



Vext Science, Inc.

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under Part 4, subsection 4.3(3)(a) of National Instrument 51-102 *Continuous Disclosure Obligations*, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Vext Science, Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management and are approved by the Company’s board of directors.

The Company’s independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity’s auditor.

Vext Science, Inc.

Table of Contents

Cover & Notice of No Auditor Review of Interim Financial Statements	
Table of Contents	3
Condensed Consolidated Interim Financial Statements of Financial Position	4
Condensed Consolidated Interim Financial Statements of Loss and Comprehensive Loss	5
Condensed Consolidated Interim Financial Statements of Changes in Shareholders' Equity	6
Condensed Consolidated Interim Financial Statements of Cash Flows	7
Notes to the Condensed Consolidated Interim Financial Statements	8 - 26

VEXT SCIENCE, INC.**Condensed Consolidated Interim Financial Statements of Financial Position**

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

(Unaudited)

	Notes	June 30, 2026	December 31, 2025
ASSETS			
Current assets			
Cash		\$ 4,535	\$ 5,083
Trade and other receivables	4	811	1,500
Inventory	5	8,681	5,924
Biological assets	6	2,722	1,543
Prepaid expenses and deposits	7	1,421	1,348
Due from related parties	11	1,066	1,073
Other assets		—	313
Assets held for sale	8	7,823	—
Total current assets		27,059	16,784
Non-current assets			
Property, plant and equipment	9	25,361	34,942
Right-of-use assets	10	3,473	3,610
Intangible assets	12	59,188	63,124
Goodwill	12	2,069	2,069
Total assets		\$ 117,150	\$ 120,529
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payables and accrued liabilities	13	\$ 6,662	\$ 7,651
Notes payable – current portion	14	7,349	7,500
Lease liability – current portion	10	941	896
Income tax payable	20	1,318	4,393
Uncertain tax position	20	11,705	8,054
Total current liabilities		27,975	28,494
Non-current liabilities			
Notes payable – non-current portion	14	22,443	23,511
Lease liability – non-current portion	10	3,035	3,128
Deferred tax liabilities		9,521	10,022
Total liabilities		62,974	65,155
Shareholders' equity			
Subordinated and multiple voting shares		53,538	53,536
Reserves		4,613	4,606
Accumulated other comprehensive income		2,355	2,355
Retained earnings (accumulated deficit)		(6,330)	(5,123)
Total shareholders' equity		54,176	55,374
Total liabilities and shareholders' equity		\$ 117,150	\$ 120,529

Subsequent events (Note 22)

Approved on August 20, 2026 by the Board of Directors:

“Mark Opzoomer”, Chairman“Eric J. Offenberger”, Director

VEXT SCIENCE, INC.
Condensed Consolidated Interim Financial Statements of Loss and Comprehensive Loss

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

(Unaudited)

		For the Three Months Ended		For the Six Months Ended	
	Notes	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Retail revenue		\$ 10,696	\$ 10,815	\$ 21,140	\$ 18,897
Wholesale revenue		1,427	2,592	3,144	6,071
Revenue		12,123	13,407	24,284	24,968
Cost of goods sold	5, 9, 12	6,787	8,201	14,393	15,804
Gross profit before fair value adjustments		5,336	5,206	9,891	9,164
Unrealized fair value gain of biological assets	6	(2,584)	(1,061)	(4,214)	(1,902)
Realized fair value gain of inventory sold	6	1,210	1,395	1,670	3,915
Gross profit		6,710	4,872	12,435	7,151
Operating expenses					
Amortization	10, 12	1,313	1,378	2,627	2,561
Depreciation	9	97	199	194	295
General and administrative	16	4,511	3,772	8,825	6,800
Total operating expenses		5,921	5,349	11,646	9,656
Other income (expense)					
Change in fair value of debt	14, 18	(145)	685	227	838
Interest expense	21	(856)	(931)	(1,699)	(1,819)
Interest income		31	42	64	98
Miscellaneous income (expense)		115	945	(90)	96
Total other income (expense)		(855)	741	(1,498)	(787)
Income (loss) before income tax		(66)	264	(709)	(3,292)
Income tax (expense) recovery		(249)	(1,742)	(498)	(1,519)
Net loss after income tax		(315)	\$ (1,478)	(1,207)	(4,811)
Loss per subordinated voting shares and equivalent multiple voting shares — basic and diluted		\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of subordinated voting shares and equivalent multiple voting shares outstanding — basic and diluted		247,687,437	247,580,747	247,685,665	247,535,761

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

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

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

(Unaudited)

