

# Vext Reports Financial Results for Q4 and Fiscal 2023

- 2023 Revenue of \$34.8 million; Adjusted EBITDA<sup>1</sup> of \$5.5 million; EBITDA<sup>1</sup> of \$16.6 million.
- Generated YTD cash flow from operations of \$4.4 million.
- Anticipated launch of adult-use program in Ohio expected to drive significant growth for Vext. On closing of Ohio Expansion Transaction, Vext will have an operating Tier I cultivation facility, an operating manufacturing facility, and four dispensaries in Ohio<sup>2</sup>.

Vancouver, British Columbia--(Newsfile Corp. - May 10, 2024) - [Vext Science, Inc.](#) (CSE: VEXT) (OTCQX: VEXTF) ("VEXT" or the "Company") a U.S.-based cannabis operator with vertical operations in Arizona and Ohio, today reported its financial results for the period ended December 31, 2023. All currency references used in this news release are in U.S. currency unless otherwise noted.

## Summary Financial Results

	FY 2023	FY 2022	Q4 2023	Q4 2022
Revenue	\$34,812,310	\$35,410,636	\$8,415,253	\$8,180,603
EBITDA <sup>1</sup>	\$16,582,561	\$15,060,545	\$12,275,213	\$2,479,885
Adjusted EBITDA <sup>1</sup>	\$5,527,605	\$15,118,394	\$550,621	\$3,180,835
Adjusted EBITDA Margin (%) <sup>1</sup>	16%	43%	7%	39%

## Management Commentary

**Eric Offenberger, CEO of Vext** commented, "Despite sustained pressure on the consumer and ongoing market-specific challenges in Arizona, Vext continued to perform better than the market during Q4, and completed initiatives that will prepare it for growth in Ohio as that market transitions to adult-use in 2024. During the year, we enhanced our balance sheet flexibility, positioned our Arizona operations strongly for long-term profitability, and built-out our footprint in Ohio, exiting the year with a Tier 1 cultivation operation, manufacturing operations, one consolidated dispensary, one additional dispensary that closed in Q1 2024, and two more dispensaries slated to close by the end of 2024."

"We view Ohio as a big contributor for Vext, beginning in 2024. As the transition to adult-use cannabis accelerates, Ohio is estimated to become a \$4 billion market by 2028<sup>3</sup>. We are fully vertically-integrated in the state, and expect to capture a meaningful share of the market early-on, which we anticipate will lead to meaningful growth in revenue, profitability, and cash flow in the coming years," **added Mr. Offenberger.**

## Summary of Recent Announcements

- On December 15, 2023, the Company announced the election of two new directors of the Company, including one additional independent director.
- On December 27, 2023, Vext announced a \$4.6 million debt conversion transaction. On March 6, 2024, the Company closed this transaction.
- On January 16, 2024, the Company announced that Jason Thai Nguyen has transitioned out of his executive positions with the Company, including resigning from all positions with the Company's subsidiaries and affiliates. Mr. Nguyen will continue to serve the Company through his position as a director of the Company.
- On March 1, 2024, Vext announced that it had completed the acquisition of a cannabis dispensary in Columbus, Ohio as part of the previously disclosed acquisition of Appalachian Pharm

Processing, LLC and related entities. The Company received regulatory approval from the Ohio Department of Commerce to transfer ownership of the Columbus Dispensary to Vext on February 2, 2024.

- On April 8, 2024, Vext completed the acquisition of real property associated with a cannabis dispensary in Athens, Ohio as part of the previously disclosed Ohio Expansion Transaction for an aggregate consideration of \$2.6 million.

## Update on MCTO

As previously disclosed, the Company had applied to the British Columbia Securities Commission (the "BCSC") for a management cease trade order (the "MCTO") in connection with the delayed filing of the Company's annual financial statements for the year ended December 31, 2023, the related management's discussion and analysis and officer certifications (collectively, the "Annual Filings"). On May 2, 2024, the BCSC granted the MCTO. As a result of the filing of the Annual Filings, the Company expects that the MCTO will be revoked and that the Company's Chief Executive Officer and Chief Financial Officer will be permitted to trade securities of the Company.

## Q4 and Fiscal 2023 Financial Results Conference Call

Vext will host a conference call and webcast on Friday, May 10, 2024, at 1:00 p.m. ET to discuss its fourth quarter and full year 2023 financial results.

**Date:** May 10, 2024 | **Time:** 1:00pm ET

**Participant Dial-in:** +1-647-484-8814 or 1-844-763-8274

**Replay Dial-in:** +1-604-674-8052 or 1-855-669-9658

**Conference ID:** 10023409

**Playback #:** 0865 (Expires on May 23, 2024)

**Listen to webcast:** <https://www.gowebcasting.com/13320>

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

## Non-IFRS Financial Measures

This news release contains certain "non-IFRS financial measures" (equivalent to "non-GAAP financial measures", as such term is defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112")), "non-IFRS ratios" (equivalent to "non-GAAP ratios", as such term is defined in NI 52-112), including "EBITDA", "Adjusted EBITDA" and "Adjusted EBITDA margin". These 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 EBITDA as earnings before interest, taxes, depreciation and amortization. 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 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 financial measures provide a valuable additional measure to use when analyzing the operating performance of the business. These supplemental 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 information provides reconciliations of the non-IFRS financial measures presented herein to the most directly comparable financial measures calculated and presented in accordance with IFRS.

