31, 2023</b>	\$ 9	\$ 134	\$ 61	\$ 28	\$ 232
Amortization	77	346	246	110	779
<b>Balance at December 31, 2024</b>	\$ 86	\$ 480	\$ 307	\$ 138	\$ 1,011
Amortization	39	258	124	55	476
<b>Balance at June 30, 2025</b>	\$ 125	\$ 738	\$ 431	\$ 193	\$ 1,487
<b>Net book value</b>					
Balance at December 31, 2023	\$ 428	\$ 438	\$ 856	\$ 904	\$ 2,626
Balance at December 31, 2024	\$ 351	\$ 1,771	\$ 610	\$ 794	\$ 3,526
<b>Balance at June 30, 2025</b>	\$ 312	\$ 2,032	\$ 486	\$ 739	\$ 3,569

The total amortization expense for the six months ended June 30, 2025 was included in operating expenses.

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**11. LEASES (CONTINUED...)****Lease liability:**

Lease liability for the period ended June 30, 2025 and year ended December 31, 2024 were as follows:

	<b>Total</b>
<b>Balance at December 31, 2023</b>	<b>\$ 2,755</b>
Additions	1,861
Disposals	(181)
Interest expense	413
Lease payments	(1,057)
<b>Balance at December 31, 2024</b>	<b>\$ 3,791</b>
Additions	627
Disposals	(108)
Interest expense	241
Lease payments	(651)
<b>Balance at June 30, 2025</b>	<b>\$ 3,900</b>
<b>Less: current portion</b>	<b>\$ (881)</b>
<b>Long-term lease liability</b>	<b>\$ 3,019</b>

The following table provides a summary of the lease expenses recognized in the statement of loss for the period ended June 30, 2025 and June 30, 2024:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Interest expense (included in cost of good sold – property and equipment leasing)	\$ 227	\$ 177
Interest expense (included in general and administrative in operating expenses)	\$ 14	\$ 17
Amortization (included in operating expenses)	\$ 475	\$ 330

**12. RELATED PARTY TRANSACTIONS**

Related parties and related party transactions impacting the condensed consolidated interim financial statements not disclosed elsewhere in these financial statements are summarized below and include transactions with the following individuals or entities:

**Key management personnel**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Corporate Secretary. Other related parties include close family members of the Company's Corporate Secretary and Directors and a company that is controlled by a Director.

Remuneration attributed to key management personnel for the period ended June 30, 2025 and June 30, 2024 is summarized as follows:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Share-based compensation	\$ 13	\$ 114
Salaries and wages included in cost of goods sold	108	108
Salaries, wages and commissions included in operating expenses	242	304
Consulting fees included in operating expenses	114	78
<b>Total</b>	<b>\$ 477</b>	<b>\$ 604</b>

**VEXT SCIENCE, INC.**

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**12. RELATED PARTY TRANSACTIONS (CONTINUED...)****Due from related party:**

The non-current portion of balances due from related parties is as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Beginning Balance	\$ 1,352	\$ 1,328
Payments	(34)	(135)
Interest Accrued	39	154
11.5% per annum interest bearing, due on December 31, 2025 from Jason T. Nguyen, Director	<b>\$ 1,357</b>	<b>\$ 1,347</b>

Effective December 31, 2023, Jason T. Nguyen transitioned out of his executive positions with the Company, including resigning from all positions with the Company's subsidiaries and affiliates. Mr. Nguyen remained in his position as a director of the Company and Chairman of the Board of Directors, and Mr. Nguyen stepped down as Chairman of the Board of Directors on August 20, 2024. Concurrently with Mr. Nguyen's resignation from his executive positions, the Company amended the terms of the existing promissory note issued by Mr. Nguyen in favor of the Company, in the principal amount of \$1,328 (the "Promissory Note"), to provide for, among other things, the following: (i) an extension to the maturity date of the Promissory Note to the earlier of (x) December 31, 2025, (y) the date in which Mr. Nguyen sells any shares of the Company (subject to limited exceptions), and (z) any change of control of the Company; (ii) an increased interest rate equal to 11.5% per annum, compounded quarterly; (iii) quarterly scheduled interest payments; (iv) a mandatory prepayment of no less than 50% of the Promissory Note in the event the volume weighted average trading price of the Subordinated Voting Shares of the Company reaches a specified threshold, enforceable at the discretion of the Company; and (v) the pledge by Mr. Nguyen of all shares of the Company legally or beneficially owned by Mr. Nguyen as security for the obligations of Mr. Nguyen under the Promissory Note.