	Share Capital				Reserves: compensatory warrants	Reserves: stock options	Reserves: Restricted Stock Units "RSU"	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total shareholders' equity
	Number of subordinated voting shares	Amount: subordinated voting shares	Number of multiple voting shares¹	Amount: multiple voting shares						
Balance at December 31, 2024	180,168,038	\$ 51,552	672,747	\$ 1,934	\$ 1,782	\$ 2,215	\$ 612	\$ 2,355	\$ 15,286	\$ 75,736
Share-based compensation	—	—	—	—	—	34	8	—	—	42
Shares issued from RSUs exercised	138,009	28	—	—	—	—	(28)	—	—	—
Shares issuance for acquired companies	—	74	—	—	—	—	—	—	—	74
Net loss for the period	—	—	—	—	—	—	—	—	(4,811)	(4,811)
Balance at June 30, 2025	180,306,047	\$ 51,654	672,747	\$ 1,934	\$ 1,782	\$ 2,249	\$ 592	\$ 2,355	\$ 10,475	\$ 71,041
Balance at December 31, 2025	185,793,173	\$ 51,602	618,907	\$ 1,934	\$ 1,782	\$ 2,258	\$ 566	\$ 2,355	\$ (5,123)	\$ 55,374
Share-based compensation	—	2	—	—	—	9	(2)	—	—	9
Shares issued from RSUs exercised	23,168	—	—	—	—	—	—	—	—	—
Net loss for the period	—	—	—	—	—	—	—	—	(1,207)	(1,207)
Balance at June 30, 2026	185,816,341	\$ 51,604	618,907	\$ 1,934	\$ 1,782	\$ 2,267	\$ 564	\$ 2,355	\$ (6,330)	\$ 54,176

¹ Each multiple voting share can be converted into 100 subordinated voting shares in accordance with the Company's articles.

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

VEXT SCIENCE, INC.

Condensed Consolidated Interim Financial Statements of Cash Flows

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

(Unaudited)

	For the six months ended June 30, 2026	For six months ended June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,207)	\$ (4,811)
Items not affecting cash:		
Unrealized fair value gain of biological assets	(4,214)	(1,902)
Realized fair value gain of inventory sold	1,670	3,915
Amortization	4,442	4,327
Depreciation	3,554	3,525
Share-based compensation	9	42
Accretion on leases and debt	89	(91)
Share of loss in joint ventures	—	904
Change in fair value of debt	(227)	(838)
Uncertain tax positions	—	2,000
Deferred tax liabilities	(502)	(481)
Miscellaneous income (expense)	369	36
Non-cash working capital item changes:		
Trade and other receivables	690	(647)
Biological assets (capitalized costs)	(4,768)	(4,313)
Inventory	3,377	5,850
Prepaid expense and deposits	(73)	(98)
Income tax payable	577	76
Accounts payables and accrued liabilities	(989)	(237)
Net cash provided by operating activities	2,797	7,257
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,845)	(1,594)
Notes receivable issued	—	(80)
Cash paid for acquisitions, net of cash received	—	(2,127)
Investment in joint ventures	—	31
Net cash used in investing activities	(1,845)	(3,770)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of notes payable principal, net of interest	(1,082)	(3,151)
Payment of lease liabilities, net of interest	(418)	(410)
Net cash used in financing activities	(1,500)	(3,561)
Net change in cash during the period	(548)	(74)
Cash, beginning of the period	5,083	4,625
Cash, end of the period	\$ 4,535	\$ 4,551
Cash paid for		
Interest	\$ (1,466)	\$ (2,357)
Income tax	\$ (275)	\$ (60)
Non-cash investing and financing activities		
Recognition of new right of use (ROU) assets (Note 10)	\$ 369	\$ 519

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

TEXT SCIENCE, INC.**Notes to Condensed Consolidated Interim Financial Statements****For the three and six months ended June 30, 2026 and 2025****(Expressed in thousands of United States Dollars, except share and per share amounts)**

1. NATURE OF OPERATIONS

Vext Science, Inc. (referred to as "the Company" or "Vext") possesses full ownership of two (2) integrated cannabis operations in Arizona as well as a manufacturing facility, and six (6) fully-operational dispensaries in Ohio. Operating within the Company's dispensaries, the Company engages in the full spectrum of cannabis product lifecycle, from development and manufacturing to distribution. In Arizona and Ohio, the dispensaries operate under the Herbal Wellness Center brand. In Ohio, the cultivation and manufacturing operations are licensed and branded as Appalachian Pharm Cultivation and Appalachian Pharm Processing.

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

2. BASIS OF PRESENTATION**a. Statement of Compliance**

These interim condensed consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), specifically International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IAS 34"). The same accounting policies and methods of computation were followed in the preparation of these condensed consolidated interim financial statements as were followed in the preparation of the annual consolidated financial statements as at and for the year ended December 31, 2025. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements.

Accordingly, these condensed consolidated interim financial statements should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2025, which are available on SEDAR+ at www.sedarplus.ca.

b. Basis of Preparation

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

c. Basis of Consolidation

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

As of June 30, 2026, the Company's subsidiaries and affiliates are listed below.

VEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

2. BASIS OF PRESENTATION (CONTINUED...)

Name	Jurisdiction	Ownership
Vext Science, Inc.	BC, Canada	
Subsidiaries:		
Herbal Wellness Center, Inc.	Arizona, USA	100%
Hydroponics Solutions, LLC	Arizona, USA	100%
New Gen AZ, 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%
Vapen KY, LLC	Kentucky, USA	100%
APP 1803, LLC dba Herbal Wellness Center Ohio Columbus	Ohio, USA	100%
Appalachian Pharm Processing, LLC	Ohio, USA	100%
Appalachian Pharm Products, LLC	Ohio, USA	100%
Herbal Wellness Center Athens, LLC	Ohio, USA	100%
Herbal Wellness Center Fairfield, LLC	Ohio, USA	100%
Herbal Wellness Center Jeffersonville, LLC	Ohio, USA	100%
Herbal Wellness Center Portsmouth, LLC	Ohio, USA	100%
Herbal Wellness Center Roberts, 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 RE Jackson, LLC	Ohio, USA	100%
New Gen RE Ohio, LLC	Ohio, USA	100%
New Gen Ohio, LLC	Ohio, USA	100%
Vapen Ohio, LLC	Ohio, USA	100%
New Gen Holdings, Inc.	Wyoming, USA	100%

d. Approval of the Consolidated Financial Statements

These condensed consolidated interim financial statements for the period ended June 30, 2026 and 2025 were approved and authorized for issue by the Board of Directors on August 20, 2026.

e. Foreign Currency*Functional and presentation currency*

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

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

2. BASIS OF PRESENTATION (CONTINUED...)*Transactions and balances*

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

f. Comparative figures

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

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

g. Significant Accounting Judgments and Estimates

In preparing these condensed consolidated interim 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 annual consolidated financial statements for the year ended December 31, 2025.

3. MATERIAL ACCOUNTING POLICIES**Standards not yet adopted****IFRS 18 Presentation and Disclosure in Financial Statements**

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

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

4. TRADE AND OTHER RECEIVABLES

The Company's amounts receivable consists of the following:

		June 30, 2026	December 31, 2025
Trade receivables, net	\$	541	\$ 1,406
Other receivables		270	94
Total trade and other receivables	\$	811	\$ 1,500

The following table sets forth the accounts receivables balances as at December 31, 2025, and June 30, 2026:

As of	Current	31-60 Days	61 - 90 Days	91 Days and Over	Expected Credit Losses	Total
December 31, 2025	\$711	\$452	\$159	\$331	\$ (247)	\$1,406
June 30, 2026	\$461	\$101	\$8	\$56	\$ (85)	\$541

Bad debt expense recorded during the three and six months ended June 30, 2026 was \$(146) and \$(146), respectively (2025 - \$nil and \$(10), respectively) and is located in general and administrative expenses on the condensed consolidated statements of loss and comprehensive loss.

5. INVENTORY

The Company's inventory consists of the following:

		June 30, 2026	December 31, 2025
Work in Process			
Capitalized Cost	\$	477	\$ 562
Fair Value Adjustment		432	143
Carrying Value		909	705
Finished Goods			
Capitalized Cost		6,658	5,211
Fair Value Adjustment		1,114	8
Carrying Value		7,772	5,219
Total	\$	8,681	\$ 5,924

For the three and six months ended June 30, 2026, \$6,787 and \$14,393, respectively was included in the cost of goods sold three and six months ended June 30, 2025 was \$8,201 and \$15,804, respectively).

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

6. BIOLOGICAL ASSETS

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

		June 30, 2026	December 31, 2025
Biological assets, beginning balance	\$	1,543	\$ 1,577
Capitalized costs		4,768	9,825
Change in fair value less costs to sell due to biological transformation		4,214	2,711
Transferred into inventory upon harvest		(7,803)	(12,570)
Biological assets, ending balance	\$	2,722	\$ 1,543

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

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

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

Significant unobservable inputs	June 30, 2026	December 31, 2025
Average selling price per gram of flower	\$ 3.80	\$1.13 - \$2.58
Weighted average yield of flower per plant (in grams)	101.07	67.80 - 85.08

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

Effect on fair value

Sensitivity	June 30, 2026	December 31, 2025
Increase or decrease by \$0.50 per gram	\$ 269	\$ 362
Increase or decrease of yield by 10%	\$ 272	\$ 154

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

	June 30, 2026	December 31, 2025
Total expected yield (in grams)	2,270,562	3,178,084

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

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Unrealized change in fair value of biological assets	\$ 2,584	\$ 1,061	\$ 4,214	\$ 1,902
Realized change in fair value on inventory sold in the period	(1,210)	(1,395)	(1,670)	(3,915)
Net effect of changes in fair value of biological assets and inventory	\$ 1,374	\$ (334)	\$ 2,544	\$ (2,013)

VEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

7. PREPAID EXPENSES AND DEPOSITS

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

	June 30, 2026	December 31, 2025
Vendor deposits	\$ 229	\$ 543
Prepaid Expense/Insurance/Maintenance	1,067	693
Security deposits	125	112
Total prepaid expenses and deposits	\$ 1,421	\$ 1,348

8. ASSET HELD FOR SALE

During the period ended June 30, 2026, the Company committed to a plan to sell its facility located in Eloy, Arizona (the "Eloy Facility"). The Eloy Facility is no longer being used in the Company's operations and is available for immediate sale in its present condition. Management is actively marketing the property and expects the sale to be completed within 12 months of the reporting date.

