

Vext Announces Financial Results for Q2 2024

- Revenue of \$8.4 million; Adjusted EBITDA¹ of \$1.1 million.
- With one of the largest footprints in Ohio amongst publicly traded peers, Vext is well-positioned to grow revenue and cash flow from operations following the August 6th launch of the adult-use program in the state.
- Vext's Ohio network currently includes a Tier 1 cultivation facility, a manufacturing facility, and two operating retail dispensaries. Upon closing of previously announced acquisitions² and completion of additional licensing under state law for the Tier 1 cultivation facility, Vext expects reaching the state dispensary license cap in 2024.

Vancouver, British Columbia--(Newsfile Corp. - August 20, 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 June 30, 2024. All currency references used in this news release are in U.S. currency unless otherwise noted.

Summary Financial Results

	Q2 2024	Q1 2024	Q2 2023
Revenue	\$8,426,928	\$8,390,023	\$9,187,122
EBITDA ¹	\$171,309	(\$2,285,845)	\$2,264,980
Adjusted EBITDA ¹	\$1,084,234	\$1,957,074	\$1,049,115
Adjusted EBITDA Margin (%) ¹	12.9%	23.3%	11.4%

Management Commentary

Eric Offenberger, CEO of Vext, commented, "The launch of adult-use sales in Ohio after quarter-end marks a significant milestone for Vext. Over two years of preparation and operational experience in the state have positioned us well for this transition and we're pleased with the initial results. We view Ohio as one of the most promising adult-use markets in the U.S. and look forward to the opportunities it presents for both the state and Vext."

"The first half of the year continued to present challenges for consumer-facing companies, regardless of sector and geographic concentration. I'm proud of our team's efforts to continue driving traffic in this environment through targeted promotions on a wide range of value-based products. For the remainder of 2024, we anticipate improved performance through our focus on seamlessly transitioning our Ohio dispensaries to serve both medical and adult-use markets, enhancing efficiency in our Arizona operations, and exploring growth opportunities across our footprint, which we expect will lead to increasing cash flow, and solid long-term returns for our shareholders," added **Mr. Offenberger**.

Summary of Recent Announcements

- On August 2, 2024, the Company announced that it had secured Certificates of Operation for the dual licensing of its cultivation and manufacturing facility as well as its operated dispensaries in Jackson and Columbus and had received approval from the Ohio Division of Cannabis Control to begin selling adult-use cannabis on Tuesday, August 6, 2024.

Vext Announces Board Changes

The Company announced today that Jason Thai Nguyen has stepped down as the Chairman of the Board of Directors (the "Board"), effective August 20, 2024. Mr. Nguyen will retain his position as a

Director of Vext. The Company is also pleased to report that the Board has appointed Mark W. Opzoomer, a current independent member of the Board, as non-executive Chairman of the Board, with immediate effect.

Eric Offenberger, CEO of Vext, noted, "On behalf of Vext and its Board, I would like to thank Thai for his vision, contributions and longstanding commitment during his tenure as Chairman. We are pleased that he will continue to provide his valuable insights as a director. We are equally pleased to have Mark step into the role of Chairman. Having already been a key member of our Board, his deep understanding of our business and dedication to our strategic goals have been evident. I am confident that, under his leadership, Vext will continue to drive shareholder value as we enter the next phase of growth with the launch of adult-use sales in Ohio."

Q2 2024 Financial Results Conference Call

Vext will host a conference call and webcast on Tuesday, August 20, 2024, at 08:00 a.m. ET. to discuss its second quarter 2024 financial results.

Date: August 20, 2024 | **Time:** 8:00 am E.T.

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

Replay Dial-in: +1-412-317-0088 or 1-855-669-9658

Conference ID: 10191819

Playback #: 1766292 (Expires on September 3, 2024)

Listen to webcast: <https://www.gowebcasting.com/events/vext-science/2024/08/20/second-quarter-2024-financial-results/play>

For more details, visit Vext's [investor website](#) or contact the IR team at 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.

	Q2 2024	Q1 2024	Q2 2023
Revenue	\$ 8,426,928	\$ 8,390,023	\$ 9,187,122

Net Income after taxes	\$ (4,390,035)	\$ (6,333,412)	\$ 535,454
Interest (Net)	801,832	800,680	1,010,812
Income Taxes	(127,244)	(340,522)	(1,141,064)
Depreciation & Amortization	3,886,756	3,587,409	1,859,779
EBITDA	\$ 171,309	\$ (2,285,845)	\$ 2,264,980
Share-based compensation	233,868	13,065	68,862
Accretion	-	-	(6,004)
Share (Profit) / Loss on JVs	118,370	162,916	13,854
(Gain)/Loss on Asset Disposal	-	1,444	-
Refinance of loan payable	-	-	-
Loan costs WPCU loan	-	-	342
FV of WPCU loan	(104,150)	460,870	219,518
Loan costs EWB amortized	44,827	44,286	43,969
FV of APP1803 option	-	2,022,211	-
RSU Taxes	-	4,199	4,274
Foreign Exchange	(910)	(559)	310
ERC tax credit	-	-	(1,680,793)
Relative FV adjustment to inventory	-	-	-
Change in FV of Biological	227,503	604,982	119,802
FV increment on acquired inventory sold	393,417	929,505	-
Gain on acquisition of control and bargain purchase	-	-	-
Reserves on Notes Receivable and Investments in Joint Operations	-	-	-
Executive Chairman Severance	-	-	-
Adjusted EBITDA	\$ 1,084,234	\$ 1,957,074	\$ 1,049,115
Adjusted EBITDA Margin (%) ¹	12.9%	23.3%	11.4%

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 and connect with Vext on [Twitter/X](#) and [LinkedIn](#).

For more details on the Vapen brand:

Vapen website: 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 Vext, including but not limited to the Company's transition to serve both the medical and adult-use markets in Ohio and the anticipated results therefrom, market projections of the cannabis industry in the jurisdictions in which the Company operates, statements about the timing and completion of the Ohio Expansion Transaction and the acquisition of additional licenses in Ohio, all of which are subject to the risk factors contained in Vext's continuous disclosure filed on SEDAR+ at 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.

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SOURCE: Vext Science, Inc.

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

² Vext has executed an asset purchase agreement (as amended from time to time, the "Asset Purchase Agreement"), together with other definitive agreements (together with the Asset Purchase Agreement, the "Definitive Agreements"), with the members of Big Permls Dispensary Ohio, LLC ("Big Perml") to acquire from Big Perml two cannabis dispensaries located in Ohio, as well as all licenses and assets related to the business of such dispensaries, other than excluded assets, for cash consideration of \$7.7 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.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/220489>