



Vext Science, Inc.

Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of United States Dollars unless otherwise stated)

Independent Auditor's Report

To the Shareholders of Vext Science, Inc.:

Opinion

We have audited the consolidated financial statements of Vext Science, Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of Biological Assets and Inventory

Key Audit Matter Description

As at December 31, 2025, the Company held inventory of \$5,924,000 and biological assets of \$1,543,000. During the year, the Company recognized cost of goods sold of \$34,965,000, unrealized fair value gains of \$2,711,000 related to biological asset transformation and realized gains of \$4,658,000 on inventory sold.

The Company's accounting policies for biological assets and inventory valuation are described in note 2 to the consolidated financial statements. Inventory balances as at December 31, 2025, are disclosed in note 5, and the continuity of biological assets, including significant unobservable valuation inputs, is disclosed in note 6.

The valuation of biological assets requires significant judgment due to the use of fair value less costs to sell and involves assumptions related to expected yields and estimated selling prices. In addition, the valuation of inventory incorporates the fair value of biological assets at the time of harvest and requires judgment in determining inventoriable costs by stage of production, production volumes, and conversion ratios from harvested trim to various cannabis by-products.

We considered this to be a key audit matter due to the significant degree of judgment involved in the valuation of biological assets and inventory, the subjectivity of key assumptions used, and the extent of audit effort required to evaluate the underlying data and estimates, including information produced by the Company.

Audit Response

We responded to this matter by performing procedures in relation to valuation of inventory and biological assets. Our audit work in relation to this included, but was not restricted to, the following:

- Tested the reasonableness of management's expected yield assumptions by attending multiple harvest observations throughout the year and shortly after year-end, including pre-harvest and final weighing observations, and by performing an overall analytical review of facility-level yields to assess whether expected yields used in valuation were supportable as at December 31, 2025.
- Tested the reasonableness of management's estimated selling price assumptions for bud and trim by corroborating recorded transactions near year-end to supporting invoices and shipping documentation, and performing a search for transactions recorded around year-end to identify any contradictory pricing evidence.
- Tested the appropriateness of inventoriable costs and management's allocation of production costs by stage by evaluating whether costs capitalized to inventory represented eligible production costs, assessing the completeness and classification of cost inputs, and testing management's allocation of capitalized costs between pre-harvest and post-harvest production stages.
- Tested the reasonableness of production volumes and management's conversion ratios from harvested trim to derivative oil products by evaluating inventory movement data across processing stages, assessing the completeness and accuracy of recorded gram movements through observation of processing activities, and benchmarking key trim-to-formulated-distillate conversion assumptions to industry data.
- Tested the reasonableness of cost of goods sold, unrealized gains on biological asset transformation, and realized gains on inventory sold by performing analytical procedures and reconciliations based on the procedures described above.
- Assessed the adequacy of the Company's disclosures included in notes 5 and 6 of the accompanying consolidated financial statements in relation to this matter.

Impairment Analysis of Goodwill and Intangible Assets

Key Audit Matter Description

As described in note 11 to the consolidated financial statements, the Company had goodwill of \$2,069,000 and intangible assets of \$63,124,000 as at December 31, 2025. During the year ended December 31, 2025, goodwill was impaired by \$3,066,000 and intangible assets were impaired by \$1,954,000.

The Company performs an impairment assessment annually during the fourth quarter, or more frequently when events or changes in circumstances indicate that the carrying amount of an asset or group of assets may exceed its recoverable amount.

Where practicable, management estimates the recoverable amount of individual assets. When this is not possible, assets are grouped into the smallest identifiable group of assets that generate cash inflows largely independent of the cash inflows of other assets or groups of assets (a cash-generating unit, or "CGU"). Management determines the recoverable amount of each CGU using the higher of fair value less costs of disposal and value in use. The grouping of CGUs is described in note 2 to the consolidated financial statements.

We considered this to be a key audit matter due to the significant judgment applied by management in estimating the recoverable amounts of goodwill and intangible assets, and the high degree of auditor judgment, subjectivity, and effort required to perform audit procedures and evaluate audit evidence related to these estimates.

Audit Response

We responded to this matter by performing audit procedures in relation to the impairment analysis of goodwill and intangible assets. Our audit work in relation to this included, but was not restricted to, the following:

Our audit procedures included, but were not limited to, the following:

- Assessed management's assessment of indicators of impairment.
- For CGUs without goodwill, compared actual performance to previously budgeted results and evaluating other indicators of impairment, including competitive conditions, licensing matters, and regulatory developments.
- Evaluated the appropriateness of the discounted cash flow model by testing the completeness, accuracy, and relevance of the underlying data used in the model.
- Assessed the reasonableness of key assumptions, including revenue growth rates, expense projections, and earnings before interest, income taxes, depreciation and amortization, by considering:
 - the historical and current performance of the CGU,
 - available industry data, and
 - consistency with audit evidence obtained in other areas of the audit.
- With the assistance of internal valuation specialists, evaluated the accuracy and reasonableness of management's impairment models, including assessing the reasonableness of discount rates by independently deriving a discount rate using the Capital Asset Pricing Model.
- Where management estimates the recoverable amount of individual assets, obtained relevant audit evidence, including comparable market transactions and other relevant information provided by management, to support the fair value of intangible assets.
- Assessed the adequacy of the Company's disclosures included in notes 11 of the accompanying consolidated financial statements in relation to this matter.

Fair Value Measurement of Intangible Assets Acquired in Business Combination

Key Audit Matter Description

As described in note 18 to the consolidated financial statements, on April 1, 2025, the Company completed the acquisition of two cannabis dispensaries and the right to acquire an additional dispensary license from Big Perm's Dispensary Ohio, LLC. The Company acquired the dispensary assets for total consideration of \$8,115,000. The identifiable assets acquired and liabilities assumed were measured at fair value as at the acquisition date. In connection with this transaction, the Company recognized intangible assets of \$8,643,000.

The fair value of the intangible assets relating to the dispensary cannabis licenses was determined using a multi-period excess earnings method, while the right to acquire an additional dispensary license was valued based on a comparable transaction. In determining the acquisition-date fair values of the intangible assets, management applied significant judgment and made key assumptions, including revenue projections, gross margin estimates, expense estimates, growth rates, terminal growth rates, and discount rates.

We considered this to be a key audit matter due to the significant degree of auditor judgment and subjectivity required to evaluate audit evidence relating to management's valuation estimates, as well as the high degree of estimation uncertainty inherent in the discounted cash flow models, which rely on forward-looking assumptions that may be affected by future economic and regulatory conditions.

Audit Response

We responded to this matter by performing audit procedures over in relation to the fair value of the acquired intangible assets. Our audit work in relation to this included, but was not restricted to, the following:

- Analyzed the executed purchase agreement to understand the key terms and conditions of the transaction and identify the related accounting considerations.
- Evaluated the reasonableness of significant assumptions used by management, including revenue projections, gross margin estimates, expense growth rates, and terminal growth rates, by comparing these assumptions to relevant economic and industry data.
- Compared management's projected results for 2025 to actual results achieved and assessed whether conditions existing at the acquisition date remained consistent or had changed.
- With the assistance of internal valuation specialists, evaluated the reasonableness of management's valuation models and testing significant assumptions and inputs, including:
 - tested the mathematical accuracy of the valuation models; and
 - evaluated the reasonableness of the discount rates by independently deriving a weighted average cost of capital using the Capital Asset Pricing Model.
- Assessed the adequacy of the Company's disclosures included in notes 18 of the accompanying consolidated financial statements in relation to this matter.

Valuation and Completeness of Uncertain Tax Position

Key Audit Matter Description

Under United States federal law, cannabis is classified as a Schedule I controlled substance under the Controlled Substances Act ("CSA"). As a result, cannabis businesses are subject to different tax treatment than most other industries. Internal Revenue Code ("IRC") Section 280E ("Section 280E") disallows deductions or credits for amounts paid or incurred in carrying on a trade or business that involves trafficking in controlled substances within the meaning of Schedules I and II of the CSA. Accordingly, cannabis businesses are generally limited to deducting cost of goods sold for federal income tax purposes.

The application of Section 280E involves significant judgment. As described in note 2 and note 23 to the consolidated financial statements, as at December 31, 2025, the Company recorded a liability of \$8,054,000 related to uncertain tax treatments, primarily associated with the deductibility of certain costs under Section 280E. These uncertain tax positions reflect differences between the Company's filed income tax returns and management's assessment of the likelihood that such positions will be accepted by the taxation authorities for taxation years ended December 31, 2024, and prior.

We considered this to be a key audit matter due to the complexity of applying Section 280E, the significant judgment required to assess the technical merits and acceptability of uncertain tax positions, and the magnitude of the related liability recognized by the Company.

Audit Response

We responded to this matter by performing audit procedures in relation to the completeness and valuation of the Company's uncertain tax positions. Our audit work in relation to this included, but was not restricted to, the following:

- Involved tax professionals to assess the technical merits of the Company's significant tax positions under Section 280E.
- Discussed the Company's Section 280E positions with management's tax counsel to obtain an understanding of relevant legal interpretations and ongoing matters.
- Obtained management's calculations of uncertain tax positions and tested the completeness and accuracy of the amounts recorded, including evaluating costs treated as inventoriable for tax purposes and assessing consistency with inventory capitalization applied for accounting purposes.
- Assessed the adequacy of the Company's disclosures included in notes 2 and 23 of the accompanying consolidated financial statements in relation to this matter.

Emphasis of Matter – Restated Comparative Information

We draw attention to note 24 to the consolidated financial statements, which explains that certain comparative information for the year ended December 31, 2024, has been restated. Our opinion is not modified in respect of this matter.

The consolidated financial statements for the year ended December 31, 2024, excluding the adjustments that were applied to restate certain comparative information were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 31, 2025.

As part of our audit of the consolidated financial statements of the Company for the year ended December 31, 2025, we also audited the adjustments described in note 24 that were applied to restate certain information presented in the consolidated financial statements for the year ended December 31, 2024. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustment that were applied to restate certain comparative information, we were not engaged to audit, review or apply any procedures to the consolidated financial statements for the year ended December 31, 2024. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements taken as a whole.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Bijan Toufighi.

Toronto, Ontario
April 28, 2026

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Vext Science, Inc.

