

Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 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.

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VEXT SCIENCE, INC.

Condensed Consolidated Interim Statements of Financial Position

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

	Notes	September 30, 2026	December 31, 2025
ASSETS			
Current assets			
Cash		5,617	5,083
Trade and other receivables	4	1,204	1,500
Inventory	5	7,751	5,924
Biological assets	6	1,855	1,543
Prepaid expenses and deposits	7	1,392	1,348
Due from related parties	20	1,069	1,073
Other assets		—	313
Assets held for sale	8	7,823	—
Total current assets		**26,711**	**16,784**
Non-current assets			
Property, plant and equipment	9	31,275	34,942
Right-of-use assets	10	2,441	3,610
Intangible assets	11	57,220	63,124
Goodwill	11	2,069	2,069
Total assets		**119,716**	**120,529**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payables and accrued liabilities	12	8,063	7,651
Notes payable – current portion	13	15,927	7,500
Lease liability – current portion	10	591	896
Income tax payable	18	2,757	4,393
Uncertain tax position	18	11,473	8,054
Total current liabilities		**38,811**	**28,494**
Non-current liabilities			
Notes payable – non-current portion	13	20,103	23,511
Lease liability – non-current portion	10	2,239	3,128
Deferred tax liabilities	18	9,270	10,022
Total liabilities		**70,423**	**65,155**
Shareholders' equity			
Subordinated and multiple voting shares	14	53,538	53,536
Reserves	14	4,614	4,606
Accumulated other comprehensive income		—	2,355
Retained earnings (accumulated deficit)		(8,859)	(5,123)
Total shareholders' equity		**49,293**	**55,374**
Total liabilities and shareholders' equity		**119,716**	**120,529**

Going concern (Note 2), subsequent events (Note 21)

Approved on November 2, 2026 by the Board of Directors:

"Mark Opzoomer", Chairman "Eric J. Offenberger", Director

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

VEXT SCIENCE, INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

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

		Three months ended		Nine months ended	
	Notes	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Retail revenue		12,114	10,317	33,254	29,214
Wholesale revenue		2,785	2,353	5,929	8,425
Revenue	**16**	**14,899**	**12,670**	**39,183**	**37,639**
Cost of goods sold	5, 9, 11	11,670	9,669	26,063	25,473
Gross profit before fair value adjustments		**3,229**	**3,001**	**13,120**	**12,166**
Unrealized fair value gain of biological assets	6	(2,247)	(1,894)	(6,461)	(3,796)
Realized fair value gain of inventory sold	6	2,427	926	4,097	4,840
Gross profit		**3,049**	**3,969**	**15,484**	**11,122**
Operating expenses					
Amortization	10, 11	1,346	1,413	3,973	3,974
Depreciation	9	415	248	609	542
General and administrative	15	4,770	3,718	13,595	10,519
Total operating expenses		**6,531**	**5,379**	**18,177**	**15,035**
Other income (expense)					
Change in fair value of debt	13, 17	—	(846)	227	(8)
Interest expense	19	(964)	(791)	(2,663)	(2,610)
Interest income		32	41	96	139
Miscellaneous income (expense)		279	135	189	231
Total other income (expense)		**(653)**	**(1,461)**	**(2,151)**	**(2,248)**
Loss before income tax		**(4,135)**	**(2,871)**	**(4,844)**	**(6,161)**
Income tax (expense) recovery	18	(749)	243	(1,247)	(1,276)
Net loss and comprehensive loss for the period		**(4,884)**	**(2,628)**	**(6,091)**	**(7,437)**
Loss per subordinated voting share and equivalent multiple voting share — basic and diluted		(0.02)	(0.01)	(0.02)	(0.03)
Weighted average number of subordinated voting shares and equivalent multiple voting shares outstanding — basic and diluted		247,707,041	247,617,738	247,692,869	247,563,387

Three-month figures for 2026 are the nine-month figures less the six months ended June 30, 2026 as published. 2025 comparative figures have been reclassified to conform with the current period presentation (Note 2(f)).

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

VEXT SCIENCE, INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

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

	Number of subordinated voting shares	Amount: subordinated voting shares	Number of multiple voting shares[1]	Amount: multiple voting shares	Reserves: compensatory warrants	Reserves: stock options	Reserves: RSU	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total shareholders' equity
Balance at December 31, 2024 (restated – Note 2(f))	**180,168,038**	**51,552**	**672,747**	**1,934**	**1,782**	**2,215**	**612**	**2,355**	**12,871**	**73,321**
Share-based compensation, net of tax withheld on settlement of RSUs	—	124	—	—	—	39	(51)	—	—	112
Shares issued from RSUs exercised	241,135	—	—	—	—	—	—	—	—	—
Net loss for the period	—	—	—	—	—	—	—	—	(7,437)	(7,437)
Balance at September 30, 2025	**180,409,173**	**51,676**	**672,747**	**1,934**	**1,782**	**2,254**	**561**	**2,355**	**5,434**	**65,996**
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, net of tax withheld on settlement of RSUs	—	2	—	—	—	9	(1)	—	—	10
Shares issued from RSUs exercised	23,168	—	—	—	—	—	—	—	—	—
Transfer of accumulated other comprehensive income to retained earnings	—	—	—	—	—	—	—	(2,355)	2,355	—
Net loss for the period	—	—	—	—	—	—	—	—	(6,091)	(6,091)
Balance at September 30, 2026	**185,816,341**	**51,604**	**618,907**	**1,934**	**1,782**	**2,267**	**565**	**—**	**(8,859)**	**49,293**

