



Vext Announces Strong Growth for 2021
Revenue of \$37.2 Million up 48%, Adjusted EBITDA of \$13.4 Million up 100%

- *Q4-2021 revenue of \$9.3 million, +45% vs. Q4-2020; Adjusted EBITDA of \$3.4 million, +47% vs. prior year period. Cash flow from operations was \$4.8 million.*
- *FY-2021 revenue of \$37.2 million, + 48% vs. FY-2020; Adjusted EBITDA of \$13.4 million, +100% vs. prior year period. Cash flow from operations was \$11.7 million (87% of Adjusted EBITDA).*
- *Experienced senior financial and operations executive Daniel Engel, CPA to join the Company as CFO, effective May 2, 2022. Current CFO Vahan Ajamian will remain for a planned transition through May 31, 2022.*
- *The Company will hold a conference call and webcast on Wednesday, April 20, 2022, at 8am ET to review financial results.*

VANCOUVER, April 20, 2022 - [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, 2021. All currency references used in this news release are in U.S. currency unless otherwise noted.

Summary Financial Results (unaudited)

	FY 2021	FY 2020	Q4 2021	Q4 2020
Revenue	\$37,243,709	\$25,193,958	\$9,307,944	\$6,409,489
Gross margin (%) ¹	44%	40%	42%	47%
Net income after taxes	\$4,986,719	\$2,125,068	\$1,085,087	\$1,126,716
Net income per share, diluted	\$0.03	\$0.02	\$0.01	\$0.02
Adjusted EBITDA ¹	\$13,394,264	\$6,699,794	\$3,370,272	\$2,293,174
Adjusted EBITDA margin (%) ¹	36%	27%	36%	36%

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, “2021 was a productive year for Vext, with Arizona moving to recreational sales in January, and our early entry and progress toward vertical integration in the Ohio market. During 2021, Arizona generated over \$1.9 billion² in combined medical and recreational sales for the full year, placing it among the top markets in the US³. Vext is well-positioned to continue delivering value for its customers, team members and shareholders. During Q4, our team in Arizona continued to prove the effectiveness of the operating model, with targeted promotional investments translating into relatively steady revenue and gross margins on a sequential basis, despite the inflationary pressures faced by consumers. With this backdrop and a consistent focus on cost control and efficiencies, I am pleased that our team continued to drive solid Adjusted EBITDA margins of 36% in Q4 2021.”

Mr. Offenberger continued, “We expect the next 12 months to be a period of further expansion for Vext. Specifically, during 2022, we are planning for prudent footprint expansions in the Arizona market across our wholly-owned cultivation, manufacturing and retail operations, with a keen eye toward ongoing profitability. We continue to build-out a vertical footprint in the Ohio market with our joint-venture partners, and will be in a position to apply for a license transfer for the dispensary we currently have under letter of intent in Columbus. Vext has significant financial flexibility entering 2022, with a solid balance sheet, fully funded expansion plans, and ongoing cash flow generation.”

Summary of Recent Operating Developments

- On February 10, 2022, Vext announced the appointment of highly experienced global executive and director Mark W. Opzoomer to the Company's board of directors.
- In Q4 and Q1 respectively, the Company completed expansions of its cultivation facilities in Phoenix and Prescott Valley, bringing total indoor cultivation to 24,000 square feet.
- On November 17, 2021, Vext announced that its joint venture partner in Ohio was awarded a Level I Cultivator Provisional License. Granted by the Ohio Department of Commerce, this license will enable the Company's partner to build-out an initial cultivation area of up to 25,000 square feet, with the potential to expand up to 50,000 square feet following further application and approval.
- On October 28, 2021, through its joint venture partner Appalachian Pharm Processing, LLC, Vext received approval from the State of Ohio and has been granted ownership of an operating manufacturing facility in Jackson, Ohio.