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VEXT SCIENCE, INC.
Consolidated Statements of Financial Position

(Expressed in thousands of United States Dollars, except share and per share amounts)

	Notes	December 31, 2025	December 31, 2024 (Restated - Note 24)	January 1, 2024 (Restated - Note 24)
ASSETS				
Current assets				
Cash		\$ 5,083	\$ 4,625	\$ 8,720
Trade and other receivables	4	1,500	1,014	1,261
Inventory	5	5,924	11,740	12,240
Biological assets	6	1,543	1,577	1,018
Prepaid expenses and deposits	7, 24	1,348	1,052	630
Notes receivable - current		—	800	6,689
Due from related party	10	1,073	—	—
Purchase option		—	—	4,903
Other assets		313	—	471
Total current assets		16,784	20,808	35,932
Non-current assets				
Prepaid expenses and deposits	7, 24	—	5,588	5,352
Property, plant and equipment	8	34,942	35,943	38,543
Investment in joint ventures		—	357	1,715
Right-of-use assets	9	3,610	3,526	2,626
Due from related party		—	1,347	1,328
Intangible assets	11	63,124	64,263	61,992
Goodwill	11	2,069	5,135	2,069
Deferred tax asset		—	—	3
Total assets		\$ 120,529	\$ 136,967	\$ 149,560
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payables and accrued liabilities	12	\$ 7,651	\$ 6,533	\$ 3,517
Due to related parties	10	—	474	962
Notes payable – current portion	13	7,500	4,644	5,787
Lease liability – current portion	9	896	831	471
Income tax payable	23, 24	4,393	102	115
Uncertain tax position	23, 24	8,054	7,692	5,544
Total current liabilities		28,494	20,276	16,396
Non-current liabilities				
Notes payable – non-current portion	13	23,511	31,083	30,054
Lease liability – non-current portion	9	3,128	2,960	2,284
Deferred tax liabilities	23	10,022	9,327	8,258
Total liabilities		65,155	63,646	56,992
Shareholders' equity				
Subordinated and multiple voting shares		53,536	53,486	48,208
Shares to be issued		—	—	4,848
Reserves		4,606	4,609	4,344
Accumulated other comprehensive income		2,355	2,355	(138)
Retained earnings (accumulated deficit)	24	(5,123)	12,871	35,306
Total shareholders' equity		55,374	73,321	92,568
Total liabilities and shareholders' equity		\$ 120,529	\$ 136,967	\$ 149,560

Subsequent events (Note 25)

Approved on April 28, 2026 by the Board of Directors:

“Mark Opzoomer” _____, Chairman

“Eric J. Offenberger” _____, Director

The accompanying notes are an integral part of these consolidated financial statements

VEXT SCIENCE, INC.
Consolidated Statements of Loss and Comprehensive Loss

(Expressed in thousands of United States Dollars, except share and per share amounts)

	Notes	For the Year Ended	
		December 31, 2025	December 31, 2024 (Restated - Note 24)
Retail revenue		\$ 40,114	\$ 27,893
Wholesale revenue		11,253	8,105
Revenue		51,367	35,998
Cost of goods sold	5, 8, 11, 24	34,965	24,477
Gross profit before fair value adjustments		16,402	11,521
Unrealized fair value gain of biological assets	6	(2,711)	(5,587)
Realized fair value gain of inventory sold	6	4,658	8,130
Gross profit		14,455	8,978
Operating expenses			
Amortization	9, 11, 24	5,800	5,470
Depreciation	8	681	396
Impairment of goodwill	11	3,066	—
Impairment of intangible assets	11	1,954	—
General and administrative	15	14,915	14,292
Total operating expenses		26,416	20,158
Other income (expense)			
Share of loss in joint ventures		—	(3,651)
Change in fair value of debt	13, 17	506	(651)
Change in fair value of purchase option	17	—	(2,022)
Foreign exchange gain/(loss)		(8)	1
Interest expense	20	(4,478)	(3,925)
Interest income		179	220
Miscellaneous income		548	86
Total other income (expense)		(3,253)	(9,942)
Loss before income tax		(15,214)	(21,122)
Income tax expense	23	(2,780)	(1,313)
Net loss after income tax		(17,994)	(22,435)
Remeasurement of financial liabilities measured at fair value through profit or loss - not subsequently reclassified to profit or loss	13, 17	—	2,493
Total comprehensive loss		\$ (17,994)	\$ (19,942)
Loss per subordinated voting shares and equivalent multiple voting shares — basic and diluted		\$ (0.07)	\$ (0.08)
Weighted average number of subordinated voting shares and equivalent multiple voting shares outstanding — basic and diluted		247,593,756	240,912,924

The accompanying notes are an integral part of these consolidated financial statements

VEXT SCIENCE, INC.
Consolidated Statements of Changes in Shareholders' Equity

(Expressed in thousands of United States Dollars, except share and per share amounts)

	Share Capital											Retained earnings (accumulated deficit) - Restated - Note 24	Total shareholders' equity - Restated - Note 24
	Number of subordinated voting shares	Amount: subordinated voting shares	Share capital - shares to be issued	Number of multiple voting shares ¹	Amount: multiple voting shares	Reserves: compensatory warrants	Reserves: stock options	Reserves: Restricted Stock Units "RSU"	Accumulated other comprehensive income (loss)				
Balance at December 31, 2023	150,209,109	\$ 46,274	\$ 4,848	672,747	\$ 1,934	\$ 1,782	\$ 2,129	\$ 433	\$ (138)	\$ 35,306	\$ 92,568		
Share-based compensation	—	430	—	—	—	—	86	179	—	—	695		
Shares issued from RSUs exercised	2,258,304	—	—	—	—	—	—	—	—	—	—		
Shares issued from debenture conversion	27,700,625	—	—	—	—	—	—	—	—	—	—		
Share capital - Shares to be issued	—	4,848	(4,848)	—	—	—	—	—	—	—	—		
Other comprehensive income for the year	—	—	—	—	—	—	—	—	2,493	—	2,493		
Net loss for the year	—	—	—	—	—	—	—	—	—	(22,435)	(22,435)		
Balance at December 31, 2024	180,168,038	\$ 51,552	\$ —	672,747	\$ 1,934	\$ 1,782	\$ 2,215	\$ 612	\$ 2,355	\$ 12,871	\$ 73,321		
Balance at December 31, 2024	180,168,038	\$ 51,552	\$ —	672,747	\$ 1,934	\$ 1,782	\$ 2,215	\$ 612	\$ 2,355	\$ 12,871	\$ 73,321		
Share-based compensation	—	50	—	—	—	—	43	(46)	—	—	47		
Shares issued from RSUs exercised	241,135	—	—	—	—	—	—	—	—	—	—		
Conversion of multiple voting shares to subordinated voting shares	5,384,000	—	—	(53,840)	—	—	—	—	—	—	—		
Net loss for the year	—	—	—	—	—	—	—	—	—	(17,994)	(17,994)		
Balance at December 31, 2025	185,793,173	\$ 51,602	\$ —	618,907	\$ 1,934	\$ 1,782	\$ 2,258	\$ 566	\$ 2,355	\$ (5,123)	\$ 55,374		

¹ Each multiple voting share can be converted into 100 subordinated voting shares.

The accompanying notes are an integral part of these consolidated financial statements

VEXT SCIENCE, INC.

Consolidated Statements of Cash Flows

(Expressed in thousands of United States Dollars, except share and per share amounts)

	For the year ended	
	December 31, 2025	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (17,994)	\$ (22,435)
Items not affecting cash:		
Unrealized fair value gain of biological assets	(2,711)	(5,587)
Realized fair value gain of inventory sold	4,658	8,130
Amortization	8,781	8,340
Depreciation	7,096	6,837
Impairment of goodwill	3,066	—
Impairment of intangible assets	1,954	—
Share-based compensation	47	696
Accretion on leases and debt	382	463
Share of loss in joint ventures	—	3,651
Change in fair value of debt	(506)	1,073
Change in fair value of purchase option	—	2,022
Uncertain tax positions	362	2,148
Deferred tax liabilities	(1,673)	(835)
Miscellaneous income	(17)	128
Expensed construction in progress	—	88
Non-cash working capital item changes:		
Trade and other receivables	(22)	114
Biological assets (capitalized costs)	(9,827)	(9,181)
Inventory	14,211	6,892
Prepaid expense and deposits	(35)	(171)
Income tax payable	4,291	(13)
Accounts payables and accrued liabilities	(351)	929
Net cash provided by operating activities	11,712	3,289
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for acquisitions, net of cash received	(2,076)	(3,311)
Acquisition of property, plant and equipment	(3,567)	(1,465)
Loan to joint operations	—	(180)
Notes receivable issued	(14)	(262)
Investment in joint ventures	—	(219)
Net cash used in investing activities	(5,657)	(5,437)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of notes payable principal, net of interest	(4,592)	(1,303)
Payment of lease liabilities, net of interest	(804)	(644)
Payments to related parties	(201)	—
Net cash used in financing activities	(5,597)	(1,947)
Net change in cash during the year	458	(4,095)
Cash, beginning of the year	4,625	8,720
Cash, end of the year	5,083	4,625
Cash paid for		
Interest	\$ (3,439)	\$ (3,551)
Income tax	(275)	(170)
Non-cash investing and financing activities		
Acquisition of entities in exchange for receivables & notes due from seller (Note 18)	—	8,096
Recognition of new right of use (ROU) assets (Note 9)	1,146	1,861

The accompanying notes are an integral part of these consolidated financial statements

VEXT SCIENCE, INC.

Notes to Consolidated Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

1. NATURE OF OPERATIONS

Vext Science, Inc. (referred to as "the Company" or "Vext") possesses full ownership of two (2) integrated cannabis operations in Arizona as well as a cultivation and manufacturing facility, and five (5) fully-operational dispensaries in Ohio. Operating within the Company's dispensaries, the Company engages in the full spectrum of cannabis product lifecycle, from development and manufacturing to distribution. In Arizona and Ohio, the dispensaries operate under the Herbal Wellness Center brand. In Ohio, the cultivation and manufacturing operations are licensed and branded as Appalachian Pharms Cultivation and Appalachian Pharm Processing.

The Company's registered office is situated at Suite 1500 – 1055 West Georgia Street, Vancouver, BC V6E 4N7, while its head office is located at 4152 N. 39th Ave, Phoenix, Arizona 85019.

2. BASIS OF PRESENTATION

a. Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b. Basis of Preparation

These consolidated financial statements have been prepared on the going concern basis, under historical cost, except for certain financial instruments classified as fair value through profit or loss and biological assets that are measured at fair value less costs to sell. The consolidated financial statements, unless otherwise specified, are presented in United States ("U.S.") dollars.

Management concluded that while significant doubt existed regarding the Company's ability to continue as a going concern, the mitigating actions identified were sufficient to support the use of the going concern basis of accounting, and accordingly no material uncertainties remain. This assessment involved significant judgment and is further disclosed in Note 2(g).

c. Basis of Consolidation

The consolidated financial statements include consolidated accounts of the Company and its subsidiaries. Subsidiaries are those entities that the Company controls. The Company controls an entity when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are de-consolidated from the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

As of December 31, 2025, the Company's subsidiaries and affiliates are listed below.

VEXT SCIENCE, INC.

Notes to Consolidated Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

2. BASIS OF PRESENTATION (CONTINUED...)

Name	Jurisdiction	Ownership
Vext Science, Inc.	BC, Canada	
Subsidiaries:		
Herbal Wellness Center, Inc.	Arizona, USA	100%
Hydroponics Solutions, LLC	Arizona, USA	100%
New Gen Admin Services, LLC	Arizona, USA	100%
New Gen Eloy, LLC	Arizona, USA	100%
New Gen Phoenix (PHX), LLC	Arizona, USA	100%
New Gen Real Estate Services, LLC	Arizona, USA	100%
Organica Patient Group, Inc.	Arizona, USA	100%
Pure Touch Botanicals, LLC	Arizona, USA	100%
ReVibe Cannabis, LLC	Arizona, USA	100%
Vapen CBD, LLC	Arizona, USA	100%
Vapen, LLC	Arizona, USA	100%
Step 1 Consulting, LLC	Delaware, USA	100%
Vapen Kentucky, LLC	Kentucky, USA	100%
APP 1803, LLC dba Herbal Wellness Center Ohio Columbus	Ohio, USA	100%
Appalachian Pharms Processing, LLC	Ohio, USA	100%
Appalachian Pharms Products, LLC	Ohio, USA	100%
Herbal Wellness Center Athens, LLC	Ohio, USA	100%
Herbal Wellness Center Jeffersonville, LLC	Ohio, USA	100%
Herbal Wellness Center Portsmouth, LLC	Ohio, USA	100%
Jackson Pharm, LLC dba Herbal Wellness Center Ohio Jackson	Ohio, USA	100%
New Gen Athens, LLC	Ohio, USA	100%
New Gen Columbus, LLC	Ohio, USA	100%
New Gen Ohio Real Estate, LLC	Ohio, USA	100%
New Gen Ohio, LLC	Ohio, USA	100%
Vapen Ohio, LLC	Ohio, USA	100%
New Gen Holdings, Inc.	Wyoming, USA	100%

d. Approval of the Consolidated Financial Statements

These consolidated financial statements for the year ended December 31, 2025 and 2024 were approved and authorized for issue by the Board of Directors on April 28, 2026.

e. Foreign Currency

Functional and presentation currency

These consolidated financial statements are presented in United States Dollars (“USD”). The Company’s functional currency is the Canadian dollar, while the functional currency of the subsidiaries has been determined to be USD.