Accordingly, the Eloy Facility met the criteria for classification as held for sale under *IFRS 5, Non-current Assets Held for Sale and Discontinued Operations*. At June 30, 2026, the carrying amount of the assets classified as held for sale was \$7.8 million. The assets were measured at the lower of their carrying amount and fair value less costs to sell.

The assets held for sale consist of the following:

	June 30, 2026
Land and building	\$ 3,900
Building improvements	\$ 3,176
Machinery and equipment	\$ 746
Total assets held for sale	\$ 7,823

No impairment loss was recognized upon classification of the Eloy Facility as held for sale because its carrying amount did not exceed its estimated fair value for less costs to sell. Depreciation on the depreciable assets associated with the Eloy Facility ceased on the date the assets were classified as held for sale.

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Equipment and machinery	Building improvements	Leasehold improvements	Construction in progress	Automobile	Total
Cost								
Balance at December 31, 2024	\$ 2,593	\$ 9,559	\$ 18,110	\$ 12,309	\$ 10,055	\$ 481	\$ 202	\$ 53,309
Disposals	—	—	(91)	—	—	—	(9)	(100)
Additions	—	—	208	492	25	2,836	6	3,567
Reclassifications	—	(389)	(31)	1,015	720	(1,313)	(2)	—
Additions from acquisition (Note 19)	—	—	118	1,548	894	—	—	2,560
Balance at December 31, 2025	2,593	9,170	18,314	15,364	11,694	2,004	197	59,336
Disposals	—	—	(25)	—	(268)	—	(80)	(373)
Additions	—	575	197	27	86	863	97	1,845
Transfer to assets held for sale	(860)	(3,490)	(1,206)	(6,744)	—	—	—	(12,300)
Reclassifications	—	—	244	304	1,077	(1,625)	—	—
Balance at June 30, 2026	\$ 1,733	\$ 6,255	\$ 17,524	\$ 8,951	\$ 12,589	\$ 1,242	\$ 214	\$ 48,508
Accumulated Depreciation								
Balance at December 31, 2024	\$ —	\$ 852	\$ 7,826	\$ 5,581	\$ 2,970	\$ —	\$ 137	\$ 17,366
Disposals	—	—	(61)	—	—	—	(6)	(67)
Depreciation	—	182	2,514	2,469	1,905	—	25	7,095
Balance at December 31, 2025	—	1,034	10,279	8,050	4,875	—	156	24,394
Disposals	—	—	(15)	—	(241)	—	(68)	(324)
Transfer to assets held for sale	—	(449)	(459)	(3,569)	—	—	—	(4,477)
Depreciation	—	122	1,268	1,160	989	—	15	3,554
Balance at June 30, 2026	\$ —	\$ 707	\$ 11,073	\$ 5,641	\$ 5,623	\$ —	\$ 103	\$ 23,147
Net Book Value								
Balance at December 31, 2024	\$ 2,593	\$ 8,707	\$ 10,284	\$ 6,728	\$ 7,085	\$ 481	\$ 65	\$ 35,943
Balance at December 31, 2025	2,593	8,136	8,035	7,314	6,819	2,004	41	34,942
Balance at June 30, 2026	\$ 1,733	\$ 5,548	\$ 6,451	\$ 3,310	\$ 6,966	\$ 1,242	\$ 111	\$ 25,361

Of total depreciation expense during the three and six months ended June 30, 2026, \$1,700 and \$3,360, respectively was included in the cost of sales three and six months ended June 30, 2025 was \$1,640 and \$3,212, respectively) and \$97 and \$194, respectively was included in operating expense (three and six months ended June 30, 2025 was \$157 and \$262, respectively) .