	FY 2023	FY 2022	Q4 2023	Q4 2022
Revenue	\$34,812,310	\$35,410,636	\$8,415,253	\$8,180,603
<b>Net Income after taxes</b>	<b>\$ 4,398,447</b>	<b>\$ 10,919,280</b>	<b>\$ 5,628,139</b>	<b>\$ 6,282,582</b>
Interest (Net)	3,654,413	1,928,189	826,062	632,207
Income Taxes	(1,035,704)	(4,221,376)	2,310,796	(6,209,576)
Depreciation & Amortization	9,565,404	6,434,451	3,510,216	1,774,672
<b>EBITDA</b>	<b>\$ 16,582,561</b>	<b>\$ 15,060,545</b>	<b>\$ 12,275,213</b>	<b>\$ 2,479,885</b>
Accretion	(19,002)	12,372	(989)	-
Share (Profit) / Loss on JVs	87,551	466,198	(65,285)	40,256
Share-based compensation	384,611	1,452,439	111,794	601,493
(Gain)/Loss on Asset Disposal	800,154	(20,398)	800,154	(13,127)
Refinance of loan payable	-	200,170	-	200,170
Loan costs WPCU loan	742,378	-	-	-
FV of WPCU loan	2,171,313	-	1,634,445	-
Loan costs EWB amortized	288,775	-	155,068	-
FV of APP1803 option	2,633,784	-	2,633,784	-
RSU Taxes	88,162	119,900	3,789	119,900
Foreign Exchange	5,365	(1,187)	1,881	(350)
ERC tax credit	(1,680,793)	-	-	-
Relative FV adjustment to inventory	-	-	-	-
Change in FV of Biological	1,649,532	(2,171,645)	1,207,553	(247,392)
Gain on acquisition of control and bargain purchase	(20,550,163)	-	(20,550,163)	-
Reserves on Notes Receivable and Investments in Joint Operations	1,403,377	-	1,403,377	-
Executive Chairman Severance	940,000	-	940,000	-
<b>Adjusted EBITDA</b>	<b>\$ 5,527,605</b>	<b>\$ 15,118,394</b>	<b>\$ 550,621</b>	<b>\$ 3,180,835</b>
Adjusted EBITDA Margin (%) <sup>1</sup>	16%	43%	7%	39%

## About VEXT Science, Inc.

[Vext Science, Inc.](#) is a U.S.-based cannabis operator with vertical operations in Arizona and Ohio. Vext's expertise spans from cultivation through to retail operations in its key markets. Based out of Arizona, Vext owns and operates state-of-the-art cultivation facilities, fully built-out manufacturing facilities as well as dispensaries in both Arizona and Ohio. The Company manufactures Vapen™, one of the leading THC concentrates, edibles, and distillate cartridge brands in Arizona. Its selection of award-winning products are created with Vext's in-house, high-quality flower and distributed across Arizona and Ohio, as well as through Vext's partnerships in other states. Vext's leadership team brings a proven track record of building and operating profitable multi-state operations, with the Company having operated profitably since 2016. The Company's primary focus is to continue growing in its core states of Arizona and Ohio, bringing together cutting-edge science, manufacturing, and marketing to provide a reliable and valuable customer experience while generating shareholder value.

Vext Science, Inc. is listed on the Canadian Securities Exchange under the symbol VEXT and trades on the OTCQX market under the symbol VEXTF. Learn more at [www.vextscience.com](http://www.vextscience.com) and connect with Vext on [Twitter/X](#) and [LinkedIn](#).

For more details on the Vapen brand:

Vapen website: [VapenBrands.com](http://VapenBrands.com)

Instagram: [@vapen](#)

Facebook: [@vapenbrands](#)

## 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 regarding future developments and the business and operations of the Vext, market projections of the cannabis industry in the jurisdictions in which the Company operates, statements regarding the Ohio Expansion Transaction including receipt of regulatory approval and the anticipated closing thereof, and statements regarding the MCTO including the revocation thereof, all of which are subject to the risk factors contained in Vext's continuous disclosure filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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.

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

**Eric Offenberger**  
**Chief Executive Officer**  
844-211-3725

**For further information:**

Jonathan Ross, Vext Investor Relations  
[jon.ross@loderockadvisors.com](mailto:jon.ross@loderockadvisors.com)  
416-244-9851

SOURCE: VEXT Science, Inc.

---

<sup>1</sup> See "Non-IFRS Financial Measures" below for more information regarding Vext's use of non-IFRS financial measures and other reconciliations.

<sup>2</sup> Vext has executed an asset purchase agreement (the "Asset Purchase Agreement"), together with other definitive agreements (together with the Asset Purchase Agreement, the "Definitive Agreements"), with the members of Big Permits Dispensary Ohio, LLC ("Big Permit") to acquire from Big Permtwo cannabis dispensaries located in Ohio, as well as all licenses and assets related to the business of such dispensaries for cash consideration of \$9.4 million, subject to adjustments in certain circumstances (the "Ohio Expansion Transaction"). Subject to receipt of required regulatory approvals and other customary conditions precedent, the Company expects that closing of the Ohio Expansion Transaction will occur in 2024.

<sup>3</sup> MJBizDaily



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/208681>