



Vext Science, Inc.

**MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED
December 31, 2025**

Dated as of April 28, 2026

(All amounts expressed in United States dollars, unless otherwise stated)

TABLE OF CONTENTS

1.0 [Preface](#)

- 1.1 Definitions
- 1.2 Cautionary note regarding forward looking statements
- 1.3 Management's responsibility for the Financial Statements
- 1.4 Review and approval by the board of directors
- 1.5 Annual comparisons in the MD&A
- 1.6 MD&A background
- 1.7 Currency and exchange rates
- 1.8 Use of market and industry data
- 1.9 Accounting framework
- 1.10 Accounting estimates and assumptions

2.0 [Company and Industry Overview](#)

- 2.1 About Vext
- 2.2 Subsidiaries
- 2.3 Industry overview and current operating environment

3.0 [Growth Strategy, Competitive Advantage and Strategic Priorities](#)

- 3.1 Growth strategy
- 3.2 Competitive advantages
- 3.3 Accomplishments and future priorities

4.0 [Commentary on Overall Performance](#)

- 4.1 Summary of operations
 - 4.1.1 Financial performance overview
 - 4.1.2 Arizona
 - 4.1.3 Ohio
- 4.2 Materials events that occurred subsequent to the period
- 4.3 Additional commentary around financial performance
- 4.4 Restatements

5.0 [Select Financial Performance](#)

- 5.1 Financial results of operations
- 5.2 Summary of quarterly results and reconciliation of non-IFRS Measures (Cash Flow Margin, EBITDA and Adjusted EBITDA)

6.0 [Balance Sheet Analysis](#)

- 6.1 Financial position
- 6.2 Select Balance Sheet highlights
- 6.3 Cash from activities
- 6.4 Liquidity and capital resources
- 6.5 Use of proceeds from financing activities

7.0 [Additional Information](#)

- 7.1 Related Party Transactions
- 7.2 Outstanding share data
- 7.3 Proposed transactions
- 7.4 Off-Balance Sheet transactions
- 7.5 Other information

8.0 [Key Risks, Risk Management and Financial Instruments](#)

- 8.1 Risk management and financial instruments
- 8.2 Risks and uncertainties

PREFACE

1.1 Definitions

In this document, the terms “we”, “us”, “our”, “the Company”, “Vext Science”, and “Vext” refer to Vext Science, Inc. and its consolidated subsidiaries.

1.2 Cautionary note regarding forward looking statements

This Management’s Discussion and Analysis (“MD&A”) contains certain statements that may constitute “forward-looking statements”. Forward-looking statements include, but are not limited to, statements regarding future expansion, business goals, anticipated business developments and the timing thereof, market trends, receipt of regulatory approvals, regulatory compliance, sufficiency of working capital, business and financing plans, and other forward-looking statements including, but not limited to, information concerning intentions, plans and future actions of the Company.

In connection with the forward-looking information contained in this MD&A, the Company has made assumptions about the Company’s ability to expand operations, profitably license its brands and operate in the future without any regulation or law imposed which would prevent the Company from operating its business. The Company has also assumed that no significant events occur outside of the Company's normal course of business.

The forward-looking information in this MD&A reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, and similar expressions, or which by their nature refer to future events. The Company cautions that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company’s ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. The Company disclaims any intention or obligation to update or revise such forward-looking statements, except as required by applicable law.

1.3 Management’s responsibility for the financial statements

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to decide the future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

1.4 Review and approval by the board of directors

The board of directors of the Company approved the contents of this MD&A on April 28, 2026.

1.5 Annual comparisons in the MD&A

Unless otherwise indicated, all comparisons of results for 2025 (twelve months ended December 31, 2025) are compared against results for 2024 (twelve months ended December 31, 2024).

1.6 MD&A background

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators (the "CSA") and CSA Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana Related Activities* ("Staff Notice 51-352").

This MD&A has been prepared for the year ended December 31, 2025, and it presents an analysis of the consolidated financial position of Vext for the year ended December 31, 2025. The following information should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2025, including the notes contained therein (the "2025 Annual Financial Statements").

1.7 Currency and exchange rates

All references to dollars (\$) in this MD&A are expressed in thousands of United States dollars, unless otherwise indicated.

1.8 Use of market and industry data

Unless otherwise indicated, information contained in this MD&A concerning the industry and markets in which the Company operates, including its general expectations and market position, market opportunity and market share is based on information from independent industry organizations, and other third-party resources (including industry publications, surveys and forecasts), and management estimates.

The management estimates in this MD&A are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which the Company believes to be reasonable. The Company's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While the Company is not aware of any misstatement regarding any industry or market data included in this MD&A, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the "Key Risks, Risk Management and Financial Instruments".

1.9 Accounting framework

The 2025 Annual Financial Statements are 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"). The 2025 Annual Financial Statements include the financial statements of the Company and its direct subsidiaries, indirect subsidiaries that are not wholly owned by the Company and other entities consolidated other than on the basis of ownership as of December 31, 2025. Refer to Section 2.2 in this MD&A for details around the Company's subsidiaries.

1.10 Accounting estimates and assumptions

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.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the Company's 2025 Annual Financial Statements.

COMPANY AND INDUSTRY OVERVIEW

2.1 About Vext

Vext Science, Inc. (CSE: VEXT; OTCQX: VEXTF) is a prominent U.S.-based player in the cannabis industry, boasting a comprehensive expertise ranging from cultivation through manufacturing to retail operations, primarily concentrated in Arizona and Ohio. Established in British Columbia, Canada, on December 11, 2015, Vext commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "VEXT" on May 13, 2019. Subsequently, on July 12, 2019, it also began trading on the OTCQX Best Market under the ticker symbol "VEXTF".

On February 29, 2024, Vext further expanded its operations in Ohio by acquiring CannAscend which included ownership of one licensed dispensary in Ohio, operated as Herbal Wellness Center Ohio Columbus by APP 1803, LLC.

Ohio, the seventh most populous state in the USA, with a population of approximately twelve million, launched its medical marijuana program in September 2016. Notable milestones include legalizing medical marijuana in June 2016, with the law taking effect on September 8, 2016, and the opening of the first medical marijuana dispensaries in January 2019. Additionally, in November 2023, voters in Ohio approved an adult-use marijuana program which became effective on August 6, 2024.

On August 6, 2024, the Company began adult-use sales in the State of Ohio at all of its retail locations.

On April 1, 2025, Vext expanded its operations in Ohio by completing the acquisition of two cannabis dispensaries from Big Perm's Dispensary Ohio, LLC, operated as Herbal Wellness Center Athens and Herbal Wellness Center Jeffersonville. On October 1, 2025, Vext completed the acquisition of one cannabis dispensary from Big Perm's Dispensary Ohio, LLC, operated as Herbal Wellness Center Portsmouth.

The Company was granted two (2) dual-use provisional license by the Ohio Division of Cannabis Control ("DCC") for a cannabis dispensary in Fairfield, Ohio and a cannabis dispensary in Columbus, Ohio. The two (2) dual-use provision licenses are expected to commence operations in 2026, subject to regulatory approvals.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

Subsidiaries

As of December 31, 2025, Vext's subsidiaries are as follows:

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%

2.2 Industry overview and current operating environment

Arizona

According to the Arizona Department of Revenue, the Arizona cannabis retail market generated approximately \$1.20 billion in combined adult-use and medical taxable sales during fiscal 2025, compared to \$1.24 billion in fiscal 2024, representing a decline of approximately 3.4% year-over-year. The statewide licensed dispensary count remained at 170 locations throughout fiscal 2025. The state per-store monthly average ranged from approximately \$545K to \$644K during the year.¹ Headset, an independent cannabis data provider, reported a similar approximately 5% year-over-year decline in Arizona monthly sales through early 2026.²

The Arizona market continued its structural transition from medical to adult-use sales throughout fiscal 2025. Medical taxable sales declined approximately 22% year-over-year to \$185 million, while adult-use sales were essentially flat at \$1013 million. Adult-use sales represented approximately 85% of total statewide sales in fiscal 2025.¹ According to GreenGrowth CPAs, Arizona medical patient registrations have declined sharply since adult-use legalization, from approximately 295K in 2020 to approximately 127K by 2023, a trend that continued through fiscal 2025. This structural shift is expected to continue and represents a permanent reduction in the medical revenue base for operators.³

Average cannabis item prices in Arizona declined approximately 7–8% year-over-year in fiscal 2025, with the statewide average item price falling from approximately \$19.92 in January 2024 to \$18.37 in January 2025.² Wholesale flower prices declined approximately \$100 per pound year-over-year through mid-2025, driven by significant oversupply in the Arizona cultivation market.⁴ The proliferation of licensed dispensaries, growing from 13.5% between mid-2023 and mid-2024, combined with excess cultivated supply created a market environment in which retail prices were structurally compressed throughout fiscal 2025.³ For vertically integrated operators, this oversupply dynamic created a dual pressure: wholesale flower market prices declined while the obligation to sell through internally cultivated product constrained the ability to optimize retail product mix and pricing.

