

Vext Reports Solid Financial Results for Q3 2024

- Generated \$9.0 million in revenue and Adjusted EBITDA¹ of \$2.9 million, driven by early growth from rollout of adult-use sales in Ohio, market share gains in Arizona and disciplined cost control.
- Well positioned to continue to grow revenue and cash flow from fully vertically integrated Ohio footprint. Upon closing of previously announced acquisitions² and completion of additional licensing under state law for the Tier 1 cultivation facility, Vext anticipates reaching the state dispensary license cap of 8, with dispensaries expected to open during 2025 and early into 2026.

Vancouver, British Columbia--(Newsfile Corp. - November 21, 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 September 30, 2024. All currency references used in this news release are in U.S. currency unless otherwise noted.

Summary Financial Results

	Q3 2024	Q2 2024	Q3 2023
Revenue	\$ 8,986,909	\$ 8,426,928	\$ 8,099,285
EBITDA ¹	\$ 1,924,664	\$ 171,309	\$ 404,358
Adjusted EBITDA ¹	\$ 2,873,020	\$ 1,084,234	\$ 1,076,949
Adjusted EBITDA Margin (%) ¹	32.0%	12.9%	13.3%

Management Commentary

Eric Offenberger, CEO of Vext, commented, "Vext's performance in the third quarter of 2024 was testament to the team's disciplined execution amid persistent macroeconomic headwinds. Our solid Adjusted EBITDA results reflect both the transition to adult-use sales in Ohio, as well as our focus on maintaining strict cost control. Despite a challenging economic climate and typical third-quarter seasonality and pricing pressures in the Arizona market with the ongoing supply-demand imbalance, we're pleased to report that our economic unit volumes remain strong. This demonstrates the resilience of our business model and the strength of our customer relationships, positioning Vext favourably with customers as the Arizona market continues to stabilize."

"As anticipated, Ohio proved to be a key revenue driver this quarter. Vext retail stores performed at or above state averages, resulting in a 14.2% sequential increase in consolidated retail sales driven by higher customer traffic and order volumes. As 2024 ends, our focus remains on maximizing the benefits of our fully vertically integrated footprint in Ohio to support revenue and cash flow growth, while optimizing our presence to reach the state dispensary cap of eight (8), putting us on the path to achieve our financial targets. For the remainder of the year and moving into 2025, we are confident that the continued execution of our strategy and systematic cost management will drive sustained profitability and cash flow, building long-term shareholder value," added **Mr. Offenberger**.

Q3 2024 Financial Results Conference Call

Vext will host a conference call and webcast on Thursday, November 21, 2024, at 08:00 a.m. ET. to discuss its third quarter 2024 financial results.

Date: November 21, 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: 10194423
Playback #: 7488060 (Expires on December 5, 2024)
Listen to webcast: <https://www.gowebcasting.com/13849>

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.

	Q3 2024	Q2 2024	Q3 2023
Revenue	\$ 8,986,909	\$ 8,426,928	\$ 8,099,285
Net Income after taxes	\$ (2,496,768)	\$ (4,390,035)	\$ (1,838,204)
Interest (Net)	826,598	801,832	956,561
Income Taxes	(238,844)	(127,244)	(1,064,372)
Depreciation & Amortization	3,833,678	3,886,756	2,350,373
EBITDA	\$ 1,924,664	\$ 171,309	\$ 404,358
Share-based compensation	392,912	233,868	73,623
Accretion	-	-	(5,983)
Share (Profit) / Loss on JVs	121,335	118,370	47,777
(Gain)/Loss on Asset Disposal	1,912	-	-
FV of WPCU loan	612,086	(104,150)	126,366
Loan costs EWB amortized	44,287	44,827	44,287
RSU Taxes	-	-	4,274
Foreign Exchange	(445)	(910)	448
Change in FV of Biological	(223,731)	227,503	381,800
FV increment on acquired inventory sold	-	393,417	-
Adjusted EBITDA	\$ 2,873,020	\$ 1,084,234	\$ 1,076,949
Adjusted EBITDA Margin (%) ¹	32.0%	12.9%	13.3%

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, and statements about the timing and completion of the Ohio Expansion Transaction, the acquisition of additional licenses and the opening of additional dispensaries 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.

Eric Offenberger
Chief Executive Officer

844-211-3725

For further information:

Jonathan Ross, Vext Investor Relations

jon.ross@loderockadvisors.com

416-244-9851

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 Perms Dispensary Ohio, LLC ("Big Perm") to acquire from Big Perm 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.



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