**Due to related parties:**

David Johns (Director) was one of the sellers of the App Pharma entities and as such holds a portion of the promissory notes payable for App Pharms Products and App Pharms Processing (Note 15). During the six months ended June 30, 2025, \$31 in interest was accrued on these notes payable. Payment of interest began January 1, 2025. During the six months ended June 30, 2025 and year ended December 31, 2024, the portion of the promissory notes payable due is as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Total Current Promissory Note Payable (Director)	\$ 37	\$ 37
Total Non-current Promissory Note Payable (Director)	696	705
Total Promissory Note Payable (Director)	\$ 733	\$ 742
Interest Payable	\$ 5	\$ 60
Total Interest Payable (Director)	\$ 5	\$ 60

Amounts due to related parties as at June 30, 2025 and December 31, 2024 included the following:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Payables and Accrued Liabilities		
Jason T. Nguyen, Director and former Executive	\$ 237	\$ 474
Total	<b>\$ 237</b>	<b>\$ 474</b>

Effective December 31, 2023, the Company agreed to pay Mr. Nguyen a severance in an aggregate amount equal to \$948, equal to 24 months of base compensation, with such payments to be completed in equal monthly payments.

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**13. INTANGIBLE ASSETS AND GOODWILL**

Identifiable intangible assets consist of the following:

Intangible Assets	Balance as at December 31, 2023	Additions	Amortization	Balance as at December 31, 2024	Additions	Amortization	Balance as at June 30, 2025
Dispensary Licenses	\$ 26,755	\$ 9,831	\$ (3,312)	\$ 33,274	\$ 7,996	\$ (1,891)	\$ 39,379
Cultivation License	21,702	—	(1,846)	19,856	—	(923)	18,933
Processing License	8,230	—	(700)	7,530	—	(350)	7,180
Customer Relationships	2,259	—	(501)	1,758	—	(251)	1,507
Brand Names	2,866	—	(1,186)	1,680	—	(430)	1,250
Patent	180	—	(15)	165	—	(7)	158
<b>Total</b>	<b>\$ 61,992</b>	<b>\$ 9,831</b>	<b>\$ (7,560)</b>	<b>\$ 64,263</b>	<b>\$ 7,996</b>	<b>\$ (3,852)</b>	<b>\$ 68,407</b>

On April 1, 2025, the Company completed an acquisition (Note 20) whereby \$7,996 of intangible assets were acquired.

Goodwill	Balance as at December 31, 2023	Additions	Balance as at December 31, 2024	Additions	Balance as at June 30, 2025
Goodwill - Arizona	\$ 462	\$ —	\$ 462	\$ —	\$ 462
Goodwill - Ohio	1,607	3,066	4,673	—	4,673
<b>Total</b>	<b>\$ 2,069</b>	<b>\$ 3,066</b>	<b>\$ 5,135</b>	<b>\$ —</b>	<b>\$ 5,135</b>

At acquisition, goodwill is allocated to the CGUs expected to benefit from the synergies of the business combination in which the goodwill arises. The annual impairment test date is December 31.

**14. PAYABLES AND ACCRUED LIABILITIES**

Payables and accrued liabilities consist of the following:

	June 30, 2025	December 31, 2024
Trade payables	\$ 6,149	\$ 3,737
Income tax payable	5,205	5,379
Payroll liabilities	895	1,310
Sales tax payable	629	501
Accrued liabilities	580	985
<b>Total payables and accrued liabilities</b>	<b>\$ 13,458</b>	<b>\$ 11,912</b>