The adjustment to other comprehensive income to convert the Company from Canadian dollars to USD is immaterial and has not been reflected in the consolidated financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation’s functional currency are recognized in the consolidated statement of loss and comprehensive loss.

VEXT SCIENCE, INC.

Notes to Consolidated Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

2. BASIS OF PRESENTATION (CONTINUED...)**f. Comparative figures**

Certain of the comparative figures have been reclassified to conform with current period presentation.

Certain of the comparative figures have been restated, please see Note 24 for more information.

g. Significant Accounting Judgments and Estimates

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Judgment in Applying IFRS*Going Concern*

The Company recognized a net loss after income tax of \$(17,994) during the year ended December 31, 2025 (2024 – \$(22,435)) and generated positive net cash provided by operating activities of \$11,712 (2024 – \$3,289). As at December 31, 2025, the Company has a current cash balance of \$5,083 (2024 - \$4,625). The Company had a working capital deficit (current assets minus current liabilities) of \$(11,710) (2024 - \$532 surplus).

Current liabilities exceed current assets due to the recognition of an uncertain tax provision, which is required to be classified as a current liability under IFRS. Management does not believe these amounts will be settled within twelve (12) months of the reporting date, although the timing of settlement and amount is uncertain.

Management has applied judgment in assessing the Company's ability to continue as a going concern when preparing its consolidated financial statements. Management prepares the consolidated financial statements on a going concern basis unless it intends to liquidate the entity, cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, covering at least, but not limited to, twelve months from the end of the reporting period. The Company believes it will be able to meet its financial obligations as and when they fall due and, as such, has prepared the consolidated financial statements on a going concern basis.

The Company continued its operational efficiency programs during the year and subsequent to year-end, focusing on increasing sales and reducing operating costs. The Company experienced a significant increase in revenue and net cash provided by operating activities for the year ended December 31, 2025 compared to the year ended December 31, 2024. Management expects continued growth in both revenue and net cash provided by operating activities, as the Company expects to open three (3) additional dispensaries in Ohio during the year ended December 31, 2026. The Company also initiated a plan to optimize the profitability of its Arizona operations during the year ended December 31, 2025.

On March 30, 2026, the Company announced its intention to cease operations at its Arizona cultivation facility and pursue a sale of the property. Proceeds from the sale of the Arizona cultivation facility are expected to facilitate debt reduction and improve the profitability and Net cash provided by operating activities of the business. In addition, the Company announced its intention to seek approval from the State of Ohio to expand its cultivation facility in Ohio.

Management concluded that while significant doubt existed regarding the Company's ability to continue as a going concern, the mitigating actions identified above are sufficient to support the use of the going concern basis of accounting, and accordingly no material uncertainties remain.

TEXT SCIENCE, INC.

Notes to Consolidated Statements

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2. BASIS OF PRESENTATION (CONTINUED...)*Business combinations*

In determining the fair value of net identifiable assets acquired in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In addition, determining whether amounts should be included as part of consideration requires judgments. Refer to Note 18.

Goodwill

Goodwill impairment testing requires management to estimate the recoverable amount of the cash generating unit (“CGU”) to which goodwill has been allocated. The identification of CGUs is a significant judgment in the preparation of these consolidated financial statements. The Company considers each of its individual cultivation and processing facilities and retail dispensaries to be distinct CGUs. Significant assumptions in calculating the recoverable amount of each CGU include the discount rate, revenue growth rate and the terminal growth rate. Refer to Note 11.

Estimates and Assumptions

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of these consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting these consolidated financial statements include:

Useful Life of Property, Plant and Equipment and Intangible Assets

Property, plant, equipment and intangible assets are amortized over their estimated useful life. Estimated useful lives are determined based on current facts and past management experience and take into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

Leases

Under IFRS 16, the Company applies a single lease accounting model under which it recognizes all leases on the consolidated statements of financial position. The Company recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make payments. The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental

VEXT SCIENCE, INC.

Notes to Consolidated Statements

For the years ended December 31, 2025 and 2024

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2. BASIS OF PRESENTATION (CONTINUED...)

borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Current and Deferred Income Taxes

Under United States federal law, cannabis remains classified as a Schedule I controlled substance under the Controlled Substances Act (CSA), meaning that the production, distribution, and possession of cannabis remains illegal, except in the narrow context of federally approved research studies. The Schedule I status of marijuana means that cannabis businesses are treated differently from many other businesses for tax purposes. Internal Revenue Code (IRC) Section 280E (Section 280E) denies deductions and credits for amounts paid or incurred in carrying on the trade or business of trafficking in controlled substances (within the meaning of Schedules I and II of the CSA) in violation of federal or state law. Consistent with cannabis' classification as a Schedule I controlled substance, Section 280E disallows taxpayers from taking tax deductions and claiming tax credits attributable to cannabis businesses.

The application of 280E for a cannabis company is an area of significant judgment. As of December 31, 2025, the Company has recognized a liability of \$8,054 (2024 - \$7,692) related to uncertain tax treatments regarding the deductibility of certain costs. The Company's income tax payable balance as at December 31, 2025 reflects the application of Section 280E for the year-ended December 31, 2025, as the Company has not yet finalized its tax positions for the 2025 tax returns. Please refer to Note 23 and Note 25 for further discussion.

Actual amounts of income tax expense and obligations are not final until tax returns are filed and assessed by the relevant taxation authorities. This occurs subsequent to the issuance of the financial statements, and the final determination of actual amounts may not be completed for a number of years. Therefore, financial results in subsequent periods will be affected by the amount that estimates differ from the final assessments of the tax returns filed.

Valuation of Biological Assets and Inventory

Determination of the fair value of biological assets requires the Company to make a number of estimates and assumptions, including estimating selling prices, expected yields, wastage, and post-harvest costs of the cannabis plant. These estimates and assumptions are subject to change that could result from volatility of market prices, unanticipated regulatory changes, harvest yields, loss of crops, changes in estimates and other uncontrollable factors that could significantly affect the future fair value of biological assets. Refer to Note 6 for further information.

The valuation of work in process and finished goods also requires the estimate of conversion costs incurred, which become part of the carrying amount for inventories. The Company must also determine if the cost of any inventories exceeds its net realizable value ("NRV"), such as cases where prices have decreased, or inventories have spoiled or otherwise been damaged. The Company estimates the NRV of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company's inventory valuation and impact gross profit.

TEXT SCIENCE, INC.

Notes to Consolidated Statements

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3. MATERIAL ACCOUNTING POLICIES

Cash

Cash consists of cash held at major financial institutions and is subject to insignificant risk of changes in value. As at December 31, 2024 and December 31, 2025, the Company's cash balance is comprised of cash on hand and deposits held with banks. The Company has made the policy election to record interest paid as operating cash flows on the consolidated statements of cash flows.

Biological Assets

Biological assets, consisting of cannabis plants, are measured at fair value less costs to sell at the point of harvest, which becomes the basis for the cost of inventories after harvest. Gains or losses arising from changes in fair value less costs to sell during the year, including the impact on the carrying amount of inventory, are included in the consolidated statement of loss and comprehensive loss of the related year. At the point of harvest, the biological assets are transferred to inventories at their fair value less costs to complete and sell. All direct and indirect costs related to biological assets are capitalized as they are incurred and expensed when the related item is sold.

While the Company's biological assets are within the scope of IAS 41, *Agriculture* and are measured at fair value less costs to sell, the direct and indirect costs of biological assets are determined using an approach similar to the capitalization criteria outlined in IAS 2, *Inventories*. The Company capitalizes all the direct and indirect costs as incurred related to the biological transformation of the biological assets between the point of initial recognition and at the point of harvest including labor related costs, grow consumables, utilities, facilities costs including allocation of overhead costs related to production facility, quality and testing costs, amortization of cultivation license, and production related depreciation. Capitalized costs are subsequently recorded within cost of sales in the consolidated statements of loss and comprehensive loss in the year that the related product is sold.

Inventory

Inventories are valued at the lower of cost and net realizable value, with cost determined based on a weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Inventories include the cost of materials purchased, as well as other costs required to bring the inventories to their present location and condition.

The Company reviews inventories for obsolete, redundant and slow-moving goods and any such inventories identified are written down to net realizable value. The direct and indirect costs of finished goods inventory that includes internally cultivated flower and trim, includes the fair value of the biological asset at the time of harvest. They also include subsequent costs such as materials, labor, amortization of manufacturing license, and depreciation expense on equipment involved in processing, packaging, labelling and inspection to turn raw materials into finished goods. All direct and indirect costs related to inventory are capitalized as they are incurred, and they are subsequently recorded within cost of sales on the consolidated statements of loss and comprehensive loss at the time cannabis products are sold.

Realized fair value amounts from biological assets included in the cost of inventory sold are separately presented for cost of sales as fair value adjustment on sale of inventory in the consolidated statements of loss and comprehensive loss.

Property, Plant and Equipment

Property, plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of the item of property and equipment consists of the purchase price, financing costs, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. An item of property, plant and equipment is no longer recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of loss and comprehensive loss. The cost of repairs and maintenance is expensed as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

VEXT SCIENCE, INC.

Notes to Consolidated Statements

For the years ended December 31, 2025 and 2024

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED...)

Asset	Depreciation	Rate
Land	No depreciation	—
Building	Straight line method	39 years
Equipment and machinery	Straight line method	3-7 years
Leasehold improvements	Straight line method	Over the term of the lease
Building improvements	Straight line method	5-19 years
Automobile	Straight line method	3-5 years

Property, plant, and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible Assets

Intangible assets with finite useful lives are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded on a straight-line basis. The estimated useful life and amortization method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Amortization rates are reviewed annually to ensure they are aligned with estimates of the remaining economic useful lives of the associated intangible assets. The useful life of the intangible assets are as follows:

Asset	Amortization	Rate
Patent	Straight line method	15 years
Dispensary Licenses	Straight line method	12 years
Customer Relationships	Straight line method	5 years
Brand Name	Straight line method	2-5 years
Cultivation License	Straight line method	12 years
Processing License	Straight line method	12 years

Business Combination and Goodwill

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 – *Income Taxes*. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement year adjustments. The measurement period is the period between the date of the acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of loss and comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, such as forecasted future net cash flows discounted to present value and the market approach method. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired property, plant and equipment, and intangible assets.