Refer to Section 4.1.2 of this MD&A for a detailed analysis into the Company's operations in Arizona.

¹ Arizona Department of Revenue - https://azdor.gov/sites/default/files/document/MJ_byPeriodCovered.pdf (retrieved April 2026)

² Headset - <https://www.headset.io/markets/arizona> (retrieved April 2026)

³ GreenGrowth CPAs - <https://greengrowthcpas.com/arizona-cannabis-market-key-trends-and-strategies-2025/>

⁴ Flowhub (citing Leaflink data) - <https://www.flowhub.com/cannabis-industry-statistics>

Ohio

According to the Ohio Division of Cannabis Control (DCC), Ohio's cannabis market completed its first full year of adult-use retail sales in fiscal 2025, generating approximately \$836 million in recreational sales and \$233 million in medical sales for a combined total exceeding \$1.06 billion.¹ This represents the first time Ohio's cannabis industry has exceeded \$1 billion in annual retail sales. Recreational sales in fiscal 2025 of \$836 million compared to approximately \$242 million in the partial-year launch period of 2024 (August–December), reflecting the strong initial consumer demand for adult-use products in the state.² Ohioans on average purchased nearly \$70 million in non-medical cannabis each month during fiscal 2025.¹

The Ohio statewide licensed dispensary count grew from 128 dual-use locations in January 2025 to 190 by December

2025 — a 48% increase in the competitive store base within a single fiscal year.¹ This expansion materially dilutes the per-store average as a benchmark: a store maintaining flat absolute sales while 62 new competitors open is effectively holding share in a growing market. The statewide monthly per-store average ranged from \$444,654 (January) to \$721,832 (March), declining in H2 as new stores ramped. Additionally, more than 130 Ohio municipalities have enacted adult-use cannabis moratoriums limiting geographic consumer access for stores in affected trade areas.³

In March 2026, Ohio Senate Bill 56 (SB 56) took effect, which bans the manufacture and sale of intoxicating hemp products. Those items are now banned and unavailable to purchase legally anywhere in Ohio. Any product containing more than 0.4mg of total THC per container is considered marijuana and is prohibited from being sold outside of a cannabis dispensary licensed by the Division of Cannabis Control (DCC). SB56 also formally caps the maximum number of dispensary licenses in Ohio at 400.⁴

Refer to Section 4.1.3 of this MD&A for a detailed analysis into the Company's operations in Ohio.

¹ Ohio Department of Commerce - https://dam.assets.ohio.gov/image/upload/com.ohio.gov/DCC/DCC%20Stats/DCC_Historical_Sales_Data.pdf (Retrieved April 2026)

² Ohio Capital Journal - <https://ohiocapitaljournal.com/2026/01/08/ohios-recreational-marijuana-sales-topped-836-million-in-2025/>

³ Moritz College of Law, Ohio State University - <https://moritzlaw.osu.edu/faculty-and-research/drug-enforcement-and-policy-center/research-and-grants/policy-and-data-analyses/ohio-marijuana-moratoriums>

⁴ Cannabis Business Times - <https://www.cannabisbusinesstimes.com/us-states/ohio/news/15820079/ohioans-fail-to-protect-voterapproved-cannabis-laws-from-legislative-changes>

GROWTH STRATEGY, COMPETITIVE ADVANTAGE AND STRATEGIC PRIORITIES

3.1 Growth strategy

The Company is focusing on its growth & expansion opportunities in Ohio by making investments into vertical integration. The Company's vertically integrated Ohio facilities were online and operational prior to the implementation of the legislation to legalize adult use in Ohio, which occurred on August 6, 2024. The Company intends to continue to expand its operations in Ohio up to the limit of eight (8) total retail locations. Emphasis is placed on entering markets with limited licenses that allow for vertical operations. Furthermore, the Company actively seeks out attractive acquisition opportunities, with a principal focus on further consolidating its position in its current core markets.

Marketing and sales strategies are principally focused on attracting new and existing patients and customers to the Company's owned dispensaries and promoting its owned brands to these customers. Vext sees ample opportunity to continue to grow in its current markets, specifically Ohio.

3.2 Competitive advantages

- **Product strength:**

The Company has developed and supports the Herbal Wellness Center retail brand and Vapen brand of products. These products are recognized for their high quality and competitive price structure. In Arizona and Ohio, the Vapen brand is available in Company owned and other dispensary locations. Vapen branded products encompass edibles, concentrates and extracts. The Company manufactures white label products in Arizona and Ohio utilizing the Company's expertise and equipment.

- **Distribution channels:**

The Company has a well-developed distribution process at both retail and wholesale levels in Arizona and Ohio.

- **Supply chain:**

The Company has a well-established supply chain. The Company uses multiple suppliers, both international and domestic. Suppliers are proven and reliable to meet the needs of the Company and keep cost structures competitive.

- **Operations:**

The Company has operations that are designed for efficient and quality-controlled production and financial returns. The Company has completed and brought online new manufacturing centers and cultivation to maximize throughput. The operations team brings a wealth of expertise in manufacturing, distribution, and retail operations, spanning both the cannabis industry and other sectors.

- **Research and innovation:**

In-house research and development (R&D) facilities enable consistent production and the continuous development of new products. The Company has made significant investments in equipment and facilities, enabling efficient production and cost structures that support maintaining or growing margins in different macroeconomic situations.

3.3 Accomplishments and future priorities:

Key achievements in 2025 include:

- Continued growth of Revenue, Adjusted EBITDA, and Operating Cash Flow being driven by the growth in total cannabis sales in Ohio.
- Maintained tight operational controls in Arizona, resulting in positive net cash provided by operating activities despite substantial, multi-year revenue declines in the state's cannabis market.
- Completed the acquisition of two additional Ohio dispensary locations on April 1, 2025, and one additional Ohio dispensary location on October 1, 2025.
- Prioritized the core markets of Arizona and Ohio by acquiring or divesting all Joint Venture or Joint Operations.
- Continued to reduce overall debt.

Objectives for 2026 and beyond:

In 2026, the Company is executing a deliberate reallocation of its strategic focus, capital, and operational effort from Arizona cultivation toward Ohio growth. Having established a fully operational, vertically integrated cannabis platform across both states, the Company is now optimizing the deployment of that platform based on where market conditions, regulatory dynamics, and return on capital most strongly favor investment.

In Arizona, the Company is transitioning to a lean, retail-first model: exiting cultivation, eliminating associated fixed costs, monetizing the Eloy facility to reduce debt, and focusing resources on maximizing retail performance at its two established Phoenix-area dispensary locations and growing its manufactured product business through expanded third-party distribution and contract manufacturing. Arizona will be operated for cash generation and margin optimization rather than capacity investment.

In Ohio, the Company is accelerating investment. Ohio represents the Company's primary growth platform: a newer, expanding adult-use market with a favorable licensing structure, a growing consumer base, and significant runway to add retail locations up to its licensed maximum. The Company intends to redeploy the capital and operational resources freed by the Arizona restructuring into completing its Ohio retail build-out, expanding Ohio cultivation capacity, and deepening its vertical integration in the state. The Company believes this reallocation of effort and capital will improve consolidated margins, reduce the Company's debt burden, and position it for stronger free cash flow generation in 2026 and subsequent periods.

This strategy will be executed through the following key initiatives:

- **Ohio Retail Expansion:** Opening the three remaining licensed dispensary locations in Ohio, bringing the Company's Ohio retail portfolio to the maximum of eight (8) locations permitted under its license. Each incremental Ohio retail location represents an opportunity to absorb internally produced cultivation and manufacturing output, improving overall segment margin relative to third-party wholesale.
- **Ohio Cultivation and Manufacturing Expansion:** Expanding cultivation capacity at the Company's Jackson, Ohio facility to support the full eight-location Ohio retail portfolio and the Company's ongoing third-party wholesale operations. The Company's established Ohio manufacturing capability will continue to serve both its own dispensaries and wholesale customers, with contract manufacturing relationships representing an additional incremental revenue opportunity as the Ohio market matures.
- **Arizona Cultivation Exit — Eloy Shutdown, Decommission and Sale:** Completing the shutdown and decommissioning of the Eloy, Arizona cultivation facility, consistent with the Company's March 2026 public announcement. Following decommissioning, the Eloy property will be marketed for sale, with proceeds applied to reduce outstanding debt secured against the Company's Arizona assets. The exit eliminates a significant fixed cost burden and removes the internal sell-through obligation that constrained retail pricing and product mix at the Company's Arizona dispensary locations in fiscal 2025.
- **Arizona Retail and Contract Manufacturing Optimization:** With cultivation exited, the Company's Arizona operations will be focused entirely on maximizing performance at its two retail dispensary locations and growing its manufactured product business. The Company intends to expand third-party distribution of its Arizona manufactured products — including through reciprocity agreement channels — and to develop contract manufacturing relationships that generate fee-based revenue from its existing manufacturing infrastructure. This model is capital-light relative to vertical cultivation and is expected to generate stronger returns on the Arizona asset base.

