VEXT SCIENCE

Vext Announces Financial Results for Q4 and Fiscal 2020

- *Q4-2020 revenue of $6.4 million, +80% vs. Q4-2019; Adjusted EBITDA of $2.4 million vs. ($0.8) million in prior year period.*
- *FY-2020 revenue of US$25.2 million, + 13% vs. FY-2019; Adjusted EBITDA of US$6.8 million, +40% vs. prior year period.*
- *Vext's two managed Phoenix dispensaries are generating successive months of growth with the transition to adult-use in Arizona. March 2021 was a record month for both dispensaries.*

VANCOUVER, BC, April 15, 2021 /CNW/ - Vext Science, Inc. ("Vext" or the "Company") (OTCQX: VEXTF) (CSE: VEXT) a cannabinoid brand leader based in Arizona, leveraging its core expertise in extraction, manufacturing, cultivation and marketing to build a profitable multi-state footprint, today reported its financial results for the period ended December 31, 2020. All currency references used in this news release are in U.S. currency unless otherwise noted.

Summary Financial Results

	FY 2020	FY 2019	Q4 2020	Q4 2019
Revenue	**$25,193,958**	$22,322,568	**$6,409,489**	$3,551,319
Gross margin (%)[1]	**39.4%**	42.0%	**47.3%**	16.0%
Net income after taxes	**$2,125,068**	$2,793,324	**$1,126,716**	($832,085)
Net income per share, diluted	**$0.02**	$0.04	**$0.02**	($0.01)
Adjusted EBITDA[1]	**$6,812,701**	$4,855,074	**$2,412,690**	($824,637)
Adjusted EBITDA margin (%)	**27.0%**	21.7%	**37.6%**	n.m

(1) See "Non-IFRS Financial Measures" below for more information regarding VEXT's use of Non-IFRS financial measures and other reconciliations

Management Commentary

Eric Offenberger, CEO of Vext commented, "Vext exited 2020 on solid footing, with continued growth in revenue and Adjusted EBITDA, driven by the addition of another operated Phoenix dispensary during Q3, and organic growth in both our retail and wholesale operations in Arizona. The first quarter of 2021 brought the swift approval of rec-legal cannabis sales in the state, and revenue is growing steadily as a result, with both of our operated dispensaries and our wholesale operations producing record results in the month of March. As the Arizona recreational market continues to develop during 2021, we expect further growth in revenue and Adjusted EBITDA, and are well-positioned to execute on in-state opportunities as they arise, backed by our recent announcement of a significant expansion of our indoor cultivation capacity and a solid balance sheet."

Mr. Offenberger continued, "during 2021, our primary focus is on continuing to generate profitable growth, principally driven by our operations in Arizona. During the year we also expect the investments we have made in other states to begin to generate noticeable returns for shareholders. Ohio is particularly exciting and with our Vapen brand already selling well, in the near-term we look forward to advancing the letter of intent we signed earlier this year into a formal agreement and beginning the planning process for a retail footprint in the state."

Summary of Select Recent Developments

- On January 7, 2021, Vext announced that it had appointed an experienced Chief Financial Officer for its Arizona subsidiary, New Gen Holdings, Inc.
- On January 22, 2021, the Company announced that it had received approval to begin recreational cannabis sales in Arizona. The Company's managed operations began selling to

adult use customers on January 28, 2021.

- On February 9, 2021, Vext announced that it had closed an oversubscribed "bought deal" public offering for aggregate gross proceeds of approximately $20.7 million, and a concurrent private placement for gross proceeds of $1.6 million.
- On March 11, 2021, the Company announced that it had appointed Vahan Ajamian, an experienced cannabis and capital markets executive, as Chief Financial Officer.
- On March 15, 2021, Vext announced that it had signed a letter of intent that will enable it to establish a retail presence in the state of Ohio.
- On April 7, 2021, the Company announced that it had entered into three separate purchase and sale agreements to acquire: (i) a vacant industrial facility (72,000 square feet) located in Eloy, Arizona, which Vext will build the facility out to approximately 34,000 square feet under canopy; (ii) the Company's operated indoor cultivation facility in Phoenix; (iii) and the Company's operated indoor cultivation facility in Prescott Valley.

Non-IFRS Financial Measure

The Company has provided certain non-IFRS financial measures including "Gross margin", "Adjusted EBITDA" and "Adjusted EBITDA margin". These non-IFRS 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 "Gross margin as Gross Profit divided by Revenue. 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 non-IFRS 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 non-IFRS financial measures provide a valuable additional measure to use when analyzing the operating performance of the business. These supplemental non-IFRS 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 tables provide a reconciliation of each of the non-IFRS measures to its closest IFRS measure.

Adjusted EBITDA

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

	FY 2020	FY 2019	**Q4 2020**	Q4 2019
Net income after taxes	**$2,125,068**	$2,793,324	**$1,126,716**	($832,085)
Interest expense (Income)	**187,967**	(65,957)	**10,168**	(88,883)
Taxes	**514,000**	874,905	**514,000**	(289,872)
Depreciation & amortization[1]	**2,126,458**	833,250	**629,228**	156,104
Accretion	**125,619**	-	**36,589**	-
Share (Profit)/Loss on JVs	**520,802**	-	**127,627**	-
Share-based compensation	**879,676**	419,552	**243,554**	230,099
Office and general[2]	**500,000**	-	**-**	
Loss on asset disposal	**161,284**	-	**77,987**	-
Foreign exchange	**(328,172)**	-	**(353,179)**	-
Adjusted EBITDA	**$6,812,701**	$4,855,074	**$2,412,690**	($824,637)

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 dispensary banners and we execute all aspects of the cultivation, extraction, edibles infusion and manufacturing processes which ensures 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. 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

[1] Includes depreciation reported in cost of sales.
[2] Includes a one-time severance settlement with the former CFO, President, Corporate Secretary, and Director.

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

This news release contains "forward-looking statements". Wherever possible, words such as "may", "would", "could", "should", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate", "potential for" and similar expressions have been used to identify these forward-looking statements. These forward-looking statements reflect the current expectations of the Company's management for future growth, results of operations, performance and business prospects and opportunities and involve significant known and unknown risks, uncertainties and assumptions, including, without limitation: the Company's outlook for and expected operating margins, capital allocation and other financial results; statements relating to the business and future activities of, and developments related thereto, the Company after the date of this news release; statements relating to the business and future activities of, and developments related thereto, the Company after the date of this news release, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's business, operations and plans; expectations regarding cultivation and manufacturing capacity; expectations of market size and growth in the U.S. and the states in which the Company operates; expectations for other economic business or competitive factors related to the Company; the Company' business outlook, those listed in the annual information form of the Company dated September 17, 2020, the short form prospectus and the other filings made by the Company with the Canadian securities' regulatory authorities (which may be viewed at www.sedar.com). Should one or more of these risks or uncertainties materialize or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this news release. These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. The Company disclaims any intention or obligation to revise forward-looking statements whether as a result of new information, future developments or otherwise, except as required by law.

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

Eric Offenberger
Chief Executive Officer

SOURCE VEXT Science, Inc.

View original content to download multimedia:
http://www.newswire.ca/en/releases/archive/April2021/15/c3951.html

%SEDAR: 00039389E

For further information: Jonathan Ross, VEXT Investor Relations, jon.ross@loderockadvisors.com, 416-244-9851

CO: VEXT Science, Inc.

CNW 06:30e 15-APR-21