In certain situations, goodwill or a bargain purchase gain may result from a business combination.

Goodwill is measured as the excess of the consideration transferred over the net amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is measured at historical cost and is evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment. Impairment is determined for goodwill by assessing if the carrying value of a cash-generating unit (“CGU”), including the allocated goodwill, exceeds its

VEXT SCIENCE, INC.

Notes to Consolidated Statements

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3. MATERIAL ACCOUNTING POLICIES (*CONTINUED...*)

recoverable amount determined as the greater of the estimated fair value less costs to sell and the value in use. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGU. Any goodwill impairment is recorded in income in the year in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed. Acquisition related costs are recognized in the consolidated statements of loss and comprehensive loss as incurred.

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company follows all of the requirements of IFRS 9 *Financial Instruments* (“IFRS 9”). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward looking “expected loss” impairment model.

The following is the Company’s accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost:

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL:

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Derecognition

Financial Assets:

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial Liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

VEXT SCIENCE, INC.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED...)

The Company accounts for extinguishments of liabilities via the issuance of shares at the carrying value of the liability where the contract terms did not provide for settlement in shares and where the debt holders are also shareholders.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company determines the fair value of financial instruments according to the following hierarchy based on the number of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as at the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as at the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or Liability	Classification
Cash	Amortized cost
Trade and other receivables	Amortized cost
Notes receivable	Amortized cost
Purchase option	Fair value
Due from/to related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost and fair value

Impairment

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Goodwill is tested for impairment annually at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Revenue Recognition

The Company earns revenue from; (i) the sale of cannabis products and accessories.

The Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

VEXT SCIENCE, INC.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED...)

In order to recognize revenue, the Company applies the following five (5) steps:

- 1) Identify the contract with a customer;
- 2) Identify the performance obligation(s);
- 3) Determine the transaction price;
- 4) Allocate the transaction price to the performance obligations(s); and
- 5) Recognize revenue when/as performance obligations(s) are satisfied.

Sale of Cannabis

Revenue from the sale of cannabis products and accessories consist of retail and wholesale sales, which are recognized at a point in time when control over the goods has transferred to the customer. This corresponds with when the Company satisfies its performance obligation. Revenue is recorded net of any point of sale discounts provided to the customer. The Company's revenues are principally derived from arrangements with fixed consideration. Variable consideration, if any, are not material.

Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy. The time period between when revenue is recognized and when payment is due is not significant. The Company estimates and reserves for its bad debt exposure based on its experience with past due accounts and collectability, write-off history, the aging of accounts receivable and an analysis of customer data. Costs associated with goods or services are expensed in the year performance obligations are satisfied.

Certain of the Company's customer contracts may provide the customer with a right of return. The Company determined that no provision for returns or refunds was necessary as at December 31, 2025 and 2024.

Income Taxes

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

Interest arising on uncertain tax positions is presented within interest expense in the consolidated statements of loss and comprehensive loss, as it represents compensation for the time value of money rather than income tax expense. This presentation is based on management's assessment of the substance of the amounts incurred.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED...)**Share Capital**

Subordinated and multiple voting shares are classified as equity. Transaction costs directly attributable to the issue of subordinated and multiple voting shares and subordinated voting share warrants are recognized as a deduction from equity.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. The proceeds from the issuance of units are allocated between subordinated and multiple voting shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the subordinated voting shares at the time the units are priced, and any residual value is allocated to the warrants reserve. Consideration received for the exercise of options or warrants is recorded in share capital and the related residual value is transferred to share capital.

Earnings Per Share

Basic earnings per share is computed by dividing net earnings available to shareholders by the weighted average number of subordinated voting shares and equivalent multiple voting shares outstanding during the year. For diluted per share computations, assumptions are made regarding potential subordinated voting shares outstanding during the year. The weighted average number of subordinated voting shares is increased to include the number of additional subordinated voting shares that would be outstanding if, at the beginning of the year, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's subordinated voting shares at their average market price during the period, thereby reducing the weighted average number of subordinated voting shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is a lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases for which the underlying asset is less than \$5,000). The Company has elected to apply the practical expedient in IFRS 16 to account for each separate lease component and any associated non-lease components as a single lease component for all leases. Accordingly, consideration for non-lease components (such as common area maintenance, service charges, or insurance) is included in the measurement of the right-of-use asset and lease liability. The Company recognizes the short-term and low-value lease payments as operating expenses on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are realized.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the Company's entity-specific rate of interest to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liabilities comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED...)

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liabilities (and makes a corresponding adjustment to the related right-of-use asset) when:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liabilities are remeasured by discounting the revised lease payment using a revised discount rate.
- The lease payments change due to changes in the index or rate or a change in expected payment under a guaranteed residual value, in which the lease liabilities are remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liabilities are remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, adjusted for any advance payments made at or before lease commencement, less any lease incentives received and any initial direct costs (including lease premiums). They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the Company's expectation to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right-of-use assets are tested annually for impairment in accordance with IAS 36 *Impairment of Assets*.

New Accounting Pronouncements

The Company monitors the potential accounting policy changes proposed by the IASB and analyzes the impact of those changes on the Company's consolidated financial statements.

New standards and interpretations**Standards not yet adopted****IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18") to replace International Accounting Standards 1, *Presentation of Financial Statements* ("IAS 1"). IFRS 18 impacts the presentation of the financial statements and notes, primarily the statements of loss and comprehensive loss where companies will be required to present separate categories of income and expenses for operating, investing and financing activities with subtotals for each new category. IFRS 18 will require management-defined performance measures to be defined and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and require retrospective application. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

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4. TRADE AND OTHER RECEIVABLES

The Company's amounts receivable consists of the following:

	December 31, 2025		December 31, 2024	
Trade receivables, net	\$	1,231	\$	875
Other receivables		269		139
Total trade and other receivables	\$	1,500	\$	1,014

The following table sets forth the accounts receivables balances as at December 31, 2024, and December 31, 2025:

As of	Current	31-60 Days	61 - 90 Days	91 Days and Over	Total
December 31, 2024	\$386	\$177	\$159	\$439	\$1,161
December 31, 2025	\$711	\$452	\$159	\$331	\$1,653

Bad debt expense recorded in 2025 was \$53 (2024 - \$29) and is located in general and administrative expenses on the consolidated statements of loss and comprehensive loss.

5. INVENTORY

The Company's inventory consists of the following:

	December 31, 2025		December 31, 2024	
Work in Process				
Capitalized Cost	\$	562	\$	1,682
Fair Value Adjustment		143		761
Carrying Value		705		2,443
Finished Goods				
Capitalized Cost		5,211		7,996
Fair Value Adjustment		8		1,301
Carrying Value		5,219		9,297
Total	\$	5,924	\$	11,740

For the year ended December 31, 2025, the Company recognized \$34,965 of inventory expensed to cost of goods sold (December 31, 2024 - \$24,477).

TEXT SCIENCE, INC.

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6. BIOLOGICAL ASSETS

Biological assets consist of cannabis plants. The changes in the carrying value of biological assets are as follows:

	December 31, 2025	December 31, 2024
Biological assets, beginning balance	\$ 1,577	\$ 1,018
Capitalized costs	9,825	9,181
Change in fair value less costs to sell due to biological transformation	2,711	5,587
Transferred into inventory upon harvest	(12,570)	(14,209)
Biological assets, ending balance	\$ 1,543	\$ 1,577

The fair value less costs to sell of biological assets is determined using a market approach where the fair value at the point of harvest is estimated based on spot prices of wholesale cannabis less post-harvest costs and costs to sell. For in process biological assets, the estimated fair value at point of harvest is attributed based on the plants' stage of growth. Stage of growth is determined by reference to days remaining to harvest over average growth cycle.

The following key inputs are used in determining the fair value of biological assets (a Level 3 measurement):

- Average selling price per gram - third-party cannabis spot price for wholesale cannabis.
- Average yield per plant - the number of grams a finished cannabis inventory which are expected to be derived from each harvested cannabis plant.
- Wastage of plants based on their various stages of growth - represents the weighted average percentage of biological assets which are expected to fail to mature into cannabis plants that can be harvested.
- Post-harvest costs - calculated as the cost per gram of harvested cannabis to complete the sale of cannabis plants post-harvest; and
- Stage of completion in the cultivation process - calculated by taking the weighted average number of weeks in production over a total average grow cycle of approximately 15 weeks.

Significant unobservable inputs	December 31, 2025	December 31, 2024
Average selling price per gram of flower	\$1.13 - \$2.58	\$1.87 - \$5.20
Weighted average yield of flower per plant (in grams)	67.80 - 85.08	59.86 - 67.70

The most significant inputs are the average selling price per gram of flower and the weighted average yield of flower per plant.

Effect on fair value

Sensitivity	December 31, 2025	December 31, 2024
Increase or decrease by \$0.50 per gram	\$ 362	\$ 206
Increase or decrease of yield by 10%	\$ 154	\$ 158

The Company estimated the harvest yields for the cannabis plants at various stages of growth at the reporting date as follows:

	December 31, 2025	December 31, 2024
Total expected yield (in grams)	3,178,084	2,559,368

The effect of changes in the fair value of biological assets and inventory are as follows:

	December 31, 2025	December 31, 2024
Unrealized change in fair value of biological assets	\$ 2,711	\$ 5,587
Realized change in fair value on inventory sold in the period	(4,658)	(8,130)
Net effect of changes in fair value of biological assets and inventory	\$ (1,947)	\$ (2,543)

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7. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses and deposits consist of the following:

	December 31, 2025	December 31, 2024 <i>(Restated - Note 24)</i>
Vendor deposits	\$ 543	\$ 221
Deposit on Big Perm Dispensaries (Note 18)	—	5,588
Prepaid Expense/Insurance/Maintenance	693	707
Security deposits	112	124
Total prepaid expenses and deposits	\$ 1,348	\$ 6,640
Less: current portion	\$ 1,348	\$ 1,052
Non-current portion	\$ —	\$ 5,588

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8. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Equipment and machinery	Building improvements	Leasehold improvements	Construction in progress	Automobile	Total
Cost								
Balance at December 31, 2023	\$ 1,821	\$ 7,556	\$ 18,637	\$ 13,673	\$ 9,287	\$ 370	\$ 208	\$ 51,552
Disposals	—	(280)	(644)	(1,526)	(179)	(78)	(6)	(2,713)
Additions	772	2,283	116	74	38	277	—	3,560
Reclassifications	—	—	—	88	—	(88)	—	—
Additions from acquisition (Note 18)	—	—	1	—	909	—	—	910
Balance at December 31, 2024	\$ 2,593	\$ 9,559	\$ 18,110	\$ 12,309	\$ 10,055	\$ 481	\$ 202	\$ 53,309
Disposals	—	—	(91)	—	—	—	(9)	(100)
Additions	—	—	208	492	25	2,836	6	3,567
Reclassifications	—	(389)	(31)	1,015	720	(1,313)	(2)	—
Additions from acquisition (Note 18)	—	—	118	1,548	894	—	—	2,560
Balance at December 31, 2025	\$ 2,593	\$ 9,170	\$ 18,314	\$ 15,364	\$ 11,694	\$ 2,004	\$ 197	\$ 59,336
Accumulated Depreciation								
Balance at December 31, 2023	\$ —	\$ 908	\$ 5,879	\$ 4,891	\$ 1,239	\$ —	\$ 92	\$ 13,009
Disposals	—	(280)	(630)	(1,526)	(36)	—	(5)	(2,477)
Depreciation	—	224	2,577	2,216	1,767	—	50	6,834
Balance at December 31, 2024	\$ —	\$ 852	\$ 7,826	\$ 5,581	\$ 2,970	\$ —	\$ 137	\$ 17,366
Disposals	—	—	(61)	—	—	—	(6)	(67)
Depreciation	—	182	2,514	2,469	1,905	—	25	7,095
Balance at December 31, 2025	\$ —	\$ 1,034	\$ 10,279	\$ 8,050	\$ 4,875	\$ —	\$ 156	\$ 24,394
Net Book Value								
Balance at December 31, 2024	\$ 2,593	\$ 8,707	\$ 10,284	\$ 6,728	\$ 7,085	\$ 481	\$ 65	\$ 35,943
Balance at December 31, 2025	\$ 2,593	\$ 8,136	\$ 8,035	\$ 7,314	\$ 6,819	\$ 2,004	\$ 41	\$ 34,942

Of total depreciation expense during the year ended December 31, 2025, \$6,414 was included in the cost of sales (2024 - \$6,386) and \$681 was included in operating expense (2024 - \$448).