- **Arizona Debt Reduction:** Applying proceeds from the Eloy facility disposition toward debt obligations secured against Arizona real property. The combination of the cultivation exit, operating cost reduction, and debt paydown is expected to significantly improve the Arizona related net cash contribution to the consolidated business.
- **Joint Venture and Joint Operation Closure:** Completing the wind-down and closure of all remaining joint venture and joint operation activities. The Company does not anticipate material additional charges beyond amounts previously disclosed. The conclusion of these activities will simplify the Company's corporate structure and eliminate ongoing management distraction associated with non-core operations.
- **Kentucky and CBD Operations — Strategic Direction:** Determining the strategic direction for the Company's Kentucky processing license and CBD-related business activities in light of a rapidly evolving regulatory environment for hemp-derived intoxicating products, including delta-8 THC. Ohio Senate Bill 56, effective March 2026, restricts the sale of intoxicating hemp products to licensed cannabis dispensaries — a development that may create incremental opportunity for the Company's licensed retail operations. The Company is evaluating whether changes to the federal and state regulatory framework for hemp-derived THC products create strategic value for its Kentucky license or CBD operations, and expects to make a determination during fiscal 2026.

See Section 4.2 of this MD&A for material subsequent events relevant to the above initiatives, including the completion of the Big Perm acquisition, the status of joint venture wind-downs, and the March 2026 Arizona cultivation exit announcement.

COMMENTARY ON OVERALL PERFORMANCE

4.1 Summary of operations

4.1.1 Financial performance overview

Revenue

2025	% Change 2025 vs. 2024	2024	% Change 2024 vs. 2023	2023
\$51,367	42.7%	\$35,998	3.4%	\$34,812

- The increase in 2025 Revenue is attributed to increases in Ohio sales, including the impact of adult use sales in 2025, offset by declines in Arizona sales.
- Consolidated Ohio sales increased by +120% in 2025 compared to 2024. We anticipate Ohio sales will continue to increase as the customer count increases and the Company adds more retail locations and additional cultivation capacity.

Net income (loss) after income tax

2025	2025 % of Revenue	% Change 2025 vs. 2024	2024	2024 % of Revenue	% Change 2024 vs. 2023	2023	2023 % of Revenue
\$(17,994)	(35.0)%	(19.8)%	\$(22,435)	(62.3)%	(610.1)%	\$4,398	12.6%

- The improvement in 2025 Net loss compared to 2024 was primarily driven by increased Revenue in Ohio, which drove a \$5.5M improvement to Gross profit. The 2025 Net loss was negatively impacted by a \$5.0M impairment related to the Columbus, Ohio dispensary, and a decline of \$1.9M in Fair Value Adjustments in the Company's carrying value of Inventory when compared to 2024. The decline in Inventory related Fair Value Adjustments reflects the declining market prices for cannabis, particularly in the state of Arizona.
- As a result of the Ohio acquisitions, Depreciation and Amortization expenses increased from \$9.5M in 2023 to \$15.2M in 2024 to \$15.9M in 2025. This is a direct result of the Ohio acquisitions in 2024 & 2025, and the Eloy cultivation facility becoming operational in 2024.
- In 2023, the Company had a \$20.6M gain on acquisition of control and bargain purchase related to the Appalachian Pharms (Ohio) acquisition. No comparable amounts exist in 2025 or 2024.

4.1.2 Arizona

Arizona Operations update

The following is an overview of the Company's vertically integrated operations in Arizona:

Retail	<p>Herbal Wellness Center, Central Phoenix</p> <p>4126 W Indian School Road, Phoenix, Arizona</p> <p>Herbal Wellness Center, North Phoenix</p> <p>1720 E Deer Valley Road, Phoenix, Arizona</p>	<p>Vext's two retail dispensaries, among the first licensed in Arizona, serve both recreational and medical patients. Their strategic locations in high-traffic Phoenix metro areas provide a strong market presence. These licenses offer relocation flexibility within Arizona, subject to local zoning regulations and approval. While Vext does not foresee relocating these dispensaries in the near future, this option provides adaptability should shifts in population or customer base warrant a change in location.</p>
Cultivation	<p>Phoenix - 10,000 square feet under canopy (used for R&D)</p> <p>Eloy (Phase I) – 17,000 square feet under canopy (anticipated closure announced in March 2026)</p>	<p>Vext's cultivation focuses almost exclusively on supplying its own retail dispensaries, minimizing wholesale flower sales. This vertically integrated approach, aligning production with retail demand, results in stronger profit margins compared to operators who are more reliant on the wholesale market.</p> <p>The Eloy facility also offers expansion potential, with an estimated 17,000 square feet of additional canopy space available in a Phase II development, should Vext's production needs increase. Currently, this space is leased to a non-cannabis business, generating revenue to offset some fixed property costs.</p>
Manufacturing	<p>Fully built-out 9,000 sq. ft. manufacturing facility</p>	<p>Vext operates a manufacturing facility in Arizona producing its portfolio of Company-owned cannabis brands, including Vapen, Firebrand, Revibe, and Prism, as well as white-label manufactured cannabis goods. The Company's Herbal Wellness Center retail brand anchors its dispensary operations across both Arizona and Ohio. Branded product sales are primarily through the Company's own retail dispensaries. These brands also serve as house brands available to other licensed dispensary operators, providing those operators with recognized, quality products to diversify their shelf offerings. Third-party wholesale distribution of manufactured products has declined in recent periods consistent with the broader oversupply environment in the Arizona cannabis market. The Company's manufacturing strategy is increasingly focused on contract manufacturing arrangements, which leverage existing facility capacity and are not subject to the same wholesale pricing pressures as flower-based products.</p>

Arizona Retail Performance

The Company's two (2) Arizona retail operations performed above the statewide per-store average for the majority of the year, reflecting the strength of the Company's established retail presence in the Phoenix market. Revenue declined year-over-year at rates broadly consistent with the market-wide compression described above.

As a vertically integrated operator, the Company was required to sell through its Arizona cultivation output through its retail locations during fiscal 2025. The oversupply conditions in the Arizona wholesale market created pressure on retail product pricing and margin throughout the period, as internal supply obligations constrained the Company's ability to optimize its retail product mix. In the fourth quarter of 2025, retail performance was partially supported by growth in the Company's Arizona wholesale channel, which provides an incremental revenue stream through manufactured product sales to third-party operators.

Arizona Wholesale Performance

Arizona wholesale — comprising manufactured cannabis products sold on an arms-length basis to third-party licensed operators — demonstrated positive momentum in the fourth quarter of 2025, with sequential growth reflecting increasing demand from Arizona operators including those accessing the state's market through reciprocity agreements.

Arizona Cultivation and Manufacturing Update

The Company's Eloy cultivation achieved strong operational metrics in fiscal 2025, with harvest yields and genetic quality improving significantly throughout the year. However, sustained oversupply in the Arizona wholesale cannabis market continued to compress flower pricing to levels that make continued cultivation investment difficult to justify on a capital-return basis. While the facility performed operationally, favorable cultivation performance did not translate into proportionate improvement in realized economics given the structural pricing environment.

After a thorough strategic review, management concluded that the capital deployed in Arizona cultivation would generate significantly stronger risk-adjusted returns if redeployed into the Company's Ohio cultivation operations, where adult-use market dynamics have not yet reached the oversupply conditions that characterize the Arizona wholesale market. The Company announced its intention to exit Arizona cannabis cultivation in March 2026.

This decision is expected to have meaningful positive consequences for the Arizona retail segment. Freed from the obligation to sell through internally cultivated product, the Company's Arizona dispensary locations will have the flexibility to source product at market rates, optimize their product mix in response to consumer demand, and price competitively without the margin drag associated with internal sell-through obligations.

Arizona Outlook

The Company's March 2026 announcement to exit Arizona cultivation operations is expected to be the most significant driver of Arizona economic improvement in fiscal 2026. By eliminating the internal sell-through obligation, both Arizona retail locations will have the flexibility to source product at market rates and optimize pricing and mix in response to consumer demand rather than cultivation output. Management also expects to grow its Arizona manufactured product wholesale channel through expanded reciprocity relationships and the development of contract manufacturing arrangements.

For commentary on the overall Arizona market, please refer to Section 2.3 of this MD&A.