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

10. LEASES**Right-of-use asset:**

The Right-of-use asset ("ROU asset") schedules for the period ended June 30, 2026 and December 31, 2025 were as follows:

ROU Asset Activity					
Cost	Office Lease	Dispensary Leases	Cultivation Lease	Processing Lease	Total
Balance at December 31, 2024	\$ 544	\$ 2,358	\$ 917	\$ 932	\$ 4,751
Additions (new leases)	—	1,146	—	—	1,146
Disposals / terminations	—	(637)	—	—	(637)
Balance at December 31, 2025	544	2,867	917	932	5,260
Lease modifications	—	369	—	—	369
Balance at June 30, 2026	\$ 544	\$ 3,236	\$ 917	\$ 932	\$ 5,629
Accumulated amortization					
Balance at December 31, 2024	\$ 195	\$ 585	\$ 307	\$ 138	\$ 1,225
Disposals / terminations	—	(529)	—	—	(529)
Amortization - ROU assets	78	520	246	110	954
Balance at December 31, 2025	273	576	553	248	1,650
Amortization - ROU assets	39	289	123	55	506
Balance at June 30, 2026	\$ 312	\$ 865	\$ 676	\$ 303	\$ 2,156
Net book value					
Balance at December 31, 2024	\$ 349	\$ 1,773	\$ 610	\$ 794	\$ 3,526
Balance at December 31, 2025	271	2,291	364	684	3,610
Balance at June 30, 2026	\$ 232	\$ 2,371	\$ 241	\$ 629	\$ 3,473

The total amortization expense for the three and six months ended June 30, 2026 was included in operating expenses.

Lease liability:

Lease liability for the period ended June 30, 2026 and the year ended December 31, 2025 were as follows:

	Total
Balance at December 31, 2024	\$ 3,791
Additions	1,146
Disposals	(109)
Interest expense	461
Lease payments	(1,265)
Balance at December 31, 2025	4,024
Additions	369
Interest expense	245
Lease payments	(662)
Balance at June 30, 2026	3,976
Less: current portion	(941)
Long-term lease liability	\$ 3,035

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

10. LEASES (CONTINUED...)

The following table provides a summary of the lease expenses recognized in the condensed consolidated statements of loss and comprehensive loss for the period ended June 30, 2026 and June 30, 2025:

	June 30, 2026	June 30, 2025
Interest expense	\$ 245	\$ 241
Amortization (included in operating expenses)	\$ 506	\$ 476

11. RELATED PARTY TRANSACTIONS

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

Key management personnel:

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

Remuneration attributed to key management personnel for the period ended June 30, 2026 and June 30, 2025 is summarized as follows:

	June 30, 2026	June 30, 2025
Share-based compensation	\$ 2	\$ 13
Salaries and wages	373	350
Consulting fees included in operating expenses	210	182
Total	\$ 585	\$ 545

Due from related parties:

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

	June 30, 2026	December 31, 2025
Beginning Balance	\$ 1,063	\$ 1,347
Payments	(68)	(440)
Interest Accrued	61	156
11.5% per annum interest bearing, due on December 31, 2026	1,056	1,063
Insurance premiums	10	10
Total due from related party	\$ 1,066	\$ 1,073

On December 31, 2025, the Company and the related party entered into a Consent and Amending Agreement, by which the Company received \$305 in payments and the maturity date of the existing promissory note was amended to the earlier of (x) December 31, 2026, (y) the date in which the related party sells any shares of the Company (subject to limited exceptions), and (z) any change of control of the Company. The Company has recorded a \$10 receivable from a related party representing insurance premiums and related costs paid by the Company on behalf of the related party. These amounts are reimbursable pursuant to the underlying arrangement and are expected to be settled in the ordinary course of business. The balance is non-interest bearing and due on demand unless otherwise specified.

VEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

11. RELATED PARTY TRANSACTIONS (CONTINUED...)**Due to related party:**

A Director was one of the sellers of the App Pharm entities and as such holds a portion of the promissory notes payable for App Pharm Products and App Pharm Processing (Note 14). During the period ended June 30, 2026, \$14 in interest was accrued on these notes payable. Payment of interest began January 1, 2025. During the period ended June 30, 2026 and December 31, 2025, the portion of the promissory notes payable due is as follows:

	June 30, 2026	December 31, 2025
Total Current Promissory Note Payable (Director)	\$ 695	\$ 723
Interest Payable	14	14
Total Interest Payable (Director)	\$ 14	\$ 14

12. INTANGIBLE ASSETS AND GOODWILL

Identifiable intangible assets consist of the following:

Intangible Assets	Balance as at December 31, 2024	Additions	Amortization	Impairment	Balance as at December 31, 2025	Amortization	Balance as at June 30, 2026
Dispensary Licenses	\$ 33,274	\$ 8,643	\$ (3,918)	\$ (1,954)	\$ 36,045	\$ (1,989)	\$ 34,056
Cultivation License	19,857	—	(1,846)	—	18,011	(923)	17,088
Processing License	7,530	—	(700)	—	6,830	(350)	6,480
Customer Relationships	1,756	—	(502)	—	1,254	(250)	1,004
Brand Names	1,681	—	(847)	—	834	(417)	417
Patent	165	—	(15)	—	150	(7)	143
Total	\$ 64,263	\$ 8,643	\$ (7,828)	\$ (1,954)	\$ 63,124	\$ (3,936)	\$ 59,188

Of total amortization expense during the three and six months ended June 30, 2026, \$908 and \$1,815, respectively was included in the cost of sales (three and six months ended June 30, 2025 was \$732 and \$1,615, respectively) and \$1,060 and \$2,121, respectively was included in operating expense (three and six months ended June 30, 2025 was \$1,118 and \$2,085, respectively).