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Notes to Consolidated Statements

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9. LEASES

During the year, the Company entered into several leases for new and existing dispensary locations in both Ohio and Arizona. These leases have a term ranging between 5-10 years. The lease liabilities were discounted using the Company's incremental borrowing rate applicable at the lease commencement date, which ranges between 10% - 13%.

Right-of-use asset:

The Right-of-use asset ("ROU asset") schedules for the years ended December 31, 2025 and December 31, 2024 were as follows:

Cost	Office Lease	Dispensary Leases	Cultivation Lease	Processing Lease	Total
Balance at December 31, 2023	\$ 544	\$ 693	\$ 917	\$ 932	\$ 3,086
Additions (new leases)	—	1,862	—	—	1,862
Disposals / terminations	—	(197)	—	—	(197)
Balance at December 31, 2024	544	2,358	917	932	4,751
Additions (new leases)	—	1,146	—	—	1,146
Disposals / terminations	—	(637)	—	—	(637)
Balance at December 31, 2025	\$ 544	\$ 2,867	\$ 917	\$ 932	\$ 5,260

Accumulated amortization

Balance at December 31, 2023	\$ 117	\$ 254	\$ 61	\$ 28	\$ 460
Amortization - ROU assets	78	331	246	110	765
Balance at December 31, 2024	195	585	307	138	1,225
Disposals / terminations	—	(529)	—	—	(529)
Amortization - ROU assets	78	520	246	110	954
Balance at December 31, 2025	\$ 273	\$ 576	\$ 553	\$ 248	\$ 1,650

Net book value

Balance at December 31, 2024	\$ 349	\$ 1,773	\$ 610	\$ 794	\$ 3,526
Balance at December 31, 2025	\$ 271	\$ 2,291	\$ 364	\$ 684	\$ 3,610

The total amortization expense for the year ended December 31, 2025 was included in operating expenses.

Lease liability:

Lease liability for the year ended December 31, 2025 and year ended December 31, 2024 were as follows:

	Total
Balance at December 31, 2023	\$ 2,755
Additions	1,861
Disposals	(181)
Interest expense	413
Lease payments	(1,057)
Balance at December 31, 2024	\$ 3,791
Additions	1,146
Disposals	(109)
Interest expense	461
Lease payments	(1,265)
Balance at December 31, 2025	\$ 4,024
Less: current portion	\$ (896)
Long-term lease liability	\$ 3,128

VEXT SCIENCE, INC.

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9. LEASES (CONTINUED...)

The following table discloses the undiscounted cash flow for the eleven (11) lease obligations remaining at December 31, 2025:

	December 31, 2025	December 31, 2024
Less than one year	\$ 1,354	\$ 1,261
One to five years	3,910	3,544
More than five years	36	319
Total undiscounted lease obligations	5,300	5,124
Less imputed interest	(1,276)	(1,333)
Total present lease obligations	\$ 4,024	\$ 3,791

The following table provides a summary of the lease expenses recognized in the consolidated statements of loss and comprehensive loss for the years ended December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
Interest expense (included in general and administrative in operating expenses)	\$ 461	\$ 413
Amortization (included in operating expenses)	954	780

10. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the consolidated financial statements not disclosed elsewhere in these consolidated financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include individuals having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Corporate Secretary. Other related parties include close family members of the Company's Directors and a company that is controlled by a Director.

Remuneration attributed to key management personnel for the year ended December 31, 2025 and December 31, 2024 is summarized as follows:

	December 31, 2025	December 31, 2024
Share-based compensation	\$ 23	\$ 245
Salaries and wages	700	830
Consulting fees included in operating expenses	388	157
Total	\$ 1,111	\$ 1,232

Due from related party:

The current portion of balances due from related parties is as follows:

VEXT SCIENCE, INC.

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10. RELATED PARTY TRANSACTIONS (CONTINUED...)

	December 31, 2025	December 31, 2024
Beginning Balance	\$ 1,347	\$ 1,328
Payments	(440)	(135)
Interest Accrued	156	154
11.5% per annum interest bearing, due on December 31, 2026 from Jason T. Nguyen, Director	\$ 1,063	\$ 1,347

Effective December 31, 2023, Jason T. Nguyen transitioned out of his executive positions with the Company, including resigning from all positions with the Company's subsidiaries and affiliates. Mr. Nguyen remained in his position as a director of the Company and Chairman of the Board of Directors, and Mr. Nguyen stepped down as Chairman of the Board of Directors on August 20, 2024. Concurrently with Mr. Nguyen's resignation from his executive positions, the Company amended the terms of the existing promissory note issued by Mr. Nguyen in favor of the Company, in the principal amount of \$1,328 (the "Promissory Note"), to provide for, among other things, the following: (i) an extension to the maturity date of the Promissory Note to the earlier of (x) December 31, 2025, (y) the date in which Mr. Nguyen sells any shares of the Company (subject to limited exceptions), and (z) any change of control of the Company; (ii) an increased interest rate equal to 11.5% per annum, compounded quarterly; (iii) quarterly scheduled interest payments; (iv) a mandatory prepayment of no less than 50% of the Promissory Note in the event the volume weighted average trading price of the Subordinated Voting Shares of the Company reaches a specified threshold, enforceable at the discretion of the Company; and (v) the pledge by Mr. Nguyen of all shares of the Company legally or beneficially owned by Mr. Nguyen as security for the obligations of Mr. Nguyen under the Promissory Note.

On December 31, 2025, the Company and Mr. Nguyen entered into a Consent and Amending Agreement, by which the Company received \$305 in payments and the maturity date of the Promissory Note was amended to the earlier of (x) December 31, 2026, (y) the date in which Mr. Nguyen sells any shares of the Company (subject to limited exceptions), and (z) any change of control of the Company.

	December 31, 2025	December 31, 2024
David Johns, Director	\$ 10	\$ —
Total	\$ 10	\$ —

The Company has recorded a \$10 receivable from a related party representing insurance premiums and related costs paid by the Company on behalf of the related party. These amounts are reimbursable pursuant to the underlying arrangement and are expected to be settled in the ordinary course of business. The balance is non-interest bearing and due on demand unless otherwise specified.

Due to related parties:

David Johns (Director) was one of the sellers of the App Pharma entities and as such holds a portion of the promissory notes payable for App Pharms Products and App Pharms Processing (Note 13). During the year ended December 31, 2025, \$31 in interest was accrued on these notes payable. Payment of interest began January 1, 2025. During the year ended December 31, 2025 and year ended December 31, 2024, the portion of the promissory notes payable due is as follows:

	December 31, 2025	December 31, 2024
Total Current Promissory Note Payable (Director)	\$ 723	\$ 742
Interest Payable	14	60
Total Interest Payable (Director)	\$ 14	\$ 60

Amounts due to related parties as at December 31, 2025 and December 31, 2024 included the following:

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10. RELATED PARTY TRANSACTIONS (CONTINUED...)

	December 31, 2025	December 31, 2024
Payables and Accrued Liabilities		
Jason T. Nguyen, Director and former Executive	\$ —	\$ 474
Total	\$ —	\$ 474

Effective December 31, 2023, the Company agreed to pay Mr. Nguyen a severance in an aggregate amount equal to \$948, equal to 24 months of base compensation, with such payments to be completed in equal monthly payments.

11. INTANGIBLE ASSETS AND GOODWILL

Identifiable intangible assets consist of the following:

Intangible Assets	Balance as at December 31, 2023	Additions	Amortization	Balance as at December 31, 2024	Additions	Amortization	Impairment	Balance as at December 31, 2025
Dispensary Licenses	\$ 26,755	\$ 9,831	\$ (3,312)	\$ 33,274	\$ 8,643	\$ (3,918)	\$ (1,954)	\$ 36,045
Cultivation License	21,702	—	(1,846)	19,856	—	(1,846)	—	18,010
Processing License	8,230	—	(700)	7,530	—	(700)	—	6,830
Customer Relationships	2,259	—	(501)	1,758	—	(502)	—	1,256
Brand Names	2,866	—	(1,186)	1,680	—	(847)	—	833
Patent	180	—	(15)	165	—	(15)	—	150
Total	\$ 61,992	\$ 9,831	\$ (7,560)	\$ 64,263	\$ 8,643	\$ (7,828)	\$ (1,954)	\$ 63,124

During 2025, the Company completed an acquisition (Note 18) whereby \$8,643 of intangible assets were acquired.

Of total amortization expense during the year ended December 31, 2025, \$2,982 was included in the cost of sales (2024 - \$2,870) and \$4,846 was included in operating expense (2024 - \$4,690).

Goodwill	Balance as at December 31, 2023	Additions	Balance as at December 31, 2024	Additions	Impairment	Balance as at December 31, 2025
Total	\$ 2,069	\$ 3,066	\$ 5,135	\$ —	\$ (3,066)	\$ 2,069

At acquisition, goodwill is allocated to the cash-generating units (“CGUs”) expected to benefit from the synergies of the business combination in which the goodwill arises.

Goodwill is allocated to the Company’s CGUs and tested annually for impairment. The valuation method used was fair value less cost of disposal. The allocation of material goodwill, the key assumptions used in the impairment model and recoverable amounts are as follows:

Key assumptions: Annual Impairment - 2025

Cash Generating Unit	Goodwill	Discount Rate	Revenue Growth Rate	EBITDA Margin	Terminal Growth Rate	Recoverable Amount
Ohio Jackson Dispensary	\$1,608	17.3%	3% - 12%	30.7% - 31.0%	2%	\$13,177
Ohio Columbus Dispensary	\$3,066	17.3%	3% - 5%	24.4% - 25.0%	2%	\$5,750

During the year, the Company identified indicators of impairment in the Ohio Columbus CGU, including revenue not meeting budgeted expectations, increases in competition, and adverse changes in market forecasts. Based on the CGU impairment test performed for the Ohio Columbus CGU, the recoverable amount was determined to be below the CGU

VEXT SCIENCE, INC.

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11. INTANGIBLE ASSETS AND GOODWILL (CONTINUED...)

carrying amount. As a result, the Company fully impaired goodwill of \$3,066 and recorded a further impairment of the dispensary license intangible asset of \$1,954.

