

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

VEXT Science, Inc. (the “Company”)
4152 N. 39th Avenue
Phoenix, AZ 85019
USA

Item 2: Date of Material Change

July 8, 2022

Item 3: News Release

A news release disclosing the information contained in this material change report was issued by the Company on July 8, 2022 through the newswire services of Canada NewsWire, a copy of which was filed under the Company’s profile on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

On July 8, 2022, the Company closed a loan transaction with East West Bank (the “Lender”), pursuant to which the Lender provided credit facilities (the “Credit Facilities”) to the Company and certain of its subsidiaries (collectively, the “Borrowers”) in the aggregate amount of US\$22.2 million.

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

The Credit Facilities consist of a US\$17,185,000 non-revolving credit facility and a US\$5,000,000 non-revolving credit facility, and were advanced pursuant to two loan agreements, each dated June 28, 2022, between the Borrowers and the Lender. As of July 8, 2022, the Credit Facilities were fully drawn.

The Credit Facilities accrue interest at a rate equal to the daily Wall Street Journal Prime Rate plus 2.75%, subject to a minimum interest rate of 6.50%, and mature on July 15, 2027 (the “Maturity Date”). The Borrowers may repay all or a portion of the Credit Facilities at any time prior to the Maturity Date without penalty.

As security for the indebtedness, liabilities and obligations of the Borrowers in connection with the Credit Facilities, each of the Company and its subsidiaries granted to the Lender a security interest in all of its personal and real property, including without limitation deeds of trust granted in favour of the Lender on the Company’s properties located in the State of Arizona.

The Credit Facilities are expected to be used to refinance the Company’s current secured debt and for working capital for potential acquisition, capital expenditures and general and administrative expenses.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

The following senior officer of the Company is knowledgeable about the material change and this material change report and may be contacted:

Eric Offenberger, Chief Executive Officer
Telephone: 604-688-9588

Item 9: Date of Report

July 18, 2022

Cautionary Statement

This report contains certain forward-looking information and forward-looking statements within the meaning of applicable Canadian and United States securities legislation (collectively “forward-looking statements”) which relate to future events or the business, operations and financial performance and condition of the Company. Statements in this report that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in the Company’s periodic filings with Canadian securities regulators. When used in this report, 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, the expected use of the Credit Facility and the business and operations of the Company. Although the Company 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 report are made as of the date of this report. The Company disclaims any intention or obligation to update or revise such information, except as required by applicable law, and the Company does not assume any liability for disclosure relating to any other company mentioned herein