4.1.3 Ohio

Ohio Operations update

The following is an overview of the Company's operations in Ohio:

Retail	<p>Herbal Wellness Center, Jackson Jackson, Ohio</p> <p>Herbal Wellness Center, Columbus Columbus, Ohio</p> <p>Herbal Wellness Center, Athens Athens, Ohio</p> <p>Herbal Wellness Center, Jeffersonville Jeffersonville, Ohio</p> <p>Herbal Wellness Center, Portsmouth Portsmouth, Ohio</p>	<p>Since 2023, the Company has expanded its dispensary operations in Ohio, starting with the acquisition of Buckeye Botanical in Jackson, followed by CannAscend in Columbus on February 29, 2024, followed by the acquisition of dispensaries #3 and #4 from Big Perm on April 1, 2025, and #5 from Big Perm on October 1, 2025.</p> <p>All dispensaries operate under the Herbal Wellness Center brand.</p>
Cultivation	Jackson, Ohio - 25,000 sq. ft. fully built out operating cultivation facility	Tier One cultivation facility in Jackson, Ohio - Tier One cultivators are allowed to expand from an initial cultivation area of up to 25,000 square feet to 50,000 square feet.
Manufacturing	Jackson, Ohio - Fully built out and operating manufacturing facility	Vext leases a manufacturing facility that produces its branded products. Vext's branded products enjoy a strong market presence and are sold primarily through its own dispensaries, as well as through other dispensaries across Ohio.

Big Perm Acquisition - Consolidation Update

Beginning in the second quarter of fiscal 2025, the Company commenced consolidating the results of the Jeffersonville and Athens dispensary locations following the completion of the Big Perm acquisition. Beginning in the fourth quarter of fiscal 2025, the Company commenced consolidating the results of the Portsmouth dispensary location.

Ohio Retail Performance

The Company's Ohio retail operations during fiscal 2025 included four (4) established locations and one (1) location that opened in June 2025. The majority of the Company's Ohio stores performed at or above the statewide per-store average for the year, with the portfolio as a whole delivering results consistent with management's expectations for a first full year of adult-use operations.

The Company's established Ohio locations demonstrated the characteristics of a maturing adult-use market: strong early-year volumes driven by new consumer adoption, followed by some normalization through mid-year as market supply expanded and pricing became more competitive. The portfolio showed resilience in the fourth quarter, with several locations delivering their strongest monthly performances of the year in December as the adult-use holiday demand pattern emerged for the first time in Ohio. The Company opened its fifth Ohio retail location in June 2025. This new location ramped ahead of expectations and is on track to reach stabilized performance during fiscal 2026.

Ohio Retail Expansion Update

At December 31, 2025, the Company had five (5) of its eight (8) licensed Ohio dispensary locations open and operating. The Company intends to open its sixth location in the second quarter of 2026. Construction is currently underway on the seventh location, which is expected to open before the end of fiscal 2026. The eighth and final location is expected to open before the end of fiscal 2026 or in early fiscal 2027, bringing the Company to its maximum licensed retail capacity in the state of Ohio.

Ohio Wholesale Performance

Ohio wholesale — representing manufactured and cultivated cannabis products sold on an arms-length basis to third-party licensed Ohio dispensaries — demand was strongest in the first quarter as newly opened Ohio dispensaries built initial inventory positions, with volume remaining solid throughout the year as the Ohio operator base expanded. Average per-unit wholesale pricing normalized through the second half of the year, consistent with broader Ohio market dynamics as supply caught up with demand.

Ohio Outlook

Management expects Ohio to remain a growth market in fiscal 2026, though the rate of growth will moderate as the market transitions from its initial launch phase to a more competitive, mature operating environment. The Company is investing in customer experience improvements at select Ohio locations, including drive-thru installations at two stores, which management expects will improve throughput and support customer retention. The Company's newest Ohio location is expected to contribute more meaningfully to results in fiscal 2026 as it reaches its stabilized operating run rate.

Ohio wholesale revenue is expected to decline in future periods as additional Company-owned Ohio retail locations come online and absorb supply currently distributed to third-party operators. Management views this transition positively, as product sold through owned retail generates superior margin compared to arms-length wholesale, and the expected channel compression reflects the planned expansion of the Company's owned Ohio retail footprint.

For commentary on the overall Ohio market, please refer to Section 2.3 of this MD&A.

4.2 Material events that occurred subsequent to the period

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.

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 includes a recommendation for retroactive tax treatment under Section 280E. If enacted, this would materially reduce the uncertain tax position recognized in the Restatements (Note 24). 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 Order, including any retroactive tax relief, in future reporting periods once the retroactive recommendation is enacted or clarified by tax authorities.

4.3 Additional commentary around financial performance

The Company has reviewed its financial position and results of operations for the year ended December 31, 2025 and, the following determinations have been made by management:

- a. As of the date of this MD&A, the Company has no obligations to third parties that require or will require renegotiation.
- b. While there are uncertainties regarding future events, the Company's outlook for adjusted EBITDA remains on track. The Arizona cannabis market continues to experience revenue compression driven by persistent cultivation oversupply and the resulting wholesale pricing pressure, dynamics that have broadly affected all operators in the state. The Company's decision to exit Arizona cultivation is expected to meaningfully reduce its exposure to these market forces. By transitioning to third-party product sourcing, the Company's Arizona retail locations will no longer be obligated to absorb internally cultivated supply at compressed market prices, positioning the Company to be less impacted by wholesale market oversupply than vertically integrated operators who remain in cultivation. During the transition period, which management expects to conclude by the end of the second quarter of 2026, some margin pressure will persist. Management anticipates that this pressure will abate following the completion of the cultivation exit, with improvement expected to be reflected in results beginning in the third quarter of 2026. Revenue in Ohio is expected to continue to increase in 2026 as a result of a full year of stores acquired in 2025 and additional stores anticipated to open in 2026.
- c. The Company has secured funding for all its planned expansion initiatives in the markets discussed in this MD&A. Management exercises caution in utilizing its current liquid assets, and therefore, the previously disclosed expansion plans do not depend on additional external capital.

4.4 Restatements

During the preparation of the 2025 Annual Financial Statements, the Company identified the following items requiring restatement of previously reported financial statements for the years ended December 31, 2024 and December 31, 2023: (a) Adjustments of \$2,870 from the Amortization line to the General and administrative expense line within operating expenses for the year ended December 31, 2024, reflecting the capitalization of amortization costs related to cultivation and production licenses in accordance with IAS 2, *Inventories*. There was no change to cost of goods sold and no impact on net loss for any period. (b) Adjustments of \$5,588 (December 31, 2024) and \$5,352 (December 31, 2023) of prepaid expenses and deposits related to the Big Perm Dispensaries acquisition from current assets to non-current assets, to better reflect the nature of these amounts as a deposit for a business combination. There was no impact on total assets or net loss for any period. (c) Recognition and adjustment of uncertain tax position liabilities totaling \$7,692 at December 31, 2024 and \$5,544 at December 31, 2023, relating to the application of Section 280E and the deductibility of certain costs. Of these amounts, \$5,277 (December 31, 2024) and \$3,129 (December 31, 2023) represent adjustments from amounts previously included within income tax payable and payables and accrued liabilities; these amounts are more appropriately separately presented as uncertain tax positions. The net new liability not previously reflected on the balance sheet amounted to \$2,415, recorded as a reduction to opening retained earnings as at January 1, 2023. No adjustments were recorded in the statements of loss and comprehensive loss for any period. Readers are referred to Note 25 of the 2025 Annual Financial Statements regarding a subsequent event that may materially reduce this uncertain tax position liability.

The restatements described in (a)-(c) above had no impact on cash, revenue, gross profit, net loss, or earnings per share for any applicable period. Readers are referred to Note 24 of the 2025 Annual Financial Statements for a complete description of the restatements and their impact on previously reported financial statements.

SELECT FINANCIAL PERFORMANCE

5.1 Financial results of operations

	For the Three Months Ended		\$ Change	% Change
	December 31, 2025	December 31, 2024		
Revenue	\$ 13,728	\$ 10,194	\$ 3,534	34.7 %
Net cost of goods sold	10,394	7,977	2,417	30.3%
Gross profit	3,334	2,217	1,117	50.4%
Total operating expenses	11,211	5,109	6,102	119.4%
Change in fair value of debt	514	318	196	61.6%
Foreign exchange gain/(loss)	(2)	(1)	(1)	100.0%
Interest expense	(2,038)	(1,317)	(721)	54.7%
Interest income	40	41	(1)	(2.4%)
Miscellaneous income	311	(96)	407	(424.0%)
Net loss before income tax	(9,052)	(7,195)	(1,857)	25.8%
Income tax (loss) recovery	(1,504)	(2,020)	516	(25.5%)
Net loss after income tax	(10,556)	(9,215)	(1,341)	14.6%
Total comprehensive loss	\$ (10,556)	\$ (9,215)	(1,341)	14.6%
Loss per subordinated voting shares and equivalent multiple voting shares — basic and diluted	\$ (0.04)	\$ (0.04)	—	—%

Revenue:

The following table is a comparison of the category breakdown for the three months ended December 31, 2025 compared to the same period of 2024.

