



# VEXT Reports 36% Revenue Increase, 7% Increase in Net Income for Year to Date 2019

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VANCOUVER, Nov. 26, 2019 /CNW/ - Vext Science, Inc. (CSE: VEXT & OTCQX: VEXTF) ("VEXT") a cannabinoid brand leader leveraging core expertise in extraction, manufacturing, and marketing to build wholesale distribution through revenue and profit sharing joint venture partnerships, today reported financial results for the period ended September 30, 2019.

## **Financial Results (Comparing the nine months ended September 30, 2019 to the nine months ended September 30, 2018)**

VEXT's Gross Revenues increased 36% to US\$18.8 million for the nine months ended September 30, 2019 from US\$13.8 million for the nine months ended September 30, 2018.

Total Net Income increased 7% for the nine months ended September 30, 2019 to US\$3.6 million compared to US\$3.4 million for the nine months ended September 30, 2018.

## **Financial Results (Comparing the quarter ended September 30, 2019 to the quarter ended September 30, 2018)**

VEXT's Gross Revenues increased 19% to US\$5.6 million for the quarter ended September 30, 2019 from US\$4.7 million for the quarter ended September 30, 2018.

Total Net Income decreased 44% for the quarter ended September 30, 2019 to US\$0.8 million compared to US\$1.4 million for the quarter ended September 30, 2018. The majority of the decrease in net income was primarily due to professional fees incurred for the Growth Strategy deploying in Q4 2019 and 2020 as discussed below.

## **Balance Sheet**

Cash at September 30, 2019 was US\$3.0 million. Working capital as at September 30, 2019 was reported at US\$20.7 million, compared to US\$14.5 million as at December 31, 2018, a 43% increase.

## **Operational Highlights During the Third Quarter:**

- August 2019, VEXT announced a new equity partnership where VEXT will design for construction an extraction facility and lend operational technical support for Hawaiian hemp production and formulation with Archipelago™ Ventures, a strategic joint venture with Legacy Ventures and Arcadia Biosciences (NASDAQ: RKDA).
- August 2019 VEXT announced its Vapen CBD subsidiary has executed a strategic partnership with CBD Emporium, the Arizona Headquartered CBD retailer. CBD Emporium provides a broad and deep line of product from the best industry brands and prides itself on offering a highly customer-centric retail experience to guide consumers on their path to health and wellness. CBD Emporium will carry the full-line of Vapen THC-Free, Pharmaceutical Grade, Broad Spectrum CBD Products in all its stores. Products include CBD vape oil, tinctures, edibles, topicals, inhalers and dog treats.
- August 2019 VEXT announced that it has been granted patent #10,231,948 for their metered

dose inhaler from the United States Patent and Trademark office ("USPTO"). This utility patent has simply one claim, "an inhaler system consisting essentially of an actuator, a user interchangeable canister assembly, purified cannabinoid from cannabis, isolated terpene, ethanol, and a hydrofluorocarbon propellant. This patent is valid until 2038. VEXT also has an unpublished patent pending for additional claims on the inhaler system.

- September 2019 VEXT announced a cannabis THC production, extraction and cultivation partnership with the principals and founders of Texoma House of Cannabis to form Vapen Oklahoma, LLC in Oklahoma. Texoma House of Cannabis has a licensed retail dispensary, as well as Texoma Cultivation greenhouse and outdoor growing operations in Madill, OK. Oklahoma is one of the fastest growing medical marijuana markets in the U.S. according to the August 2019 Annual Marijuana Business Factbook report, based on the average number of patients as a percentage of the population.

### **VEXT announced its Growth Strategy for Q4 2019 and 2020:**

1. Cannabis multi-state revenue and profit share joint venture partnerships. VEXT provides THC licensed partners with core expertise in SOPs, equipment, extraction and manufacturing of our THC product line, as well as a diverse product offering under the Vapen brand as it has done successfully in Arizona. 6 States: AZ, NV, CA, OK, MA, OH.
2. Hemp farm and seed multi-state revenue and joint venture partnerships. VEXT provides biomass partners with core expertise in SOPs, equipment and extraction techniques for CBD, CBG, and other hemp derived cannabinoids. 3 States: KY, AR, HI, and Jamaica.

Bob Brilon, president and chief financial officer commented, "VEXT has experienced a strong three quarters primarily related to the Arizona operations. We have announced partnerships in the THC and Hemp CBD industries that are moving forward. We are looking forward to announcing the details of additional domestic and foreign extraction partnerships to further strengthen the financial results of 2019 and 2020."

### **About Vext Science**

Vext Science, Inc. is a US-based Cannabis THC and Hemp cannabinoid products company manufacturing THC cartridges, concentrates, edibles and accessories under the Vapen™ Brand, and Hemp based products under the Pure Touch Botanicals brand as well as the Vapen CBD brand. Based in Arizona, Vext Science has one of the leading THC concentrates, edibles, and distillate cartridge brands sold in the majority of the state's 100+ dispensaries. Herbal Wellness Center is one of Arizona's leading dispensaries and we execute all aspects of the cultivation, extraction, edibles infusion and manufacturing processes which insures a product of the highest quality and purity. Product quality and purity are core to our marketing strategy. Vext Science is executing its business growth by leveraging experience and expertise in extractions, product manufacturing, and marketing to expand in the U.S. and internationally through revenue and profit-sharing joint venture partnerships. For more information visit our website at [www.VextScience.com](http://www.VextScience.com).

### **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 related to future developments and the business and operations of VEXT.

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.

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