Goodwill	Balance as at December 31, 2024	Impairment	Balance as at December 31, 2025	Balance as at June 30, 2026
Total	\$ 5,135	\$ (3,066)	\$ 2,069	\$ 2,069

VEST SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

13. PAYABLES AND ACCRUED LIABILITIES

Payables and accrued liabilities consist of the following:

	June 30, 2026	December 31, 2025
Trade payables	\$ 4,486	\$ 5,265
Sales tax payable	942	1,058
Payroll liabilities	717	820
Accrued liabilities	517	409
Interest payable	—	99
Total payables and accrued liabilities	\$ 6,662	\$ 7,651

14. NOTES PAYABLE

Note balances at amortized cost	EWB Notes ⁽¹⁾	RDF Acquisition	APP Notes ⁽³⁾	Standby Facility ⁽⁴⁾	Athens Note ⁽⁵⁾	Portsmouth Note ⁽⁶⁾	Total
Balance at December 31, 2024	\$ 14,246	\$ 971	\$ 5,793	\$ 1,667	\$ 1,618	\$ 350	\$ 24,645
Interest and accretion expense	1,551	43	1,079	48	107	35	2,863
Principal and interest paid	(2,820)	(1,014)	(1,089)	(1,715)	(237)	(45)	(6,920)
Balance at December 31, 2025	12,977	—	5,783	—	1,488	340	20,588
Interest and accretion expense	649	—	201	—	50	17	917
Principal and interest paid	(1,335)	—	(351)	—	(119)	(23)	(1,828)
Balance at June 30, 2026	12,291	—	5,633	—	1,419	334	19,677
Less: current portion	1,425	—	5,633	—	130	11	7,199
Non-current notes payable	\$ 10,866	\$ —	\$ —	\$ —	\$ 1,289	\$ 323	\$ 12,478

Note balances at fair value	WPCU Loans ⁽²⁾
Balance at December 31, 2024	\$ 11,082
Interest accretion	934
Principal and interest paid	(1,087)
Fair value adjustment	(506)
Balance at December 31, 2025	10,423
Interest accretion	462
Principal and interest paid	(543)
Fair value adjustment	(227)
Balance at June 30, 2026	10,115
Less: current portion	150
Non-current notes payable	\$ 9,965

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

14. NOTES PAYABLE (CONTINUED...)

(1) On July 8, 2022, the Company completed a financing with East West Bank comprised of two promissory notes with gross proceeds of \$22,185 and financing costs of \$968. The promissory notes are secured by an interest in substantially all of the Company's assets. The first promissory note of \$5,000 is subject to an interest rate calculated based on the Wall Street Journal Prime plus a spread of 2.75% (9.50% at June 30, 2026), and is subject to a floor of 6.25%. The second promissory note of \$17,185 is subject to an interest rate calculated based on the Wall Street Journal Prime plus a spread of 2.25% (9.00% at June 30, 2026), and is subject to a floor of 6.25%. Blended payments for principal and accrued interest are due on the 15th day of the calendar month and the promissory notes mature on July 15, 2027. The Company has the right to prepay any or all of the principal balance outstanding at any time. The prepayment option did not meet the definition of an embedded derivative. The promissory notes require the Company to maintain certain annual financial covenants being a debt coverage ratio and a debt to tangible net worth ratio. Failure to comply with these covenants may result in East West Bank requiring immediate repayment of the loan. At the last annual test (December 31, 2025), the Company was in compliance. No interim test is required, and Management is not aware of any subsequent event that would have caused non-compliance.

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

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

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

TEXT SCIENCE, INC.**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2026 and 2025

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

14. NOTES PAYABLE (CONTINUED...)

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

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

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

The Company is authorized to issue the following shares:

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

For the period ended June 30, 2026 and year ended December 31, 2025:

- On June 16, 2026, the Company issued 23,168 Subordinated Voting Shares upon the exercise and settlement of 33,333 RSUs.
- On December 31, 2025, 20,340 Multiple Voting Shares were converted into 2,034,000 Subordinated Voting Shares.
- On December 16, 2025, 33,500 Multiple Voting Shares were converted into 3,350,000 Subordinated Voting Shares.
- During 2025, the Company issued an aggregate of 241,135 Subordinated Voting Shares upon settlement of 320,836 RSUs, which were settled for a combination of Subordinated Voting Shares and cash equivalent to the amount the Company was permitted to withhold under the Company's restricted share unit plan for the remittance of tax related to the settlement of such restricted share units.