Based on the CGU impairment test performed for the Ohio Jackson Dispensary, the recoverable amount exceeded the CGU's carrying amount and, accordingly, no impairment was recorded.

Discount rate

The discount rate reflects appropriate adjustments relating to market risk and specific risk factors of the CGU.

Revenue growth rates and earnings before income tax, depreciation and amortization ("EBITDA") margin

The assumptions around the CGU's revenue growth rates and EBITDA margin were based on management's best estimates, considering historical and expected operating plans, strategic plans, economic considerations, and the general outlook for the industry and markets in which the CGU operates.

Sensitivity to changes in assumptions

The Company has performed an assessment to determine whether additional impairment would have been recognized if there was a change in any of the key assumptions identified above. No reasonable changes to the key assumptions would result in an impairment of the Ohio Jackson Dispensary CGU. Every 25 basis point increase in the discount rate would cause a \$95 decrease in the recoverable amount of the Ohio Columbus CGU.

12. PAYABLES AND ACCRUED LIABILITIES

Payables and accrued liabilities consist of the following:

	December 31, 2025	December 31, 2024
Trade payables	\$ 5,265	\$ 3,737
Sales tax payable	1,058	501
Interest payable	99	—
Payroll liabilities	820	1,310
Accrued liabilities	409	985
Total payables and accrued liabilities	\$ 7,651	\$ 6,533

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13. NOTES PAYABLE

Note balances at amortized cost	EWB Notes ⁽¹⁾	RDF Acquisition	APP Notes ⁽³⁾	Standby Facility ⁽⁴⁾	Athens Note ⁽⁵⁾	Portsmouth Note ⁽⁶⁾	Total
Balance at December 31, 2023	\$ 15,344	\$ 2,022	\$ 5,419	\$ —	\$ —	\$ —	\$ 22,785
Note principal net of transaction costs	—	—	—	2,000	1,700	350	4,050
Interest and accretion expense	1,860	149	374	110	76	—	2,569
Principal and interest paid	(2,958)	(1,200)	—	(443)	(158)	—	(4,759)
Balance at December 31, 2024	\$ 14,246	\$ 971	\$ 5,793	\$ 1,667	\$ 1,618	\$ 350	\$ 24,645
Interest and accretion expense	1,551	43	1,079	48	107	35	2,863
Principal and interest paid	(2,820)	(1,014)	(1,089)	(1,715)	(237)	(45)	(6,920)
Balance at December 31, 2025	\$ 12,977	\$ —	\$ 5,783	\$ —	\$ 1,488	\$ 340	\$ 20,588
Less: current portion	\$ 1,425	\$ —	\$ 5,783	\$ —	\$ 130	\$ 11	\$ 7,349
Non-current notes payable	\$ 11,552	\$ —	\$ —	\$ —	\$ 1,358	\$ 329	\$ 13,239
Note balances at fair value							WPCU Loans ⁽²⁾
Balance at December 31, 2023							\$ 13,057
Interest accretion							954
Principal and interest paid							(1,087)
Fair value adjustment							651
Accumulated other comprehensive income							(2,493)
Balance at December 31, 2024							\$ 11,082
Interest accretion							934
Principal and interest paid							(1,087)
Fair value adjustment							(506)
Balance at December 31, 2025							\$ 10,423
Less: current portion							\$ 151
Non-current notes payable							\$ 10,272

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13. NOTES PAYABLE (CONTINUED...)

(1) On July 8, 2022, the Company completed a financing with East West Bank comprised of two promissory notes with gross proceeds of \$22,185 and financing costs of \$968. The promissory notes are secured by an interest in substantially all of the Company's assets. The first promissory note of \$5,000 is subject to an interest rate calculated based on the Wall Street Journal Prime plus a spread of 2.75% (9.50% at December 31, 2025), and are subject to a floor of 6.25%. The second promissory note of \$17,185 is subject to an interest rate calculated based on the Wall Street Journal Prime plus a spread of 2.25% (9.00% at December 31, 2025), and are subject to a floor of 6.25%. Blended payments for principal and accrued interest are due on the 15th day of the calendar month and the promissory notes mature on July 15, 2027. The Company has the right to prepay any or all of the principal balance outstanding at any time. The prepayment option did not meet the definition of an embedded derivative. The promissory notes require the Company to maintain certain annual financial covenants being a debt coverage ratio and a debt to tangible net worth ratio. Failure to comply with these covenants may result in East West Bank requiring immediate repayment of the loan. The Company is in compliance with its covenants as of December 31, 2025.

(2) On December 16, 2022, the Company completed a financing with Wright-Patt Credit Union with gross proceeds of \$10,000 and financing costs of \$733 related to its Ohio operations (the "Ohio loan 1"). On March 17, 2023 the Company received an additional \$1,000 on the same terms and conditions with net additional closing costs of \$9 (the "Ohio loan 2"). The Ohio loans are secured by an interest in certain of the Company's assets in Ohio. The Ohio loans are subject to an initial interest rate of 8.75% from issuance date to December 31, 2027 for Loan 1; initial interest rate of 8.96% from issuance date to December 31, 2028 for Loan 2. The interest rate is reset for Loan 1 on January 1, 2028 to the Constant Maturities Rate plus a spread of 5% at that date. The interest rate is reset for Loan 2 on April 1, 2028 to the Constant Maturities Rate plus a spread of 5% at that date. Blended payments for principal and accrued interest are due on the 1st day of the calendar month and the Ohio loan 1 matures on January 1, 2033 and Ohio loan 2 matures April 1, 2033. The Company has the right to prepay any or all of the principal balance outstanding at any time subject to a penalty of up to 3% of the loan balance. The prepay penalty expires on December 31, 2025. This loan has been accounted for at fair value through profit or loss because the prepayment option meets the definition of an embedded derivative that requires separation. Instead of separating the prepayment option, the Company has elected to account for the entire loan at fair value through profit or loss.

(3) On January 1, 2023, the Company issued unsecured promissory notes (collectively and, as amended from time to time, the "App Pharms Products and App Pharms Processing Promissory Notes") to (i) the sellers of Appalachian Pharms Products, LLC, in the aggregate principal amount of \$2,270 and (ii) the sellers of APP1803, LLC, in the aggregate principal amount of \$3,738. The App Pharms Products and App Pharms Processing Promissory Notes have a fixed rate of 8.00%, with accrued interest beginning on January 1, 2024. Principal payments began on January 1, 2025. The App Pharms Products and App Pharms Processing Promissory Notes mature on December 31, 2026, and the Company has the right to prepay any or all of the principal balance outstanding at any time.

(4) On May 29, 2024, the Company entered into a loan agreement with certain third-party lenders (collectively, the "Lenders"), including Sopica Special Opportunities Fund Limited (an insider of the Company), pursuant to which the Company has obtained a standby credit facility in the principal amount of up to \$2,000 (the "Standby Credit Facility") to provide additional financial flexibility primarily in connection with the Company's working capital investment and dispensary additions in Ohio. Interest on any drawn portion of the Standby Credit Facility accrues at a rate of 12% per annum. Any undrawn amounts are subject to a monthly standby commitment fee equal to 0.25% of such undrawn amounts. All obligations owing under the Standby Credit Facility were converted into a term loan on November 28, 2024, repayable over a period of six months. The Standby Credit Facility matured on May 28, 2025.

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13. NOTES PAYABLE (CONTINUED...)

(5) On April 8, 2024, the Company completed the acquisition (the "Athens Property Acquisition") of real property associated with a cannabis dispensary in Athens, Ohio. As consideration for the Athens Property Acquisition, the Company has paid aggregate consideration of \$2,600, consisting of \$900 in cash and the issuance of a promissory note in the principal amount of \$1,700 (the "Athens Promissory Note"). The Athens Promissory Note bears interest at the rate of 7.0% per annum and is repayable over a period of 10 years, maturing on April 4, 2034.

(6) On December 3, 2024, the Company completed the acquisition (the "Portsmouth Property Acquisition") of real property associated with a cannabis dispensary in Portsmouth, Ohio. As consideration for the Portsmouth Property Acquisition, the Company has paid aggregate consideration of \$435, consisting of \$85 in cash and the issuance of a promissory note in the principal amount of \$350 (the "Portsmouth Promissory Note"). The Portsmouth Promissory Note bears interest at the rate of 10.0% per annum and is repayable over a period of 15 years, maturing on December 3, 2039.

14. SHARE CAPITAL**(a) Share Capital**

The Company is authorized to issue the following shares:

- Unlimited common shares ("Subordinated Voting Shares") without par value; and
- Unlimited Class A common shares with multiple voting rights ("Multiple Voting Shares"), each convertible into 100 Subordinated Voting Shares in accordance with the Company's articles. Holders of Subordinated Voting Shares and Multiple Voting Shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares. The holders of Multiple Voting Shares shall be entitled to receive dividends and distributions payable in respect of Subordinated Voting Shares.

For the year ended December 31, 2025:

- On December 31, 2025, 20,340 Multiple Voting Shares were converted into 2,034,000 Subordinated Voting Shares.
- On December 16, 2025, 33,500 Multiple Voting Shares were converted into 3,350,000 Subordinated Voting Shares.
- During the year, the Company issued an aggregate of 241,135 Subordinated Voting Shares upon settlement of 320,836 RSUs, which were settled for a combination of Subordinated Voting Shares and cash equivalent to the amount the Company was permitted to withhold under the Company's restricted share unit plan for the remittance of tax related to the settlement of such restricted share units.

For the year ended December 31, 2024:

- On March 6, 2024, upon receipt of regulatory approval, the Company completed a debenture conversion transaction. The Company issued to the holders of the non-convertible debentures an aggregate of 27,700,625 Subordinated Voting Shares in full satisfaction of the outstanding \$4.6 million principal amount, together with accrued and unpaid interest up to December 31, 2023 and a 2.5% conversion incentive fee, at a deemed price of \$0.175 per share. In relation to the issuance, the carrying value of \$4,847,609 was allocated from shares to be issued.
- On February 4, 2024, upon the Company completing the acquisition of Appalachian Pharm Processing, LLC, an Ohio limited liability company, together with its subsidiaries and affiliated companies, 8,999,989 Subordinated Voting Shares were released from escrow and were valued at \$1,936,399 (Note 18).
- During 2024, the Company issued an aggregate of 2,258,304 Subordinated Voting Shares upon settlement of 3,282,555 RSUs, which were settled for a combination of Subordinated Voting Shares and cash equivalent to the amount the Company was permitted to withhold under the Company's restricted share unit plan for the remittance of tax related to the settlement of such restricted share units.

VEXT SCIENCE, INC.

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14. SHARE CAPITAL (CONTINUED...)**(b) Warrants**

The following table reflects the continuity of warrants for the year ended December 31, 2025:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2023	11,678,889	CAD 1.34
Expired	(11,312,980)	CAD 1.37
Outstanding, December 31, 2024	365,909	CAD 0.50
Expired	(365,909)	CAD 0.50
Outstanding, December 31, 2025	—	—

(c) Stock options

The Company has adopted a Stock Option Plan (the “Plan”) pursuant to which options may be granted to directors, officers, employees, and consultants of the Company. Under the terms of the Plan, the Company can issue a maximum of 10% of the issued and outstanding Subordinated Voting Shares at the time of the grant, and the exercise price of each option is equal to or above the market price of the Subordinated Voting Shares on the grant date. Options granted under the Plan including vesting and the term, are determined by, and at the discretion of, the Board of Directors.