	December 31, 2025	December 31, 2024	\$ Change
Retail revenue	\$ 10,900	\$ 7,812	\$ 3,088
Wholesale revenue	2,828	2,382	446
Revenue	\$ 13,728	\$ 10,194	\$ 3,534

Revenue increased by \$3,534 or +34.7% when comparing three months ended December 31, 2025 vs 2024. Increases in Ohio revenue, including three new stores acquired during 2025, were partially offset by declines in Arizona revenue.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

Gross profit:

The following table shows the comparison by category breakdown for three months ended December 31, 2025 compared to the same period of 2024.

	December 2025		December 2024 Restated - Note 24
Cost of goods sold	\$ 9,492	Cost of goods sold	\$ 6,124
Amortization	1,524	Amortization	1,431
General & administrative	3,728	General & administrative	3,573
Subtotal expenses	14,744	Subtotal expenses	11,128
Gross profit before fair value adjustments	4,236	Gross profit before fair value adjustments	4,151
Gross profit	\$ 3,333	Gross profit	\$ 2,217

Gross profit before fair value adjustments for the three months ended December 31, 2025, was \$4,236 compared to \$4,151 for the same period in 2024. The primary drivers of the increase to Gross profit were the result of increased revenue, including three (3) additional dispensaries in Ohio that consolidated during 2025.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

Financial results of operations for the Year Ended December 31, 2025 and 2024

	For the Twelve Months Ended		\$	%
	December 31, 2025	December 31, 2024 <i>Restated - Note 24</i>		
Revenue	\$ 51,367	\$ 35,998	\$ 15,369	42.7 %
Net cost of goods sold	36,912	27,020	9,892	36.6%
Gross profit	14,455	8,978	5,477	61.0%
Total operating expenses	26,416	20,158	6,258	31.0%
Share of loss in joint ventures	—	(3,651)	3,651	(100.0%)
Change in fair value of debt	506	(651)	1,157	(177.7%)
Change in fair value of purchase option	—	(2,022)	2,022	(100.0%)
Foreign exchange gain/(loss)	(8)	1	(9)	(900.0%)
Interest expense	(4,478)	(3,925)	(553)	14.1%
Interest income	179	220	(41)	(18.6%)
Miscellaneous income	548	86	462	537.2%
Loss before income tax	(15,214)	(21,122)	5,908	(28.0%)
Income tax expense	(2,780)	(1,313)	(1,467)	111.7%
Net loss after income tax	(17,994)	(22,435)	4,441	(19.8%)
Remeasurement of financial liabilities measured at fair value through profit or loss - not subsequently reclassified to profit or loss	—	2,493	(2,493)	(100.0%)
Total comprehensive loss	\$ (17,994)	\$ (19,942)	\$ 1,948	(9.8%)
Loss per subordinated voting shares and equivalent multiple voting shares — basic and diluted	\$ (0.07)	\$ (0.08)	\$ 0.01	(12.5%)

Revenue:

The following table is a comparison of the category breakdown for the year ended December 31, 2025 compared to the same period of 2024.

	December 31, 2025	December 31, 2024	\$ Change
Retail revenue	\$ 40,114	\$ 27,893	\$ 12,221
Wholesale revenue	11,253	8,105	3,148
Revenue	\$ 51,367	\$ 35,998	\$ 15,369

Revenue increased by \$15,369 or +42.7% when comparing year ended December 31, 2025 vs 2024. Increases in Ohio revenue, including the three (3) additional Ohio retail locations that consolidated in 2025, were partially offset by declines in Arizona revenue. The Ohio operations also benefited from the start of adult use sales in Q3 2024.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

Gross profit:

The following table shows the comparison by category breakdown for twelve months ended December 31, 2025 compared to the same period of 2024.

	December 2025		December 2024 Restated - Note 24
Cost of goods sold	\$ 34,965	Cost of goods sold	\$ 24,477
Amortization	5,800	Amortization	5,470
General & administrative	14,915	General & administrative	14,292
Subtotal expenses	55,680	Subtotal expenses	44,239
Gross profit before fair value adjustments	16,402	Gross profit before fair value adjustments	11,521
Gross profit	\$ 14,455	Gross profit	\$ 8,978

Gross profit for the twelve months ended December 31, 2025, was \$14,455 compared to \$8,978 for the same period in 2024. The primary drivers of the increase to Gross profit were the result of increased revenue, including three (3) additional dispensaries in Ohio that consolidated during 2025.

5.2 Summary of quarterly results and reconciliation of non-IFRS Measures (Cash Flow Margin, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin)

The following financial data was derived from the Company's financial statements for each of the Company's most recent eight completed financial quarters:

Certain financial information included in this MD&A are considered "non-IFRS financial measures" (equivalent to "non-GAAP financial measures", as such term is defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112")), "non-IFRS ratios" (equivalent to "non-GAAP ratios", as such term is defined in NI 52-112) or "supplementary financial measures" (as such term is defined in NI 52-112), which are described in further detail below. These financial measures do not have a standardized definition under IFRS, nor are they calculated or presented in accordance with IFRS and may not be comparable to similar measures presented by other companies. The Company has provided these financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. The Company believes that these supplemental financial measures provide a valuable additional measure to use when analyzing the operating performance of the business. These supplemental financial measures should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the IFRS financial measures presented herein.

VEXT SCIENCE, INC.**Management's Discussion and Analysis for the year ended December 31, 2025**

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

The Company defines Cash Flow Margin by dividing Net cash provided by operating activities by Revenue. The Company believes that this measure provides investors with insight into the Company's ability to generate cash from its revenue base. It is used by the Company to assess operating efficiency and liquidity performance without the impact of financing or investing activities. The calculation of Cash Flow Margin is as follows:

	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net cash provided by operating activities	\$ 3,196	\$ 1,259	\$ 4,175	\$ 3,082	\$ 4,016	\$ (244)	\$ (592)	\$ 109
Revenue	13,728	12,671	13,407	11,561	10,194	8,987	8,427	8,390
Cash Flow Margin	23.3%	9.9%	31.1%	26.7%	39.4%	(2.7)%	(7.0)%	1.3%
Annual net cash provided by operating activities	\$ 11,712				\$ 3,289			
Annual revenue	51,367				35,998			
Annual Cash Flow Margin	22.8% 2025				9.1% 2024			

The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization. The Company defines "Adjusted EBITDA" as net income (loss) from operations, as reported, before interest and tax, adjusted to exclude extraordinary items, non-recurring items, other non-cash items, including stock-based compensation expense, depreciation and amortization, foreign exchange and acquisition related costs, if applicable. The Company defines "Adjusted EBITDA Margin" as Adjusted EBITDA divided by Revenue. The Company believes that these measures are useful financial metrics as they assist in determining the ability to generate cash from operations. Investors should be cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to net earnings or cash flows as determined under IFRS. The reconciling items between net earnings, EBITDA, and Adjusted EBITDA are as follows:

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025

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

	2025				2024 - Restated - Note 24			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	\$ 13,728	12,671	13,407	11,561	10,194	8,987	8,427	8,390
Gross profit before FV adjustments	4,236	3,002	5,206	3,958	4,151	3,650	1,781	1,939
Gross profit margin % before FV adj.	30.9%	23.7%	38.8%	34.0%	40.7%	40.6%	21.1%	23.1%
Change in FV of biological	903	(969)	334	1,679	1,934	(224)	228	605
Operating expense	11,211	5,435	5,349	4,421	5,109	5,164	5,314	4,571
Other (income) expense	1,175	1,404	(741)	1,415	4,303	1,445	757	3,437
Income taxes (recovery)	1,504	(243)	1,742	(223)	2,020	(239)	(127)	(341)
Net loss after income tax	(10,557)	(2,625)	(1,478)	(3,334)	(9,215)	(2,496)	(4,391)	(6,333)
Basic earnings per subordinate voting share	(0.04)	(0.01)	(0.01)	(0.01)	(0.04)	(0.01)	(0.01)	(0.03)
Diluted earnings per subordinate voting share	(0.04)	(0.01)	(0.01)	(0.01)	(0.04)	(0.01)	(0.01)	(0.03)
Interest (net)	1,998	647	889	765	1,276	826	802	801
Income taxes (recovery)	1,504	(243)	1,742	(223)	2,020	(239)	(127)	(341)
Depreciation and amortization	4,019	4,006	4,110	3,742	3,872	3,831	3,887	3,587
EBITDA	(3,035)	1,785	5,263	950	(2,047)	1,922	171	(2,286)
Share-based compensation	(6)	11	66	(24)	55	393	234	13
Share (profit)/loss on joint ventures	—	—	—	—	3,249	121	118	163
(Gain)/loss on asset disposal	—	—	—	—	143	2	—	1
Change in FV of debt	(514)	846	(685)	(153)	(318)	612	(104)	461
Loan costs EWB amortized	—	—	—	—	44	44	45	44
Change in fair value of purchase option	—	—	—	—	—	—	—	2,022
RSU taxes	—	—	—	—	177	—	—	4
Foreign exchange	2	1	3	2	1	—	(1)	(1)
Miscellaneous income	(311)	(161)	(980)	904	—	(86)	—	—
Change in FV of biological	903	(969)	334	1,679	1,934	(224)	228	605
FV increment on acquired inventory sold	—	—	—	—	—	—	393	930
Goodwill and Intangible Impairment	5,020	—	—	—	—	—	—	—
Adjusted EBITDA	\$ 2,059	\$ 1,513	\$ 4,001	\$ 3,358	\$ 3,238	\$ 2,784	\$ 1,084	\$ 1,956
Adjusted EBITDA Margin	15.0%	11.9%	29.8%	29.0%	31.8%	31.0%	12.9%	23.3%
Annual Adjusted EBITDA	\$ 10,931	2025			\$ 9,062	2024		

BALANCE SHEET ANALYSIS

6.1 Financial position:

Financial position at December 31, 2025

	December 31, 2025	December 31, 2024 <i>Restated - Note 24</i>	\$ Change
ASSETS			
Current assets	\$ 16,784	\$ 20,808	\$ (4,024)
Non-current assets	103,745	116,159	(12,414)
Total Assets	\$ 120,529	\$ 136,967	\$ (16,438)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	\$ 28,494	\$ 20,276	\$ 8,218
Long-term liabilities	36,661	43,370	(6,709)
Shareholders' equity	55,374	73,321	(17,947)
Total liabilities and shareholders' equity	\$ 120,529	\$ 136,967	\$ (16,438)

The following discussion of the Company's financial position is based on the Company's consolidated financial statements as at December 31, 2025.

6.2 Select Balance Sheet highlights

2025 vs. 2024:

Current assets

	December 31, 2025	December 31, 2024	\$ Change
Inventory	5,924	11,740	(5,816)

- The decrease in Inventory was driven by increased wholesale sales in Ohio and continued sell through of Arizona inventory, as well as a decline in Fair Value Adjustment (\$135 in 2025 vs. \$2,062 in 2024).

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

Non-current assets

	December 31, 2025	December 31, 2024 <i>Restated - Note 24</i>	\$ Change
Property, plant and equipment	\$ 34,942	\$ 35,943	\$ (1,001)
Intangible assets	63,124	64,263	\$ (1,139)
Goodwill	2,069	5,135	(3,066)

- The decrease in Property, plant and equipment was driven by normal course depreciation.
- The decrease in Intangible assets and Goodwill was driven by an aggregate \$(5.0M) Impairment in the Columbus, Ohio retail location, partially offset by the Big Perm Acquisition.

Current liabilities

	December 31, 2025	December 31, 2024 <i>Restated - Note 24</i>	\$ Change
Accounts payables and accrued liabilities	\$ 7,651	\$ 6,533	\$ 1,118
Notes payable – current portion	7,500	4,644	2,856
Income tax payable	4,393	102	4,291

- The increase in Accounts payables and accrued liabilities was primarily driven by an increase in normal course Trade payables reflective of increased retail revenue.
- The increase in Notes payable - current portion was primarily related to the reclass of the APP Notes from non-current to current as of December 31, 2025, which was partially offset by continued repayment on the Company's Standby Facility, which matured on May 28, 2025.
- The increase in Income tax payable was primarily driven by increased Gross profit in 2025. The Company's income tax payable balance as at December 31, 2025 reflects the application of Section 280E, as the Company has not yet finalized its tax positions for the 2025 tax returns. The 2024 balances are all recorded as uncertain tax positions.

Long-term liabilities

	December 31, 2025	December 31, 2024 <i>Restated - Note 24</i>	\$ Change
Notes payable – non-current portion	\$ 23,511	\$ 31,083	\$ (7,572)

- The decrease in Notes payable - non-current portion was related to primarily related to the reclass of the APP Notes from non-current to current as of December 31, 2025 and normal course repayments or amortization.

Working capital position

As at December 31, 2025, the Company's working capital position was \$(11,710) compared to December 31, 2024 of \$532. The decrease of \$(12,242) was primarily driven by a \$(5,817) decline in Inventory, a \$4,653 combined increase to income tax liability and uncertain tax position, and a \$2,856 increase in Notes payable - current.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

6.3 Cash from activities

The following table summarizes the sources and uses of cash for the year ended December 31, 2025 compared to the same period of 2024:

	December 31, 2025	December 31, 2024 <i>Restated - Note 24</i>	\$ Change
Cash provided by operating activities	\$ 11,712	\$ 3,289	\$ 8,423
Net cash used in investing activities	(5,657)	(5,437)	(220)
Net cash used in financing activities	(5,597)	(1,947)	(3,650)
Net change in cash	\$ 458	\$ (4,095)	\$ 4,553

2025 vs. 2024

OPERATING ACTIVITIES

\$8,423 change

The primary reason for increase in operating activities was significant increase in revenue and gross profit from Ohio acquisitions and adult-use. Decrease in inventory levels and increased in accounts payable.

INVESTING ACTIVITIES

\$(220) change

The change in investing cash flow was immaterial in 2025 vs. 2024 as a decrease in cash paid for acquisitions was offset by an increase in cash paid for acquisition of property, plant and equipment, net of disposals.

FINANCING ACTIVITIES

\$(3,650) change

The change in financing cash flow was primarily driven by the timing of origination vs. repayment of the Company's Standby Facility and normal course payments of other Loans.

6.4 Liquidity and capital resources

The Company's consolidated financial statements follow IFRS Accounting Standards applicable to a going concern. This means the Company expect to remain operational for the foreseeable future, realizing assets and meeting liabilities during the normal course of business. The Company's ability to continue operations depends on generating adequate revenue and securing necessary financing. The Company intends to meet the future financial needs through continued operations.

As of December 31, 2025, the Company's working capital was \$(11,710), down from \$532 at December 31, 2024. Management concluded that while significant doubt existed regarding the Company's ability to continue as a going concern, the mitigating actions are sufficient to support the use of the going concern basis of accounting, and accordingly no material uncertainties remain

The Company has secured loans against its real property. These loans were essential in acquiring Appalachian Pharm processing, Appalachian Pharm Products, and APP 1803. As of December 31, 2025, the outstanding secured debt of approximately \$25,228 represents a roughly 50% loan-to-appraised value ratio. The EWB loans require the Company to maintain certain annual financial covenants including a debt coverage ratio and a debt to tangible net worth ratio.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

The Company was in compliance with all financial covenants as of December 31, 2025.

Key points

1. Working capital, while decreased, is sufficient to sustain operations and negatively impacted by IFRS required classification of uncertain tax positions.
2. Secured debt is structured responsibly, with favorable terms.
3. The Company has been able to obtain equity financing to assist with capital expenditures.

6.5 Use of proceeds from financing activities

During the year ended December 31, 2024, the Company completed the following financings:

1. The Company obtained a \$2,000 unsecured credit facility (the "Standby Facility"), the proceeds of which were expected to be used for general corporate purposes. On November 28, 2024, all obligations owing under the Standby Facility were converted into a term loan, maturing on May 28, 2025. As of June 30, 2025, the Company had repaid the Standby Facility in full.
2. The following table sets out a comparison of how the Company used the aggregate net proceeds of the Standby Facility, an explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones:

Intended Use	Actual Use	Explanation of Variance and Impact
General Corporate purposes	General Corporate purposes (\$2,000)	N/A

ADDITIONAL INFORMATION

7.1 Related Party Transactions

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

Key management personnel

Key management personnel include those persons 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.