(b) Warrants

The following table reflects the continuity of warrants for the period ended June 30, 2026:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2024	365,909	CAD 0.50
Expired	(365,909)	CAD 0.50
Outstanding, December 31, 2025 and June 30, 2026	—	—

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

15. SHARE CAPITAL (CONTINUED...)**c) Stock options**

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

The continuity of stock options for the period ended June 30, 2026 is as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2024	5,947,534	CAD 0.82
Forfeited	(173,250)	CAD 0.49
Outstanding, December 31, 2025	5,774,284	CAD 0.83
Forfeited	(10,000)	CAD 0.48
Outstanding, June 30, 2026	5,764,284	CAD 0.84

As at June 30, 2026, the Company had the following stock options outstanding:

Number outstanding	Number exercisable	Exercise price	Weighted average life (years)	Expiry date
676,000	676,000	CAD 1.00	2.52	January 4, 2029
200,000	200,000	CAD 1.00	2.87	May 13, 2029
833,334	833,334	CAD 0.75	3.87	May 12, 2030
375,000	375,000	CAD 0.75	4.41	November 26, 2030
235,000	235,000	CAD 1.22	4.52	January 6, 2031
500,000	500,000	CAD 1.43	4.64	February 19, 2031
190,000	190,000	CAD 0.58	5.81	April 19, 2032
10,000	10,000	CAD 0.58	5.99	June 23, 2032
1,000,000	1,000,000	CAD 1.00	6.16	August 24, 2032
250,000	250,000	CAD 0.60	6.16	August 24, 2032
125,000	125,000	CAD 0.50	6.48	December 22, 2032
245,000	245,000	CAD 0.50	6.73	March 22, 2033
200,000	200,000	CAD 0.68	7.21	September 11, 2033
874,950	874,950	CAD 0.48	7.90	May 24, 2034
50,000	33,334	CAD 0.49	8.34	October 31, 2034
5,764,284	5,747,618	CAD 0.84	5.32	

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

15. SHARE CAPITAL (CONTINUED...)

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

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

Total share-based compensation for options and restricted share units is \$2 and \$9 for the share-based compensation the three and six months ended June 30, 2026, respectively (2025 - \$17 and \$42, respectively).

(d) Restricted Share Units

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

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

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

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

The continuity of RSU for the period ended June 30, 2026 is as follows:

	Number of RSU's
Outstanding, December 31, 2024	320,836
Exercised	(320,836)
Granted	100,000
Outstanding, December 31, 2025	100,000
Exercised	(33,333)
Outstanding, June 30, 2026	66,667
Exercisable, June 30, 2026	—

TEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

15. SHARE CAPITAL (CONTINUED...)**(e) Special Advisory Warrants**

The continuity of special advisory warrants for the period ended June 30, 2026 is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2024, December 31, 2025 and June 30, 2026	280,000	CAD 1.00

As at June 30, 2026, the Company had the following special advisory warrants outstanding:

Outstanding	Exercise price	Weighted average remaining life (years)	Expiry date
280,000	CAD 1.00	1.50	December 31, 2027

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

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

16. GENERAL AND ADMINISTRATIVE

The Company's general and administrative expenses for the period ended June 30, 2026 and 2025 consist of the following:

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Wages and benefits	\$ 2,415	\$ 2,400	\$ 4,970	\$ 4,135
Professional Fees	949	791	2,398	1,548
Property expenses (insurance, taxes, utilities, etc.)	155	118	276	318
Share based compensation	2	17	9	42
Other (advertising, bank fees, office expenses, etc.)	990	446	1,172	757
Total general and administrative	\$ 4,511	\$ 3,772	\$ 8,825	\$ 6,800

17. SEGMENTED REPORTING

The Company's operations consist of a single operating segment engaged in the cultivation, manufacturing, distribution and sale of cannabis within the United States. All revenues are generated in the United States for the period ended June 30, 2026 and 2025 and all material property and equipment and intangible assets are located in the United States.

Although the Company has one operating segment, management has elected to present supplementary entity-wide disclosures about geographical areas within the United States for the State of Ohio and Arizona. For the three and six months ended June 30, 2026, the Company generated revenue of \$8,591 and \$16,803 in Ohio, respectively (2025 - \$8,505 and \$14,387, respectively) and \$3,532 and \$7,481 in Arizona, respectively (2025 - \$5,406 and \$10,581, respective).

As at June 30, 2026, the Company's non-current assets located in Ohio were \$65,172 (December 31, 2025 - \$65,995), and non-current assets located in Arizona were \$24,919 (December 31, 2025 - \$37,750).

VEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

18. FAIR VALUE MEASUREMENT

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

WPCU Loans

The WPCU Loan was recognized at its estimated fair value at the initial recognition of \$11,000 using a discounted cash flow approach. At June 30, 2026, the fair value of the WPCU Loan is \$10,115. The fair value of the WPCU Loan was estimated using Level 3 inputs and is most sensitive to changes in market discount rates.