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**15. NOTES PAYABLE**

Note balances at amortized cost	EWB Notes <sup>(1)</sup>	RDF Acquisition	APP Notes <sup>(3)</sup>	Standby Facility <sup>(4)</sup>	Athens Note <sup>(5)</sup>	Portsmouth Note <sup>(6)</sup>
<b>Balance at December 31, 2023</b>	\$ 15,344	\$ 2,022	\$ 5,419	\$ —	\$ —	\$ —
Note principal net of transaction costs		—	—	2,000	1,700	350
Interest expense	1,860	149	374	110	76	—
Principal and interest paid	(2,958)	(1,200)	—	(443)	(158)	—
<b>Balance at December 31, 2024</b>	<b>\$ 14,246</b>	<b>\$ 971</b>	<b>\$ 5,793</b>	<b>\$ 1,667</b>	<b>\$ 1,618</b>	<b>\$ 350</b>
Interest expense	852	35	703	48	54	28
Principal and interest paid	(1,474)	(600)	(779)	(1,715)	(118)	(33)
Accretion on debt	—	—	(91)	—	—	—
<b>Balance at June 30, 2025</b>	<b>\$ 13,624</b>	<b>\$ 406</b>	<b>\$ 5,626</b>	<b>\$ —</b>	<b>\$ 1,554</b>	<b>\$ 345</b>
<b>Less: current portion</b>	<b>\$ 1,425</b>	<b>\$ 406</b>	<b>\$ 290</b>	<b>\$ —</b>	<b>\$ 130</b>	<b>\$ 11</b>
<b>Non-current notes payable</b>	<b>\$ 12,199</b>	<b>\$ —</b>	<b>\$ 5,336</b>	<b>\$ —</b>	<b>\$ 1,424</b>	<b>\$ 334</b>
<b>Note balances at fair value</b>						<b>WPCU Loans <sup>(2)</sup></b>
<b>Balance at December 31, 2023</b>					<b>\$ 13,057</b>	
Interest accretion						954
Principal and interest paid						(1,087)
Fair value adjustment						(1,842)
<b>Balance at December 31, 2024</b>					<b>\$ 11,082</b>	
Interest accretion						469
Principal and interest paid						(544)
Fair value adjustment						(838)
<b>Balance at June 30, 2025</b>					<b>\$ 10,169</b>	
<b>Less: current portion</b>					<b>\$ 150</b>	
<b>Non-current notes payable</b>					<b>\$ 10,019</b>	

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**15. NOTES PAYABLE (CONTINUED...)**

(1) On July 8, 2022, the Company completed a financing with East West Bank comprised of two promissory notes with gross proceeds of \$22,185 and financing costs of \$968. The promissory notes are secured by an interest in substantially all of the Company's assets. The first promissory note of \$5,000 is subject to an interest rate calculated based on the Wall Street Journal Prime plus a spread of 2.75% (10.25% at June 30, 2025), and are subject to a floor of 6.25%. The second promissory note of \$17,185 incurs interest at a fixed rate of 9.59%. Blended payments for principal and accrued interest are due on the 15<sup>th</sup> day of the calendar month and the promissory notes mature on July 15, 2027. The Company has the right to prepay any or all of the principal balance outstanding at any time. The promissory notes require the Company to maintain certain annual financial covenants including a debt coverage ratio and a debt to tangible net worth ratio. The Company is in compliance with its covenants as of December 31, 2024.

(2) On December 16, 2022, the Company completed a financing with Wright-Patt Credit Union with gross proceeds of \$10,000 and financing costs of \$733 related to its Ohio operations (the "Ohio loan 1"). On March 17, 2023 the Company received an additional \$1,000 on the same terms and conditions with net additional closing costs of \$9 (the "Ohio loan 2"). The Ohio loans are secured by an interest in certain of the Company's assets in Ohio. The Ohio loans are subject to an interest rate calculated based on the Constant Maturities Rate published by the Federal Reserve Board plus a spread of 5% (9.2% at June 30, 2025), and is subject to a floor of 7.5%. The interest rate is reset on January 1, 2028 to the Constant Maturities Rate plus a spread of 5% at that date. Blended payments for principal and accrued interest are due on the 15th day of the calendar month and the Ohio loans mature on January 1, 2033. The Company has the right to prepay any or all of the principal balance outstanding at any time subject to a penalty of up to 3% of the loan balance.