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
Eric Offenberger, CEO, COO, and Director	—	(3)
Trevor Smith, CFO	3	53
Scott Everett, Corporate Secretary	1	—
Mark Opzoomer, Director	5	52
Spiro A. Phanos, Director	5	39
Terry L. Creighton, Director	5	39
David Johns, Director	2	41
Nalee Pham, Chief of Staff	2	24
Salaries and wages	700	830
Eric Offenberger, CEO, COO, and Director	352	310
Trevor Smith, CFO	219	181
Scott Everett, Corporate Secretary	77	—
David Johns, Director	7	207
Nalee Pham, Chief of Staff	45	132
Consulting fees included in operating expenses	388	157
Jason T. Nguyen, Director	141	—
Mark Opzoomer, Director	112	85
Spiro A. Phanos, Director	45	36
Terry L. Creighton, Director	45	36
David Johns, Director	45	—
Total	\$ 1,111	\$ 1,232

All key management personnel remuneration are recorded at actual current costs and are paid as part of their ongoing contractual commitment with the Company in the form of an Employment Agreement or a Director Retainer Agreement.

Balances with related parties:

During Q1 2025, the Company terminated the joint operation agreement with Happy Travels, began wind down proceedings on joint venture Vapen Oklahoma, and acquired the remaining interests in joint venture Vapen Kentucky.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

	December 31, 2025	December 31, 2024
Product Revenue		
Happy Travel LLC	\$ —	\$ —
Vapen Oklahoma - Processing	—	10
Total	\$ —	\$ 10

	December 31, 2025	December 31, 2024
Cash Contributions for Operating Expenses		
Vapen Kentucky	\$ —	\$ 73
Happy Travel LLC	—	30
Vapen Oklahoma - Processing	—	32
Total	\$ —	\$ 135

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

	December 31, 2025	December 31, 2024
11.5% per annum interest bearing, due on December 31, 2026 from Jason T. Nguyen, Director	\$ 1,063	\$ 1,347

The Promissory Note issued by Mr. Nguyen is recorded at present value of the principal amount owed. This related party balance due has ongoing contractual and other commitments related to the settlement agreement announced on January 16, 2024.

Effective December 31, 2023, 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 subordinate 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 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.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

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. During the year ended December 31, 2025, \$14 in interest was accrued on these notes payable. Interest began on January 1, 2024. During the year ended December 31, 2025 and 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:

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

All amounts due to related parties were recorded at actual current costs. For Mr. Nguyen, amounts due were related to severance due with ongoing commitments outlined in the Company's press release dated January 16, 2024.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

7.2 Outstanding share data

The following share capital data is current as at the date of this MD&A:

Class of Security	Number Outstanding
Subordinate voting shares	185,793,173
Multiple voting shares*	618,907
RSUs	100,000
Stock options	5,764,284
Special advisory warrants	280,000

*One multiple voting share can be converted into 100 subordinate voting shares in accordance with the Company's articles.

7.3 Proposed transactions

Other than being disclosed in this MD&A, the Company does not have any other proposed transactions at this time.

7.4 Off-balance sheet transactions

There are no off-balance sheet transactions.

7.5 Other information

Additional information on the Company is available on the Company's profile on SEDAR+ at www.sedarplus.ca.

KEY RISKS, RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

8.1 Risk management and financial instruments

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.

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.

VEXT SCIENCE, INC.
Management's Discussion and Analysis for the year ended December 31, 2025
(Expressed in thousands of United States Dollars, except percentages, share, and per share amounts)

	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.

8.2 Risk and uncertainties

Uninsured or uninsurable risk

The Company may become subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position and operations.

Description of the U.S. legal cannabis industry

In accordance with Staff Notice 51-352, below is a discussion of the current federal and state-level U.S. regulatory regimes in those jurisdictions where, as of December 31, 2025, the Company was currently directly involved or had ancillary involvement. In accordance with Staff Notice 51-352, the Company will evaluate, monitor, and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

Legal and regulatory matters

United States federal overview:

In the United States, forty (40) states, Washington D.C. and Puerto Rico have legalized medical marijuana, and twenty-four (24) states and Washington D.C. have legalized "adult use" or "recreational" marijuana. At the federal level, however, cannabis currently remains a Schedule I drug under the CSA. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted

safety for the use of the drug under medical supervision. As such, cannabis related practices or activities including, without limitation, the manufacture, importation, possession, use, or distribution of cannabis, remain illegal under United States federal law. Although federally illegal, the U.S. federal government's approach to enforcement of such laws has at least until recently trended toward non-enforcement. On August 29, 2013, the DOJ issued a memorandum known as the "Cole Memorandum" to all U.S. Attorneys' offices (federal prosecutors). The Cole Memorandum generally directed U.S. Attorneys not to prioritize the enforcement of federal marijuana laws against individuals and businesses that rigorously comply with state regulatory provisions in states with strictly regulated medical or recreational cannabis programs. While not legally binding, and merely prosecutorial guidance, the Cole Memorandum laid a framework for managing the tension between state and federal laws concerning state regulated marijuana businesses. However, on January 4, 2018, the Cole Memorandum was revoked by Attorney General Jeff Sessions, a long-time opponent of state- regulated medical and recreational cannabis. While this did not create a change in federal law, as the Cole Memorandum was not itself law, the revocation removed the DOJ's guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum's guidelines should not be a prosecutorial priority. In addition to his revocation of the Cole Memorandum, Attorney General Sessions also issued a one-page memorandum known as the "Sessions Memorandum". The Sessions Memorandum confirmed the rescission of the Cole Memorandum and explained the rationale of the DOJ in doing so: the Cole Memorandum, according to the Sessions Memorandum, was "unnecessary" due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorney's Manual (the "USAM"). The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the federal government's limited resources, and include "law enforcement priorities set by the Attorney General," the "seriousness" of the alleged crimes, the "deterrent effect of criminal prosecution," and "the cumulative impact of particular crimes on the community". While the Sessions Memorandum emphasizes that marijuana is a Schedule I controlled substance, and reiterates the statutory view that cannabis is a "dangerous drug and that marijuana activity is a serious crime", it does not otherwise indicate that the prosecution of marijuana-related offenses is now a DOJ priority. Furthermore, the Sessions Memorandum explicitly describes itself as a guide to prosecutorial discretion. Such discretion is firmly in the hands of U.S. Attorneys in deciding whether to prosecute marijuana-related offenses.

Arizona overview:

Arizona has authorized the cultivation, extraction and dispensing of medical marijuana products by licensed dispensaries located throughout the State. As of December 31, 2025, there are 170 active dispensaries (of which 140 are also active medical marijuana dispensaries) in the state which cover all categories of production and sale of cannabis and cannabis related products. In 2010, Arizona became the 14th state to legalize medicinal cannabis for adults over 21 under Proposition 203: *the Arizona Medical Marijuana Act*, A.R.S. Title 36, Section 28.1 (the "AMMA"). On November 20, 2020, Arizona passed Proposition 207 (Responsible Adult Use of Marijuana Act) which legalized recreational marijuana use for adults. Arizona is one of the 40 states to have some form of medical marijuana law in place, while another 24 states have legalized Marijuana for adult recreational use. The AMMA is regularly used as an example for other states as an effective way to regulate a legal cannabis industry. In Arizona, the dispensaries can now operate as for-profit entities and engage with management companies to provide real estate rental, administrative, general management and advisory services, financing, and logistics to medical marijuana businesses (the dispensaries) licensed under the provisions of the AMMA and to provide material support.

Medical use

Arizona Medical Marijuana cardholders are entitled to purchase not more than 2.5 ounces of product every two weeks. Purchases are tracked by cardholder and all dispensaries are required to report cardholder sales to the state to ensure that cardholders do not exceed their allotted purchase amount. Vext and its subsidiaries are following Arizona's medical marijuana regulatory requirements and programs where applicable.

Adult use

On November 3, 2020, Arizona voters passed Proposition 207, the “Smart and Safe Act”, allowing adults to possess up to one ounce (28 grams) of marijuana (with no more than five grams being marijuana concentrate). Possession and cultivation of cannabis for adult use became legal on November 30, 2020. State-licensed sales of adult use cannabis began January 22, 2021. Vext and its subsidiaries are following Arizona’s adult use marijuana regulatory requirements and programs where applicable.

Ohio overview:

Ohio has authorized the cultivation, processing, and dispensing of medical marijuana products by licensed dispensaries throughout the state. As of December 31, 2025 there were 190 operating dispensaries registered in Ohio. In 2016, Ohio became the 25th state to legalize medical cannabis under House Bill 523: the Ohio Medical Marijuana Control Program (OMMCP). On November 3, 2023, Ohio voters passed Issue 2, an initiative to legalize recreational marijuana use for adults, pursuant to which proposed adult use legislation is set to take effect in 2024. On August 6, 2024, adult use sales began in the State of Ohio. Ohio is one of the 40 states to have some form of medical marijuana law in place, and one of 24 states that has legalized marijuana for adult recreational use.

Medical use

Ohio medical marijuana cardholders are entitled to purchase up to a 90-day supply of product. Purchases are tracked by cardholders, and dispensaries are required to report sales data to the state to ensure compliance with purchase limits. Vext and its subsidiaries adhere to all Ohio medical marijuana regulatory requirements and programs.

