



Vext Enters into Agreements to Purchase Additional Cultivation Facility and Acquire Existing Operated Cultivation Facilities

- Signs agreement to acquire 72,000 square foot industrial facility (~34,000 square feet of future canopy) located in Eloy, Arizona.
- Enters into separate agreements to acquire existing operated indoor cultivation facilities in Phoenix and Prescott Valley.
- Once the Eloy facility is operational, Vext will have total indoor capacity of ~58,000 square feet under canopy and 10 acres of outdoor capacity, to support growth in Arizona.

All figures are in U.S. dollars (\$) unless otherwise specified

VANCOUVER, BC, April 7, 2021 /CNW/ - [Vext Science, Inc.](#) ("Vext" or the "Company") (CSE: VEXT) (OTCQX: VEXTF) a cannabinoid brand leader based in Arizona, leveraging its core expertise in extraction, manufacturing, cultivation and marketing to build a profitable multi-state footprint, announced today that it has entered into three separate purchase and sale agreements to acquire: (i) a vacant industrial facility located in Eloy, Arizona; (ii) the Company's operated indoor cultivation facility in Phoenix; (iii) and the Company's operated indoor cultivation facility in Prescott Valley (collectively, the "Transactions"). Vext will pay approximately \$6.55 million in aggregate cash consideration upon the closing of the Transactions, representing the outright purchase of the Eloy facility, and deposits on the Phoenix and Prescott Valley facilities. The Company expects to enter into vendor financing arrangements for the balance of the Phoenix and Prescott Valley facilities.

"Arizona represents one of the most exciting growth opportunities in the U.S. cannabis market today, and by adding wholly-owned cultivation capacity, we are ensuring that Vext is positioned to maximize its share of this growth through both retail and wholesale channels," **said Eric Offenberger, CEO of Vext.** "With the move to adult-use legalization in January and recent expansion announcements in other industries such as semiconductor production, we expect it to become increasingly challenging to find suitable cultivation locations within proximity to key population centers. By owning and expanding our cultivation capacity, we ensure stability of supply and solid margins both for the production of our award-winning Vapen brand, and our operated dispensaries. The Transactions offer us the flexibility to sell high-quality production into the wholesale market in the short term to generate additional cash flow, while looking to accretively add to our Arizona retail footprint."

Agreement to Purchase Eloy Cultivation Facility

Vext has entered into an agreement to purchase a 72,000 square foot indoor cultivation facility in Eloy, Arizona (the "Eloy Agreement"), which is located approximately an hour from Phoenix. The Company will pay 100% cash (\$4.3 million) for outright ownership of the facility, which is currently vacant. Vext expects to build the facility out to approximately 34,000 square feet under canopy within nine months of acquiring the facility. The Eloy facility also includes ample land for future expansion.

The Eloy Agreement is expected to close in June 2021, subject to certain standard closing conditions along with Vext's completion of due diligence and zoning requirements acceptable to Vext in Vext's sole discretion.

Agreement to Purchase Phoenix Cultivation Facility

Vext currently operates an indoor cultivation facility in Phoenix, with approximately 11,000 square feet under canopy and is currently in the process of expanding the footprint to 13,000 square feet under canopy (complete by Q4-2021). The Company has entered into an agreement with the existing owner for an outright purchase of the facility for a price of \$3.1 million. The Company will pay \$1 million in cash to the vendor on closing, and the vendor will provide a five-year, 8.5% interest mortgage to Vext secured by the facility, with a 20-year amortization schedule. Vext is permitted to pay the entire mortgage, or part of the mortgage, without payment penalty at any time or from time to time.

The agreement is expected to close in April 2021, subject to certain standard closing conditions.

Agreement to Purchase Prescott Valley Cultivation Facility

Vext currently operates an indoor cultivation facility in Prescott Valley, with approximately 9,000 square feet under canopy and is currently in the process of expanding the footprint to 11,000 square feet under canopy (complete by Q1-2022). The Company has entered into an agreement with the existing owner for an outright purchase of the facility along with the approximately 10 acres of outdoor growing area currently operated by Vext, for a price of \$3.95 million. The Company will pay \$1.15 million in cash to the vendor on closing. The vendor will provide five-year, 12.0% interest-only mortgage to Vext secured by the facility. The Company will begin making annual principal payments of \$0.25 million to the vendor, beginning in 2022. Vext is permitted to pay the entire mortgage, or part of the mortgage, without payment penalty at any time or from time to time.

The agreement is expected to close in June 2021, subject to certain standard closing conditions.

About Vext Science, Inc.

[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, Inc. has one of the leading THC concentrates, edibles, and distillate cartridge brands sold in most 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, Inc. 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.

For more details on the Vapen brand:

Vapen website: VapenBrands.com

Instagram: [@vapen](#)

Facebook: [@vapenclear](#)

COVID-19 Risk Factor

Vext may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to COVID-19. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of COVID-19, or a fear of any of the foregoing, could adversely impact Vext by causing operating, manufacturing, supply chain, and project development delays and disruptions, labor shortages, travel, and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how Vext may be affected if such a pandemic persists for an extended period of time, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which Vext is subject. Although Vext has been deemed essential and/or has been

permitted to continue operating its facilities in the states in which it operates during the pendency of the COVID-19 pandemic, there is no assurance that the Company's operations will continue to be deemed essential and/or will continue to be permitted to operate. Vext may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results, financial condition and the trading price of the Company's Common Shares.

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 COVID-19, to future developments and the business and operations of Vext, the proposed operational timeline for the joint venture with Texoma and the Processing Facility, and revenue and profit contribution for Vext's operations.

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: due diligence and zoning for the Eloy Agreement, the expected timing for closing each of the agreements contemplated in the Transactions, the timeline to build-out the Eloy cultivation facility, 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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CNW 06:00e 07-APR-21