Sensitivity Analysis:

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

	June 30, 2026	December 31, 2025
Key unobservable inputs		
Discount rate	10.19% - 10.23%	9.44% - 9.60%

Assuming all other inputs remain constant, a 2% change in the discount rate used will have the following impact on the fair value of the WPCU Loan at June 30, 2026:

Discount rates	2%	(2%)
Increase (decrease)	\$ 811	\$ (917)

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is disclosed in Note 14.

VEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

19. BUSINESS COMBINATIONS**Big Perm Dispensaries**

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

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

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

TEXT SCIENCE, INC.**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended June 30, 2026 and 2025

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

20. UNCERTAIN TAX POSITIONS, COMMITMENTS, AND CONTINGENCIES

As at June 30, 2026, the Company and its subsidiaries are involved in litigation matters arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to litigation to be material to the consolidated financial statements.

As at June 30, 2026, the Company has recognized a liability of \$11,705 (December 31, 2025 - \$8,054) related to uncertain tax treatments regarding the deductibility of certain costs. The Company has assessed that it is probable that the tax authority will not accept this treatment. The liability has been measured using the "most likely amount" method based on legal advice. The ultimate outcome may differ from the liability recognized; however, the range of possible outcomes is not expected to be material beyond the amount provided.

During the six months ended June 30, 2026, the Company reclassified \$3,997 of income tax payable to uncertain tax position on the condensed consolidated interim statement of financial position, reflecting progress in finalizing its tax filing position for the year ended December 31, 2025. The reclassification reflects the Company's best estimate of its final tax filing position and remains subject to change pending finalization of the 2025 tax returns.

On April 23, 2026, the United States Drug Enforcement Administration issued a final rule rescheduling certain cannabis products. The rule includes a non-binding recommendation regarding retroactive tax treatment under Section 280E. The ultimate impact of these developments, including the potential impact on previously recorded uncertain tax positions, remains uncertain and subject to ongoing evaluation due to the complexity of the evolving regulatory and tax environment. Accordingly, no adjustment has been made to the June 30, 2026 financial statements. The Company will evaluate the impact, if any, in future reporting periods.

21. INTEREST EXPENSE

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Interest expense on term loans	\$ 454	\$ 466	\$ 917	\$ 1,042
Interest expense on loans measured at FVTPL	230	238	462	473
Interest expense on lease liabilities	120	131	245	244
Interest expense on uncertain tax positions	48	136	48	136
Other interest expense	4	5	27	15
Accretion of discount on provisions / decommissioning liabilities	—	(45)	—	(91)
Total interest expense	\$ 856	\$ 931	\$ 1,699	\$ 1,819

22. SUBSEQUENT EVENTS

The Company continues to monitor the evolving U.S. federal regulatory landscape for cannabis. As the outcome and timing of any final rule remain uncertain, no financial impact has been recognized in these interim financial statements. The Company will continue to evaluate the effects, if any, as further guidance is issued.

On August 14, 2026, the Company completed a six-month extension of the maturity date with East West Bank on the second promissory note originally for \$17,185. The promissory note now matures on January 15, 2028. As a condition of the extension, the Company has agreed to use all net proceeds from the sale of the Eloy property to partially repay the facility by January 20, 2027. No other changes were made.

On August 19, 2026, the Company completed a financing with Wright-Patt Credit Union ("WPCU") consisting of two commercial real estate loans with aggregate gross proceeds of approximately \$17.0 million (the "WPCU Loans").

VEXT SCIENCE, INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

22. SUBSEQUENT EVENTS (*CONTINUED...*)

The WPCU Loans bear a fixed interest rate of 8.64% and are secured by the Company's cultivation and manufacturing facility located at 16064 Beaver Pike, Jackson, Ohio (the "Jackson Property"), together with related assignments of rents and leases, and are cross-collateralized and cross-defaulted with each other. The WPCU Loans consist of: (i) an \$11.0 million term loan with a 10-year term and 20-year amortization, with interest fixed for 5 years and reset at 5-year UST + 4.25%; and (ii) a \$6.0 million term loan with a 7-year term and 7-year amortization, with interest fixed for the term.

Proceeds from the WPCU Loans were used to (i) refinance approximately \$10.3 million of existing WPCU indebtedness, (ii) acquire the Jackson Property for \$6.0 million, and (iii) fund continued development and expansion of the Company's Ohio operations.

In connection with the WPCU financing, on August 19, 2026, the Company, through its wholly owned subsidiary New Gen RE Jackson, LLC, completed the acquisition of the Jackson Property pursuant to a Membership Interest Purchase Agreement dated July 10, 2026. Under the agreement, the Company acquired 100% of the membership interest in WLPM 2 LLC, the entity that owns the Jackson Property, from an unaffiliated third-party seller. The Jackson Property consists of approximately 50 acres of land with related improvements and is the site of the Company's existing cultivation and manufacturing operations in Jackson, Ohio.