Adult use

The Ohio Division of Cannabis Control has issued dual-use permits to most existing medical marijuana cultivators, processors and dispensaries, enabling the sale of cannabis to adults aged 21 and over. Adult use sales officially started on August 6, 2024, including at retail outlets operated by Vext and its subsidiaries. Ohio's adult-use ballot initiative outlined the following: adults 21 and over will be able to possess up to 2.5 ounces of marijuana (with no more than 15 grams being marijuana concentrate). Non-medical consumers may purchase no more than ten whole day units of cannabis combined across all forms pursuant to the Ohio Administrative Code. Home cultivation of a limited number of plants will also be permitted. Pursuant to O.R.C. 3780.10, the Division will review the number of cannabis operator licenses 24 months after the first issuance of an adult use operator license, and on a biannual basis thereafter.

Market participants are currently operating under the existing medical marijuana program rules. On August 2, 2024, The Division issued proposed rules for adult-use operations to the joint committee on agency rule review, including provisions related to ownership and dispensary operations and security. Vext and its subsidiaries are closely monitoring the development of Ohio's adult-use regulations and are poised to adapt operations accordingly.

Regulatory risks

The U.S. cannabis industry is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may impact on actual results.

Participants in the U.S. cannabis industry will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties, or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could

have a material adverse effect on the business, results of operations and financial condition of the Company. Further, the Company may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all these claims may result in significant monetary damages or injunctive relief that could adversely affect its ability to conduct its business. Litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on the Company's financial statements could also occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

The U.S. cannabis industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future growth uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of the Company, and which cannot be reliably predicted.

The Company expects to derive most of its revenues from the U.S. cannabis industry, which industry is illegal under U.S. federal law (other than its business related to high CBD/low THC products, known as "hemp"). As a result of the conflicting views between state legislatures and the federal government regarding cannabis, cannabis businesses in the U.S. are subject to inconsistent legislation and regulation. The Company is expected to remain focused in those U.S. states that have legalized the medical and/or adult-use of cannabis. Almost half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis without limits on THC, while other states have legalized and regulate the sale and use of medical cannabis with strict limits on the levels of THC. However, the U.S. federal government has not enacted similar legislation and the cultivation, sale and use of cannabis remains illegal under federal law pursuant to the CSA. The federal government of the U.S. has specifically reserved the right to enforce federal law in regard to the sale and disbursement of adult-use or medical use marijuana even if state law sanctioned such sale and disbursement. It is presently unclear whether the U.S. federal government intends to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law. This risk was further heightened by the revocation of the Cole Memorandum in January 2018.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, then the Company's business would be materially and adversely affected. U.S. federal actions against any individual or entity engaged in the marijuana industry, or a substantial repeal of marijuana related legislation could adversely affect the Company.

Nature of the Company's involvement in the U.S. cannabis industry

Currently, the Company is engaged in the branding and procurement for companies that manufacture and distribute cannabis in the medical and adult-use cannabis marketplace. As at December 31, 2025, the Company's assets and revenues are primarily attributable to the cannabis use in the State of Arizona and the State of Ohio.

As previously stated, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions, or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, the listing of its securities on any stock exchange, its financial position, operating

results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined.

The Company's involvement in the U.S. cannabis industry will be (i) only in those states that have enacted laws legalizing cannabis; and (ii) only in those states where the Company can comply with state (and local) laws and regulations and has the licenses, permits or authorizations to properly carry on each element of its business.

The Company has received legal advice from U.S. attorney's regarding compliance with applicable state regulatory frameworks and potential exposure and implications arising from U.S. federal law. The Company will continue to monitor, evaluate, and re-assess the regulatory framework in each state in which it may hold license, and the federal laws applicable thereto, on an ongoing basis; and will update its continuous disclosure regarding government policy changes or new or amended guidance, laws, or regulations regarding cannabis in the U.S.

Heightened scrutiny

For the reasons set forth above, the Company's activities in the U.S. may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's activities in the U.S. or any other jurisdiction, in addition to those described herein.

Change in laws, regulations and guidelines

The Company's business operations will directly and indirectly be affected by a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage, and disposal of cannabis, but also including laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require participants to incur substantial costs associated with compliance or alter certain aspects of its business plans. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plans and result in a material adverse effect on certain aspects of its operations.

Unfavorable publicity or consumer perception

The legal cannabis industry in the U.S. is at an early stage of its development. Cannabis has been, and will continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy, and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory opinion, and support for medical and adult-use cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general). The Company's ability to gain and increase market acceptance of its business activities may require substantial expenditures on proceedings, litigation, media attention or other publicity

that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition, and cash flows of the Company. Further, adverse publicity reports or other media attention regarding cannabis in general or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Public investor relations, strategic relationships, and marketing initiatives. There can be no assurance that such initiatives will be successful, and their failure may have an adverse effect on the Company.

Local, state, and federal laws and regulations governing marijuana for medicinal and recreational purposes are broad in scope and are subject to evolving interpretations, which could require the Company to incur substantial costs associated with bringing the Company's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt the Company's operations and result in a material adverse effect on its financial performance. It is beyond the Company's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations, or applications, nor can the Company determine what effect such changes, when and if promulgated, could have on the Company's business.

Unfavorable tax classification of the Company

Section 280E of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), provides that "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted." This provision has been applied by the United States Internal Revenue Service ("IRS") to cannabis operations, prohibiting taxpayers with cannabis operations from deducting expenses directly associated with cannabis businesses for U.S. federal income tax purposes. Section 280E and related IRS enforcement activity has had a significant impact on the operations of cannabis companies in the United States. As a result, an otherwise profitable business may, in fact, operate at a loss, after taking into account its United States income tax expenses. The Company has taken a position that Section 280E does not preclude it from deducting ordinary and necessary business expenditures on its tax returns.

As of the date of this MD&A, the Company and certain of its subsidiaries are currently under examination by the relevant taxing authorities for various tax years. Certain of these examinations include a review of the Company's tax positions based on legal interpretations that challenge the Company's tax liability under Section 280E of the Code. The Company believes that its reserves for uncertain tax positions are appropriate, and that it has meritorious defenses for its tax filings and will vigorously defend them during any audit process, appellate process and through litigation in courts, as necessary.

Other risks

The following are certain additional risk factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties, including those present in the Company's other continuous disclosure documents filed from time to time on the Company's profile on SEDAR+ at www.sedarplus.ca, and those not presently known to the Company or currently deemed immaterial by the Company, may also impair the operations of the Company. If any such risks actually occur, shareholders of the Company could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

Other regulatory risks

The activities and products of the Company are subject to regulation by governmental authorities, including, the U.S. Food and Drug Administration, and others. Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Reliance on third-party service providers

Third party service providers to the Company may withdraw or suspend their service to the Company under threat of prosecution. Since under US federal law the possession, use, cultivation and transfer of cannabis and any related drug paraphernalia is illegal, and any such acts are criminal acts under federal law, companies that provide goods and/or services to companies engaged in cannabis-related activities may, under threat of federal civil and/or criminal prosecution, suspend or withdraw their services. Any suspension of service and inability to procure goods or services from an alternative source, even on a temporary basis, that causes interruptions in the Company's operations could have a material and adverse effect on the Company's business.

Reliance on management

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

Additional financing

In order to execute the anticipated growth strategy, the Company may require some additional equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of holders of subordinated voting shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Cannabis industries are highly competitive

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business.

Operating risk and insurance coverage

The Company carries insurance to protect its assets, operations, and employees. While the Company believes insurance coverage can adequately address all material risks to which it may be exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Key personnel risk

The Company's success will depend on its directors and officers developing the business and managing operations, and on its ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants. The loss of any key person or the inability to find and retain new key people could have a material adverse effect on the business. Competition for qualified technical, sales and marketing staff, as well as for officers and directors, can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact operations.

Global economy risk

The ongoing economic slowdown and downturn of global capital markets has generally made raising capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a client base for its product. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on its operations and, if applicable, the trading price of its subordinated voting shares on any stock exchange.

Dividend risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain its earnings to finance further growth and, when appropriate, retire debt.

Securities and dilution

There is no assurance that sources of financing will be available on acceptable terms, if at all. If the Company seeks additional equity financing, the issuance of additional shares will dilute the interests of their current shareholders. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's strategic goals.

Future capital requirements

The Company's future capital requirements will depend on many factors, including inorganic growth initiatives, securing new contracts, the rate of expansion and the status of competitive products. Depending on these factors, the Company may require additional financing which may or may not be available on acceptable terms. If additional funds are raised by issuing equity securities, dilution to the existing shareholders may result. If adequate funds are not available, the Company may not be able to achieve its growth objectives and operational targets, which could have a material adverse effect on the Company's business.