(3) On January 1, 2023, the Company issued unsecured promissory notes (collectively and, as amended from time to time, the "App Pharms Products and App Pharms Processing Promissory Notes") to (i) the sellers of Appalachian Pharms Products, LLC, in the aggregate principal amount of \$2,270 and (ii) the sellers of APP1803, LLC, in the aggregate principal amount of \$3,149. The App Pharms Products and App Pharms Processing Promissory Notes have a fixed rate of 8.00%, with accrued interest beginning on January 1, 2024. Principal payments began on January 1, 2025 based on a 20 year amortization schedule. The App Pharms Products and App Pharms Processing Promissory Notes mature on December 31, 2026, and the Company has the right to prepay any or all of the principal balance outstanding at any time.

(4) On May 29, 2024, the Company entered into a loan agreement with certain third-party lenders (collectively, the "Lenders"), including Sopica Special Opportunities Fund Limited (an insider of the Company), pursuant to which the Company has obtained a standby credit facility in the principal amount of up to \$2,000 (the "Standby Credit Facility") to provide additional financial flexibility primarily in connection with the Company's working capital investment and 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 were converted into a term loan on November 28, 2024, repayable over a period of six months. The Standby Credit Facility matured on May 28, 2025.

(5) On April 8, 2024, the Company completed the acquisition (the "Athens Property Acquisition") of real property associated with a cannabis dispensary in Athens, Ohio. As consideration for the Athens Property Acquisition, the Company has paid aggregate consideration of \$2,600, consisting of \$900 in cash and the issuance of a promissory note in the principal amount of \$1,700 million (the "Athens Promissory Note"). The Athens Promissory Note bears interest at the rate of 7.0% per annum and is repayable over a period of 10 years, maturing on April 4, 2034.

(6) On December 11, 2024, the Company completed the acquisition (the "Portsmouth Property Acquisition") of real property associated with a cannabis dispensary in Portsmouth, Ohio. As consideration for the Portsmouth Property Acquisition, the Company has paid aggregate consideration of \$435, consisting of \$85 in cash and the issuance of a promissory note in the principal amount of \$350 (the "Portsmouth Promissory Note"). The Portsmouth Promissory Note bears interest at the rate of 10.0% per annum and is repayable over a period of 15 years, maturing on December 3, 2039.

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**16. SHARE CAPITAL****(a) Share Capital****The Company is authorized to issue the following shares:**

- Unlimited common shares (“Subordinated Voting Shares”) without par value; and
- Unlimited Class A common shares with multiple voting rights (“Multiple Voting Shares”), each convertible into 100 Subordinated Voting Shares in accordance with the Company’s articles.

**For the period ended June 30, 2025:**

- During the period, the Company issued an aggregate of 138,009 Subordinated Voting Shares upon settlement of 160,418 RSUs, which were settled for a combination of Subordinated Voting Shares and cash equivalent to the amount the Company was permitted to withhold under the Company’s restricted share unit plan for the remittance of tax related to the settlement of such restricted share units.

**(b) Warrants**

The following table reflects the continuity of warrants for the period ended June 30, 2025:

	Number of warrants	Weighted average exercise price
<b>Outstanding, December 31, 2023</b>	<b>11,678,889</b>	<b>CAD 1.34</b>
Expired	(11,312,980)	CAD 1.37
<b>Outstanding, December 31, 2024</b>	<b>365,909</b>	<b>CAD 0.50</b>
Expired	(365,909)	CAD 0.50
<b>Outstanding, June 30, 2025</b>	<b>—</b>	<b>—</b>

As at December 31, 2024, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise price	Weighted average remaining life (years)	Expiry date
365,909	CAD 0.50	1.34	May 3, 2025

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(Expressed in thousands of United States Dollars, except share and per share amounts)

**16. SHARE CAPITAL (CONTINUED...)****(c) Stock options**

The Company has adopted a Stock Option Plan (the “Plan”) pursuant to which options may be granted to directors, officers, employees, and consultants of the Company. Under the terms of the Plan, the Company can issue a maximum of 10% of the issued and outstanding Subordinated Voting Shares at the time of the grant, and the exercise price of each option is equal to or above the market price of the Subordinated Voting Shares on the grant date. Options granted under the Plan including vesting and the term, are determined by, and at the discretion of, the Board of Directors.