Daniel Engel to Join as Chief Financial Officer

Vext also announced that senior financial and operations executive Daniel Engel will join the Company on May 2, 2022, as the Company's CFO. Current CFO Vahan Ajamian will be staying for a planned transition period through May 31, 2022.

Eric Offenberger commented, “I would like to thank Vahan for his contributions to Vext over the past year, and welcome Daniel Engel to the CFO role. Daniel brings a proven track record of senior financial and operations success to Vext, with deep experience managing growth and efficiency programs in the

² <https://www.headset.io/posts/examining-arizonas-first-year-of-adult-use-cannabis-sales>

³ Marijuana Business Factbook, April 2021

retail and manufacturing sectors, as well as in executing M&A and successful integrations. At this stage of the Company’s development, it is important for us to have a CFO with deep connections to the operating business on the ground in Arizona as we prepare for continued growth through 2022 and 2023.”

Daniel Engel is a CPA with more than 25 years of multi-site, manufacturing, distribution, service and transformational leadership experience as a CFO and COO for organizations ranging from \$20 million to \$1.2 billion in annual revenue. He is committed to building cohesive, efficiency-oriented cultures that deliver revenue growth and cost savings. Daniel joins the Company from his previous position as CFO of a California-based transportation parts manufacturer. He is a CPA, has an MSBA in Business and Finance from California State University, and a BA in Economics from Claremont McKenna College in California.

Q4-2021 Financial Results Conference Call

Vext will host a conference call and webcast on Wednesday, April 20, 2022 at 8am ET to discuss its fourth quarter financial results. The call will be chaired by Eric Offenberger, CEO and Vahan Ajamian, CFO:

Date: April 20, 2022 | Time: 8:00am ET

Participant Dial-in: 416-764-8609 or 888-390-0605

Replay Dial-in: 416-764-8677 or 1-888-390-0541

Conference ID: 88919267

Playback #: 919267 (Expires on May 4, 2022)

Listen to webcast: <https://bit.ly/3JhYJOv>

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

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 2021	FY 2020	Q4 2021	Q4 2020
Net income after taxes	\$4,986,719	\$2,125,067	\$1,085,087	\$1,126,716
Interest expense	\$215,209	\$75,060	\$233,420	\$(109,348)
Taxes	\$1,833,367	\$514,000	\$462,523	\$514,000
Depreciation & amortization	\$3,288,783	\$2,126,458	\$939,470	\$629,228
EBITDA	\$10,324,077	\$4,840,585	\$2,720,501	\$2,160,596
Accretion	\$1,223,083	\$125,619	\$170,546	\$36,589
Share (Profit)/Loss on JVs	\$539,557	\$520,802	\$130,860	\$127,627
Share-based compensation	\$949,664	\$879,676	\$132,822	\$243,554
Office and general*	–	\$500,000	–	–
Gain on decognition of ROU	\$(3,195)	–	–	–
(Gain)/Loss on Investment	\$425,350	–	\$212,675	–
Loss on asset disposal	–	–	–	–
Other Income	\$(75,000)	\$161,284	–	\$77,987
Foreign exchange	\$10,726	\$(328,172)	\$2,869	\$(353,179)
Adjusted EBITDA	\$13,394,264	\$6,699,794	\$3,370,272	\$2,293,174

* Includes a one-time severance settlement with the former CFO, President, Corporate Secretary, and Director.

About VEXT Science, Inc.

[Vext Science, Inc.](http://www.VextScience.com) 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. through revenue and profit-sharing joint venture partnerships. For more information visit our website at www.VextScience.com or connect with us on [LinkedIn](#) and [Twitter](#).

For more details on the Vapen brand:

Vapen website: VapenBrands.com

Instagram: [@vapen](#)

Facebook: [@vapenbrands](#)

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; inflation pressures; the timeline to buildout the Eloy cultivation facility, the timeline to transition an operating cannabis dispensary to the Joint Venture; 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.

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SOURCE: VEXT Science, Inc.