The continuity of stock options for the year ended December 31, 2025 is as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2023	5,027,334	CAD 0.89
Granted	1,122,000	CAD 0.48
Forfeited	(201,800)	CAD 0.61
Outstanding, December 31, 2024	5,947,534	CAD 0.82
Forfeited	(173,250)	CAD 0.49
Outstanding, December 31, 2025	5,774,284	CAD 0.83

As at December 31, 2025, the Company had the following stock options outstanding:

Number outstanding	Number exercisable	Exercise price	Weighted average life (years)	Expiry date
676,000	676,000	CAD 1.00	3.01	January 4, 2029
200,000	200,000	CAD 1.00	3.37	May 13, 2029
833,334	833,334	CAD 0.75	4.36	May 12, 2030
375,000	375,000	CAD 0.75	4.91	November 26, 2030
235,000	235,000	CAD 1.22	5.02	January 6, 2031
500,000	500,000	CAD 1.43	5.14	February 19, 2031
190,000	190,000	CAD 0.58	6.30	April 19, 2032
10,000	10,000	CAD 0.58	6.48	June 23, 2032
1,000,000	1,000,000	CAD 1.00	6.65	August 24, 2032
250,000	250,000	CAD 0.60	6.65	August 24, 2032
125,000	125,000	CAD 0.50	6.98	December 22, 2032
245,000	245,000	CAD 0.50	7.23	March 22, 2033
200,000	200,000	CAD 0.68	7.70	September 11, 2033
884,950	589,959	CAD 0.48	8.40	May 24, 2034
50,000	33,334	CAD 0.49	8.84	October 31, 2034
5,774,284	5,462,627	CAD 0.83	5.83	

VEXT SCIENCE, INC.

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14. SHARE CAPITAL (CONTINUED...)

As at December 31, 2024, the Company had the following stock options outstanding:

Number outstanding	Number exercisable	Exercise price	Weighted average life (years)	Expiry date
678,000	678,000	CAD 1.00	4.27	January 4, 2029
200,000	200,000	CAD 1.00	4.62	May 13, 2029
833,334	833,334	CAD 0.75	5.62	May 12, 2030
375,000	375,000	CAD 0.75	6.16	November 26, 2030
235,000	235,000	CAD 1.22	6.27	January 6, 2031
500,000	500,000	CAD 1.43	6.39	February 19, 2031
190,000	126,662	CAD 0.58	7.56	April 19, 2032
10,000	6,666	CAD 0.58	7.73	June 23, 2032
1,000,000	1,000,000	CAD 1.00	7.90	August 24, 2032
250,000	250,000	CAD 0.60	7.90	August 24, 2032
125,000	125,000	CAD 0.50	8.23	December 22, 2032
280,000	186,662	CAD 0.50	8.48	March 22, 2033
200,000	200,000	CAD 0.68	8.95	September 11, 2033
1,021,200	340,338	CAD 0.48	9.65	May 24, 2034
50,000	16,667	CAD 0.49	9.84	October 31, 2034
5,947,534	5,073,329	CAD 0.82	6.88	

Total share-based compensation for options and restricted shares units is \$47 for the share-based compensation year ended December 31, 2025 (2024 - \$695).

The fair value of the options granted during the period was estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2024
Expected volatility	88.47% - 93.62%
Expected option life (years)	1-9
Risk-free interest rate	2.70 -3.69%
Expected dividend yield	0

(d) Restricted Share Units

The Company approved the implementation of a restricted share units (the “RSU”) plan on November 12, 2020, which RSU plan is designed to provide certain directors, officers, consultants and other key employees of the Company and its related entities with the opportunity to acquire restricted share of the Company. RSUs may be exercised by any holder of RSU to receive an award payout of either: (a) Subordinated Voting Share of the Company for each whole vested RSU; or (b) a cash amount equal to the defined date value of such vested RSU.

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the Subordinated Voting Share on the grant date multiplied by the number of RSUs granted and taking into account market conditions.

The fair value is expensed over the vesting term. Upon conversion of the RSU, the carrying amount is recorded as an increase in common share capital and a reduction in the RSU reserve.

On June 16, 2025, the Company granted 100,000 RSUs to an employee of the Company, which vest in equal annual amounts over a three year period and expire on June 16, 2028.

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14. SHARE CAPITAL (CONTINUED...)

The continuity of RSU for the year ended December 31, 2025 is as follows:

	Number of RSU's
Outstanding December 31, 2023	282,158
Granted	3,363,320
Forfeited	(42,087)
Exercised	(3,282,555)
Outstanding, December 31, 2024	320,836
Exercised	(320,836)
Granted	100,000
Outstanding, December 31, 2025	100,000
Exercisable, December 31, 2025	—

(e) Special Advisory Warrants

The continuity of special advisory warrants for the year ended December 31, 2025 is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2023	1,000,000	CAD 1.00
Expired	(720,000)	CAD 1.00
Outstanding, December 31, 2024 and December 31, 2025	280,000	CAD 1.00

As at December 31, 2025 and December 31, 2024, the Company had the following special advisory warrants outstanding:

Outstanding	Exercise price	Weighted average remaining life (years)	Expiry date
280,000	CAD 1.00	2.00	December 31, 2027

15. GENERAL AND ADMINISTRATIVE

The Company's general and administrative expenses for the year ended December 31, 2025 and 2024 consist of the following:

	December 31, 2025	December 31, 2024 (Restated - Note 24)
Wages and benefits	\$ 8,206	\$ 6,635
Professional Fees	3,118	3,640
Property expenses (insurance, taxes, utilities, etc.)	1,861	1,601
Share based compensation	47	696
Other (advertising, bank fees, office expenses, etc.)	1,683	1,720
Total general and administrative	\$ 14,915	\$ 14,292

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16. SEGMENTED REPORTING

The Company's operations consist of a single operating segment engaged in the cultivation, manufacturing, distribution and sale of cannabis within the United States. All revenues are generated in the United States for the year ended December 31, 2025 and 2024 and all material property and equipment and intangible assets are located in the United States.

Although the Company has one operating segment, management has elected to present supplementary entity-wide disclosures about geographical areas within the United States for the State of Ohio and Arizona. For the year ended December 31, 2025, the Company generated revenue of \$31,387 in Ohio (2024 - \$13,971) and \$19,980 in Arizona (2024 - \$22,027).

The Company's non-current assets located in Ohio were \$62,490 as at December 31, 2025 (2024 – \$55,540), and non-current assets located in Arizona were \$41,255 as at December 31, 2025 (2024 – \$60,619).

17. FAIR VALUE MEASUREMENT

The fair value of the Company's cash, trade and other receivables, notes receivable, accounts payables and accrued liabilities, and due from/to related parties approximate their carrying value, due to their short-term nature. The fair value of notes payable approximate their carrying value due to variable interest rates and fixed rates which approximate market value.

WPCU Loans

The WPCU Loan was recognized at its estimated fair value at the initial recognition of \$11,000 using a discounted cash flow approach. At December 31, 2025, the fair value of the WPCU Loan is \$10,423. The fair value of the WPCU Loan was estimated using Level 3 inputs and is most sensitive to changes in market discount rates.

Sensitivity Analysis:

The key inputs used in determining the fair value of the WPCU Loan is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Key unobservable inputs		
Discount rate	9.44% - 9.60%	8.85% - 9.02%

Assuming all other inputs remain constant, a 2% change in the discount rate used will have the following impact on the fair value of the WPCU Loan at December 31, 2025:

Discount rates	2%	(2%)
Increase (decrease)	\$ 885	\$ (1,008)

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is disclosed in Note 13.

18. BUSINESS COMBINATIONS**Appalachian Pharm Entities**

On February 29, 2024, the Company completed the acquisition (the "Acquisition") of CannAscend Ohio Columbus, LLC ("CannAscend") which included a cannabis dispensary in Columbus, Ohio (the "Columbus Dispensary"), as part of the previously disclosed acquisition of Appalachian Pharm Processing, LLC, together with its subsidiaries and affiliated companies.

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18. BUSINESS COMBINATIONS (CONTINUED...)

As part of the closing, Vext paid cash consideration of \$2,880 and also agreed to pay to the seller \$126 for the pre-closing tax liability of the Columbus Dispensary. The consideration paid also includes the fair value of purchase option acquired by the Company on October 3, 2023 at February 29, 2024 as well as the settlement of pre-existing relationships.

	February 29, 2024	
Net assets acquired		
Cash	\$	88
Inventory		436
Prepaid expenses		24
Property and equipment		910
Right-of-use assets		666
Lease liability		(666)
Accounts payable		(396)
Loan payable		(918)
Dispensary license		9,831
Deferred tax liability		(2,065)
Total identifiable net assets acquired (a)	\$	7,910
Consideration		
Cash	\$	2,880
Settlement of pre-existing relationship		5,089
Payable to seller		126
Fair value of purchase option		2,881
Total consideration (b)		10,976
Goodwill and other intangible assets (b-a)	\$	3,066

Big Perm Dispensaries

On April 1, 2025, the Company completed the acquisition of two cannabis dispensaries from Big Perm's Dispensary Ohio, LLC. The Company acquired all the assets associated with the two dispensaries, and the transaction was determined to qualify as a business combination in accordance with IFRS 3, *Business Combinations*. The primary reason for this acquisition was to expand the retail footprint in Ohio. As part of the closing, Vext paid cash consideration of \$2,419. The consideration paid also includes an initial cash payment of \$5,300 which was paid before closing and recorded as a prepaid expense on the statement of financial position as at December 31, 2024. Pre-existing relationships in the form of accounts receivable were settled as part of the acquisition and were included in the consideration transferred. Working capital acquired included cash of \$296.

	April 1, 2025	
Assets acquired		
Working capital	\$	272
Prepaid license ¹		1,700
Property, plant and equipment		2,560
Intangible assets		6,943
Deferred taxes		(2,368)
Loan payable		(992)
Total identifiable net assets acquired	\$	8,115
Consideration paid		
Initial cash payment	\$	5,300
Cash payment on closing		2,419
Settlement of pre-existing relationships		396
Total consideration	\$	8,115

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18. BUSINESS COMBINATIONS (CONTINUED...)

¹As part of the acquisition, the Company obtained the right to acquire an additional dispensary license (the “Portsmouth License”), subject to regulatory approval. The Portsmouth License was transferred to the Company on October 1, 2025, at which time the prepaid license was reclassified as an intangible asset. The Company began consolidating the results of the Portsmouth dispensary upon obtaining control of the Portsmouth License on October 1, 2025.

19. CONTINGENCIES, AND COMMITMENTS

As at December 31, 2025, the Company and its subsidiaries are involved in litigation matters arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider the Company’s exposure to litigation to be material to the consolidated financial statements.

20. INTEREST EXPENSE

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Interest expense on term loans	\$ 2,453	\$ 2,292
Interest expense on uncertain tax positions	627	122
Interest expense on loans measured at FVTPL	934	954
Interest expense on lease liabilities	461	432
Other interest expense	3	8
Interest on convertible debt	—	117
Total interest expense	\$ 4,478	\$ 3,925

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Company’s cash, trade and other receivables, accounts payable and accrued liabilities and due to and from related parties, approximate their carrying value, due to their short-term nature. The fair value of other financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The fair value of notes payable approximate their carrying value due to variable interest rates which represent market value.