The continuity of stock options for the period ended June 30, 2025 is as follows:

	Number of options	Weighted average exercise price
<b>Outstanding, December 31, 2023</b>	<b>5,027,334</b>	<b>CAD 0.89</b>
Granted	1,122,000	CAD 0.48
Forfeited	(201,800)	CAD 0.61
<b>Outstanding, December 31, 2024</b>	<b>5,947,534</b>	<b>CAD 0.82</b>
Forfeited	(85,000)	CAD 0.48
<b>Outstanding, June 30, 2025</b>	<b>5,862,534</b>	<b>CAD 0.83</b>

As at June 30, 2025, the Company had the following stock options outstanding:

Number outstanding	Number exercisable	Exercise price	Weighted average life (years)	Expiry date
678,000	678,000	CAD 1.00	3.52	January 4, 2029
200,000	200,000	CAD 1.00	3.87	May 13, 2029
833,334	833,334	CAD 0.75	4.87	May 12, 2030
375,000	375,000	CAD 0.75	5.41	November 26, 2030
235,000	235,000	CAD 1.22	5.52	January 6, 2031
500,000	500,000	CAD 1.43	5.64	February 19, 2031
190,000	190,000	CAD 0.58	6.81	April 19, 2032
10,000	10,000	CAD 0.58	6.99	June 23, 2032
1,000,000	1,000,000	CAD 1.00	7.16	August 24, 2032
250,000	250,000	CAD 0.60	7.16	August 24, 2032
125,000	125,000	CAD 0.50	7.48	December 22, 2032
270,000	270,000	CAD 0.50	7.73	March 22, 2033
200,000	200,000	CAD 0.68	8.21	September 11, 2033
946,200	630,792	CAD 0.48	8.90	May 24, 2034
50,000	16,667	CAD 0.49	9.34	October 31, 2034
<b>5,862,534</b>	<b>5,513,793</b>	<b>CAD 0.83</b>	<b>6.36</b>	

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**16. SHARE CAPITAL (CONTINUED...)**

Total share-based compensation for options was \$12 and \$34 for the three and six months ended June 30, 2025, respectively (2024 - \$68 and \$40, respectively). Additionally, for the three and six months ended June 30, 2025 the Company recognized \$5 and \$8 of share-based compensation related to restricted shares units, respectively (2024 -\$166 and \$207, respectively), for a total of \$17 and \$42 share-based compensation for the three and six months ended June 30, 2025, respectively (2024 - \$234 and \$247, respectively).

The fair value of the options granted during the period was estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Expected volatility	88.47% - 93.62%	88.47% - 93.62%
Expected option life (years)	1-9	1-9
Risk-free interest rate	2.70 -3.69%	2.70 -3.69%
Expected dividend yield	0	0

**(d) Restricted Share Units**

The Company approved the implementation of a restricted share units (the “RSU”) plan on November 12, 2020, which RSU plan is designed to provide certain directors, officers, consultants and other key employees of the Company and its related entities with the opportunity to acquire restricted share of the Company. RSUs may be exercised by any holder of RSU to receive an award payout of either: (a) Subordinated Voting Share of the Company for each whole vested RSU; or (b) a cash amount equal to the defined date value of such vested RSU.

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the Subordinated Voting Share on the grant date multiplied by the number of RSUs granted and taking into account market conditions.

The fair value is expensed over the vesting term. Upon conversion of the RSU, the carrying amount is recorded as an increase in common share capital and a reduction in the RSU reserve.

On June 16, 2025, the Company granted 100,000 RSUs to an employee of the Company, which vest in equal annual amounts over a three year period and expire on June 16, 2028.

The Company recognized \$5 and \$8 as share-based compensation for the three and six months ended June 30, 2025, respectively (three and six months ended June 30, 2024 -\$166 and \$207, respectively).

The continuity of RSU for the period ended June 30, 2025 is as follows:

	<b>Number of RSU's</b>
<b>Outstanding December 31, 2023</b>	<b>282,158</b>
Granted	3,363,320
Forfeited	(42,087)
Exercised	(3,282,555)
<b>Outstanding, December 31, 2024</b>	<b>320,836</b>
Exercised	(160,418)
Granted	100,000
<b>Outstanding, June 30, 2025</b>	<b>260,418</b>
<b>Exercisable, June 30, 2025</b>	<b>—</b>

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(Expressed in thousands of United States Dollars, except share and per share amounts)

**16. SHARE CAPITAL (CONTINUED...)****(e) Special Advisory Warrants**

The continuity of special advisory warrants for the period ended June 30, 2025 is as follows:

	Number of options	Weighted average exercise price
<b>Outstanding, December 31, 2023</b>	<b>1,000,000</b>	<b>CAD 1.00</b>
Expired	(720,000)	CAD 1.00
<b>Outstanding, December 31, 2024 and June 30, 2025</b>	<b>280,000</b>	<b>CAD 1.00</b>

As at June 30, 2025, the Company had the following special advisory warrants outstanding:

Outstanding	Exercise price	Weighted average remaining life (years)	Expiry date
280,000	CAD 1.00	2.50	December 31, 2027

As at December 31, 2024 the Company had the following special advisory warrants outstanding:

Outstanding	Exercise price	Weighted average remaining life (years)	Expiry date
280,000	CAD 1.00	3.00	December 31, 2027

**17. GENERAL AND ADMINISTRATIVE**

The Company's general and administrative expenses for the period ended June 30, 2025 and 2024 consist of the following:

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Wages and benefits	\$ 1,788	\$ 1,211	\$ 2,911	\$ 2,436
Office	566	1,066	1,098	1,944
Rent, property taxes, utilities	158	110	398	214
Share based compensation	17	234	42	247
Other	360	393	699	746
<b>Total general and administrative</b>	<b>\$ 2,889</b>	<b>\$ 3,014</b>	<b>\$ 5,148</b>	<b>\$ 5,587</b>

**VEXT SCIENCE, INC.**

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**18. SEGMENTED REPORTING**

The Company's operations consist of a single operating segment engaged in the cultivation, manufacturing, distribution and sale of cannabis within the United States. All revenues are generated in the United States for the period ended June 30, 2025 and 2024 and all material property and equipment and intangible assets are located in the United States.

The Company defines its major geographic areas as Arizona and Ohio.

	Arizona		Ohio		Total
<b>Balance at June 30, 2024</b>					
Total revenue	\$ 10,980	\$	5,837	\$	16,817
Cost of goods sold	(8,298)		(4,799)		(13,097)
Gross profit	\$ 2,682	\$	1,038	\$	3,720
<b>Balance at June 30, 2025</b>					
Total revenue	\$ 10,581	\$	14,387	\$	24,968
Cost of goods sold	(9,173)		(6,631)		(15,804)
Gross profit	\$ 1,408	\$	7,756	\$	9,164
<b>Balance at December 31, 2024</b>					
Property, plant, and equipment	\$ 20,710	\$	15,233	\$	35,943
Intangible assets	21,543		42,720		64,263
Goodwill	462		4,673		5,135
Right-of-use assets	470		3,056		3,526
<b>Balance at June 30, 2025</b>					
Property, plant, and equipment	\$ 19,881	\$	16,727	\$	36,608
Intangible assets	19,983		48,424		68,407
Goodwill	462		4,673		5,135
Right-of-use assets	371		3,198		3,569

**19. FAIR VALUE MEASUREMENT**

The fair value of the Company's cash, amounts receivable, net, notes receivable - current portion, payables and accrued liabilities, and due from/to related parties approximate their carrying value, due to their short-term nature. The fair value of other financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The fair value of notes payable approximate their carrying value due to variable interest rates which represent market value.

**Ohio Loans**

The Ohio Loan was recognized at its estimated fair value at the initial recognition of \$11,000 using a discounted cash flow approach. At June 30, 2025, the fair value of the Ohio Loan is \$10,169. The fair value of the Ohio Loan was estimated using Level 3 inputs and is most sensitive to changes in market discount rates.

**VEXT SCIENCE, INC.**

Notes to Condensed Consolidated Interim Financial Statements

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**19. FAIR VALUE MEASUREMENT (CONTINUED...)****Sensitivity Analysis:**

The key inputs used in determining the fair value of the Ohio Loan is as follows:

	June 30, 2025	December 31, 2024
Key unobservable inputs		
Discount rate	9.91 %	8.85 %

Assuming all other inputs remain constant, a 2% change in the discount rate used will have the following impact on the fair value of the Ohio Loan at June 30, 2025:

Discount rates	2%	(2%)
Increase (decrease)	\$ 1,002	\$ (1,002)

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

<b>Balance at December 31, 2023</b>	<b>\$ 13,057</b>
Repayments	(1,087)
Interest	954
Change in fair value	651
Accumulated Other Comprehensive Income	(2,493)
<b>Balance at December 31, 2024 (Note 15)</b>	<b>\$ 11,082</b>
Repayments	(544)
Interest	469
Change in fair value	(838)
<b>Balance at June 30, 2025 (Note 15)</b>	<b>\$ 10,169</b>

**Purchase Option:**

The purchase option acquired in the October 3, 2023 acquisition is recognized both initially and subsequently at fair value with fair value determined using a binomial lattice model. The fair value was estimated using Level 3 inputs and is most sensitive to changes in the equity value of the underlying entity. The reconciliation of the purchase option is as follows:

Balance at October 3, 2023	<b>\$ 7,536,995</b>
Change in fair value	(2,633,784)
<b>Balance at December 31, 2023</b>	<b>\$ 4,903,211</b>
Change in fair value	(2,022,211)
Exercise of option	(2,881,000)
<b>Balance at December 31, 2024</b>	<b>\$ —</b>

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**20. OHIO ACQUISITION****Big Perm Dispensaries**

On April 1, 2025, the Company completed the acquisition of two cannabis dispensaries from Big Perm's Dispensary Ohio, LLC. The primary reason for this acquisition was to expand the retail footprint in Ohio. As part of the closing, Vext paid cash consideration of \$2,419. The consideration paid also includes an initial cash payment of \$5,300 which was paid before closing and recorded as a prepaid expense on the statement of financial position as at December 31, 2024. Pre-existing relationships in the form of accounts receivable were settled as part of the acquisition and were included in the consideration transferred.

<b>Assets acquired</b>	<b>April 1, 2025</b>
Working capital	\$ 230
Property, plant and equipment	2,560
Intangible assets	7,996
Deferred taxes	(1,679)
Loan payable	(992)
<b>Total identifiable net assets acquired (a)</b>	<b>\$ 8,115</b>
<b>Consideration paid</b>	
Initial cash payment	\$ 5,300
Cash payment on closing	2,419
Settlement of pre-existing relationships	396
<b>Total consideration (b)</b>	<b>\$ 8,115</b>
<b>Goodwill (b-a)</b>	<b>-</b>

Due to the complexity associated with the valuation process and short period of time between the acquisition date and the period end, the identification and measurement of the assets acquired, liabilities assumed and the measurement of consideration is provisional and subject to adjustment on completion of the valuation process and analysis of resulting tax effects. Management will finalize the accounting for the acquisition no later than one year from the date of the respective acquisition date and will reflect these adjustments retrospectively as required under IFRS 3. Differences between these provisional estimates and the final acquisition accounting may occur and these differences could have a material impact on the Company's future financial position and results of operations.

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Notes to Condensed Consolidated Interim Financial Statements

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**21. UNCERTAIN TAX POSITIONS, CONTINGENCIES, AND COMMITMENTS**

As at June 30, 2025, the Company's originally filed tax returns for the periods 2019-2022 are under audit by the United States Internal Revenue Service to determine the applicability of Internal Revenue Code (IRC) Section 280E. The Company has made reasonable provisions of the most likely amount of additional tax due for these periods based on prior completed tax audits for the periods 2016-2018. These estimations are subject to change as the audit of the tax returns remains ongoing.

As at June 30, 2025, the Company has no known contingencies.

As at June 30, 2025, the Company has no known commitments.

**22. MISCELLANEOUS INCOME**

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Vapen KY net proceeds <sup>1</sup>	\$ 639	\$ —	\$ 639	\$ —
Vapen OK recovery <sup>2</sup>	300	—	300	—
Other miscellaneous income	41	58	99	68
<b>Total miscellaneous income</b>	<b>\$ 980</b>	<b>\$ 58</b>	<b>\$ 1,038</b>	<b>\$ 68</b>

<sup>1</sup> As announced on April 4, 2025, the Company, together with its local partner, entered into a definitive agreement to sell a medical cannabis processing license in the state of Kentucky.

<sup>2</sup> The Company was able to recover a combination of cash, inventory, and equipment from the discontinued entity Vapen Oklahoma.

**23. COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform with current period presentation.

**24. SUBSEQUENT EVENTS**

- As at August 19, 2025, the Company has no known subsequent events.