The Company’s investments are measured at fair value under the fair value hierarchy based on level 1 quoted prices in active markets for identical assets and liabilities. There are no changes to the classification of financial instruments during the year ended December 31, 2025.

The Company’s financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk, price risk, and currency risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company is subject to credit risk on its receivables and cash. As at December 31, 2025, wholesale business customers were responsible for the \$1,231 outstanding receivable balance. The Company is of the opinion that it is not exposed to significant credit risk from these customers as it continues to routinely collect accounts receivable.

The Company records an allowance for expected credit losses related to accounts receivable that are considered to be non-collectible. The allowance is based on the Company’s knowledge of the financial condition of its customer, current business environment, customer and industry concentrations, and historical experience. To reduce credit risk, cash is only held at major financial institutions.

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21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED...)**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through its capital management as outlined in Note 22. As at December 31, 2025, the Company has a current cash balance of \$5,083. Current liabilities exceed current assets due to the recognition of an uncertain tax provision, which is required to be classified as a current liability although the timing of repayment is uncertain. The Company believes it will be able to meet its financial obligations as and when they fall due and, as such, has prepared the consolidated financial statements on a going concern basis.

	Less than 1 year	1-2 years	3 years and thereafter	Total
Accounts payables and accrued liabilities	\$ 7,651	\$ —	\$ —	\$ 7,651
Notes payable	7,500	12,138	11,549	31,187
Lease liability	1,378	2,196	1,750	5,324
Total	\$ 16,529	\$ 14,334	\$ 13,299	\$ 44,162

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

As of December 31, 2025, \$12,478 of the Company's borrowings include a variable interest rate component. As a result, the Company is subject to interest rate risk with respect to such floating-rate debt. For the years ended December 31, 2025 and 2024, a hypothetical 100 basis point increase in the variable interest rate would not result in a material change in interest expense.

Currency risk

The Company is not exposed to material currency risk as the Company's expenditures are predominately in United States dollars.

22. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to support the growth and development of its operations and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of equity.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets.

In order to maximize ongoing development efforts, the Company does not pay dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

The Company currently is subject to externally imposed capital requirements as disclosed in Note 13. There were no changes in the Company's approach to capital management during the year.

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23. INCOME TAXES**(a) Income tax expense**

	December 31, 2025	December 31, 2024
Current tax expense	\$ 4,453	\$ 2,305
Deferred tax expense	\$ (1,673)	\$ (992)
Income tax expense	\$ 2,780	\$ 1,313

The actual income tax provision differs from the expected amount calculated by applying the U.S. federal corporate tax rates to loss before income tax. These differences result from the following:

	December 31, 2025	December 31, 2024
Loss before income tax	\$ (15,214)	\$ (21,122)
Federal statutory tax rate - US	21 %	21 %
Expected income tax expense	(3,195)	(4,436)
Increase (decrease) resulting from:		
Change in unrecognized temporary differences	(627)	3,755
Non-taxable items	7,153	3,142
Tax rate differences and tax rate changes	(551)	(1,148)
Income tax (recovery)	\$ 2,780	\$ 1,313

Non-taxable items primarily consists of adjustments relating to Section 280E.

(b) Recognized deferred tax assets and liabilities

	December 31, 2025	December 31, 2024
Deferred tax assets are attributable to the following:		
Loss carryforwards	\$ 68	\$ 35
Provisions and reserves	609	—
Property, plant and equipment	18	—
Deferred tax assets	695	35
Set-off of tax	(695)	(35)
Net deferred tax asset	\$ —	\$ —

Deferred tax liabilities are attributable to the following:

	December 31, 2025	December 31, 2024
Inventory and biological assets	\$ (569)	\$ (40)
Intangibles	(8,792)	(9,009)
Property, plant and equipment	(1,308)	(279)
Other	(48)	(34)
Deferred tax liabilities	(10,717)	(9,362)
Set-off of tax	695	35
Net deferred tax liability	\$ (10,022)	\$ (9,327)

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23. INCOME TAXES (CONTINUED...)**(c) Movement in deferred tax assets and liabilities**

	December 31, 2024	Loss and Comprehensive Loss	Acquired in Acquisition	December 31, 2025
Loss carryforwards	\$ 35	\$ 33	\$ —	\$ 68
Inventory and biological assets	(40)	(529)	—	(569)
Property, plant and equipment	(279)	(458)	(553)	(1,290)
Intangibles	(9,009)	2,032	(1,815)	(8,792)
Other	(34)	595	—	561
Net deferred tax asset (liability)	\$ (9,327)	\$ 1,673	\$ (2,368)	\$ (10,022)

	December 31, 2023	Loss and Comprehensive Loss	Acquired in Acquisition	December 31, 2024
Loss carryforwards	\$ 955	\$ (920)	\$ —	\$ 35
Inventory and biological assets	(995)	955	—	(40)
Property, plant and equipment	(1,535)	1,256	—	(279)
Intangibles	(6,683)	(261)	(2,065)	(9,009)
Other	—	(34)	—	(34)
Net deferred tax asset (liability)	\$ (8,258)	\$ 996	\$ (2,065)	\$ (9,327)

(d) Unrecognized temporary differences

	December 31, 2025	December 31, 2024
Deductible temporary differences	\$ 1	\$ 735
Tax losses	36,770	52,384
Total	\$ 36,771	\$ 53,119

The Company has Canadian non-capital loss carryforwards of \$12,941 (2024 - \$15,419). The Company also has US net operating losses of \$23,830 (2024 - \$37,458) available for carryforward. Certain of the Company's deferred tax assets have not been recognized as management has determined that it is more likely than not that the Company will be unable to realize the economic benefit of these assets.

(e) Uncertain tax positions - Restated - Note 24

The Company has recognized a liability of \$8,054 (2024 - \$7,692) related to uncertain tax treatments regarding the deductibility of certain costs. The Company has assessed that it is probable that the tax authority will not accept this treatment. The liability has been measured using the "most likely amount" method based on legal advice. The ultimate outcome may differ from the liability recognized; however, the range of possible outcomes is not expected to be material beyond the amount provided. Interest arising on uncertain tax positions of \$627 (2024 - \$122) is presented within interest expense in the consolidated statements of loss and comprehensive loss, as it represents compensation for the time value of money rather than income tax expense. Subsequent to December 31, 2025, the United States Drug Enforcement Administration issued a final rule recommending retroactive tax treatment under Section 280E for state-licensed medical marijuana entities. See Note 25 below for further discussion.

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23. INCOME TAXES (CONTINUED...)**(f) Other tax matters**

The Company is treated as a U.S. corporation for U.S. federal income tax purposes under section 7874 of the U.S. IRC and is subject to U.S. federal income tax on its worldwide income. However, the Company is, regardless of any application of section 7874 of the U.S. IRC, treated as tax resident of Canada for Canadian income tax purposes. Accordingly, the Company is subject to taxation both in Canada and the U.S.

24. RESTATEMENTS**(a) Cost of goods sold**

During the year ended December 31, 2025, the Company reassessed its inventory valuation methodology to ensure alignment with IAS 2 *Inventories*. As a result of this reassessment, the Company adjusted amortization expense to reflect the capitalization of amortization related to cultivation and production licenses and adjusted general and administrative expenses to reflect expenses no longer capitalized. There was no overall change to cost of goods sold due to offsetting amounts. The impact on biological assets and inventory was immaterial and therefore, no adjustment was made to these balances. The reclassifications are summarized here:

	Previously Reported December 31, 2024	Adjustment	Restated December 31, 2024
Cost of goods sold	\$ 24,477	\$ —	\$ 24,477
Amortization	8,340	(2,870)	5,470
General and administrative ¹	11,422	2,870	14,292

¹ In the prior year general and administrative expenses consisted of share-based compensation expense of \$696, salaries, wages and commissions of \$5,196 and general and administrative expense of \$5,530.

(b) Prepaid assets

During the year ended December 31, 2025, the Company determined that prepaid expenses and deposits of \$5,588 as at December 31, 2024 and \$5,352 at December 31, 2023 relating to Big Perm Dispensaries should be reclassified from current assets to non-current assets as at December 31, 2024 and December 31, 2023 to better reflect the nature of the balance as a deposit for a business combination.

(c) Uncertain tax position and income tax payable

During the year ended December 31, 2025, the Company identified that its uncertain tax position balances were understated in prior periods. The understatement relates to periods prior to December 31, 2023. Accordingly, no adjustments were recorded in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2024. The Company determined that certain amounts previously classified as income tax payable are more appropriately classified as uncertain tax positions, as they relate to the application of Section 280E and the uncertainty regarding acceptance of the related tax treatment by the taxation authority. These balances were previously included within payables and accrued liabilities and have been reclassified and separately presented on the consolidated statements of financial position.

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24. RESTATEMENTS (CONTINUED...)

	Previously Reported December 31, 2024	Adjustment	Restated December 31, 2024
Uncertain tax position	\$ —	\$ 7,692	\$ 7,692
Income tax payable	5,379	(5,277)	102
Retained earnings	15,286	(2,415)	12,871

	Previously Reported December 31, 2023	Adjustment	Restated December 31, 2023
Uncertain tax position	\$ —	\$ 5,544	\$ 5,544
Income tax payable	3,244	(3,129)	115
Retained earnings	37,721	(2,415)	35,306

The summary of restatements above have the following net impact on the consolidated statement of financial position:

	Previously Reported December 31, 2024	Adjustment	Restated December 31, 2024
Total current assets	\$ 26,396	\$ (5,588)	\$ 20,808
Total assets	136,967	—	136,967
Total current liabilities	17,861	2,415	20,276
Total liabilities	61,231	2,415	63,646
Total shareholders' equity	75,736	(2,415)	73,321
Total liabilities and shareholders' equity	136,967	—	136,967

	Previously Reported December 31, 2023	Adjustment	Restated December 31, 2023
Total current assets	\$ 41,284	\$ (5,352)	\$ 35,932
Total assets	149,560	—	149,560
Total current liabilities	13,981	2,415	16,396
Total liabilities	54,577	2,415	56,992
Total shareholders' equity	94,983	(2,415)	92,568
Total liabilities and shareholders' equity	149,560	—	149,560

Net cash flows from operating, investing, and financing activities were not restated for the year ended December 31, 2024 as a result of these changes. Certain current-year presentation changes were made to conform with the current presentation.

25. SUBSEQUENT EVENTS

On March 30, 2026, the Company announced its intention to discontinue operations at its cultivation facility in Eloy, Arizona (the "Eloy Facility") by the end of the second quarter of 2026, and pursue the sale of the Eloy Facility. The Company also announced it intends to seek approval from the State of Ohio to expand its cultivation facility in Jackson.

VEXT SCIENCE, INC.

Notes to Consolidated Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of United States Dollars, except share and per share amounts)

25. SUBSEQUENT EVENTS (CONTINUED...)

On April 23, 2026, the United States Drug Enforcement Administration issued a final rule rescheduling certain state-licensed marijuana products to Schedule III (the “Rule”). The Rule includes a recommendation for retroactive tax treatment under Section 280E. If enacted, this would materially reduce the uncertain tax position recognized in the Restatement (Note 23(e)). However, as a non-adjusting event under IAS 10, *Events After the Reporting Period* no adjustment has been made to the December 31, 2025 financial statements. The Company will recognize the financial effects of the Rule, including any retroactive tax relief, in future reporting periods once the retroactive recommendation is enacted or clarified by tax authorities.