[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 Statements of Cash Flows

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

	Nine months ended Sep 30, 2026	Nine months ended Sep 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(6,091)	(7,437)
Items not affecting cash:		
Unrealized fair value gain of biological assets	(6,461)	(3,796)
Realized fair value gain of inventory sold	4,097	4,840
Amortization	6,621	6,472
Depreciation	4,871	5,386
Share-based compensation, net of tax withheld on settlement of RSUs	10	52
Accretion on leases and debt	133	(14)
Gain on purchase of the leased Jackson property	(113)	—
Change in fair value of debt	(227)	8
Loss on extinguishment of debt	404	—
Share of loss in joint ventures	—	904
Uncertain tax positions	—	2,000
Deferred tax liabilities	(753)	(940)
Loss on disposal of property, plant and equipment	51	(32)
Miscellaneous income (expense)	(57)	(16)
Non-cash working capital item changes:		
Trade and other receivables	317	(879)
Biological assets (capitalized costs)	(6,244)	(6,112)
Inventory	6,731	9,244
Prepaid expense and deposits	14	144
Income tax payable and uncertain tax positions	1,784	—
Accounts payables and accrued liabilities	76	(943)
Due to related parties	—	(365)
Net cash provided by operating activities	**5,163**	**8,516**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(8,726)	(2,717)
Cash paid for acquisitions, net of cash received	—	(2,127)
Notes receivable issued	—	(29)
Net cash used in investing activities	**(8,726)**	**(4,873)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of notes payable principal, net of interest	(1,591)	(3,950)
Proceeds from WPCU notes payable, net	6,301	—
Payment of lease liabilities, net of interest	(613)	(616)
Net cash provided by (used in) financing activities	**4,097**	**(4,566)**
Net change in cash during the period	**534**	**(923)**
Cash, beginning of the period	5,083	4,625
Cash, end of the period	**5,617**	**3,702**
Cash paid for		
Interest	(2,505)	(2,866)
Income tax	(667)	(950)
Non-cash investing and financing activities		
Recognition of new right-of-use assets / lease modifications (Note 10)	369	102
Derecognition of right-of-use assets on purchase of the Jackson property (Note 10)	821	—
Derecognition of lease liabilities on purchase of the Jackson property (Note 10)	951	—
Property, plant and equipment additions included in accounts payable	372	—

1. NATURE OF OPERATIONS

Vext Science, Inc. (referred to as "the Company" or "Vext") owns and operates two (2) dispensaries and a manufacturing facility in Arizona, and integrated cultivation and manufacturing operations and six (6) dispensaries in Ohio. 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 Products 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, and 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 and Going Concern

These condensed consolidated interim financial statements have been prepared on a 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.

Management has concluded, after considering mitigating actions, that there is no material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. This conclusion involves significant judgment, as disclosed in Note 2(g).

c. Basis of Consolidation

The condensed consolidated interim financial statements include the 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 September 30, 2026, the Company's subsidiaries, each 100% owned, are listed below:

Name	Jurisdiction	Ownership
Vext Science, Inc. (parent)	BC, Canada	
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%

Name	Jurisdiction	Ownership
Appalachian Pharm Products, LLC	Ohio, USA	100%
Herbal Wellness Center Amelia, 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 RE Roberts, LLC	Ohio, USA	100%
New Gen Ohio, LLC	Ohio, USA	100%
Vapen Ohio, LLC	Ohio, USA	100%
WLPM 2 LLC (acquired August 19, 2026)	Ohio, USA	100%
New Gen Holdings, Inc.	Wyoming, USA	100%

d. Approval of the Condensed Consolidated Interim Financial Statements

These condensed consolidated interim financial statements for the three and nine months ended September 30, 2026 and 2025 were approved and authorized for issue by the Board of Directors on November 2, 2026.

e. Foreign 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. 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 on settlement and on translation of monetary items are recognized in profit or 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* and adjusted amortization expense to reflect the capitalization of amortization related to cultivation and production licenses, and general and administrative expenses to reflect expenses no longer capitalized. The adjustment was recorded in the three months ended December 31, 2025. The comparative figures for the three and nine months ended September 30, 2025 have been reclassified on a consistent basis using management's best estimate: amortization was reduced by $732 and $2,498, general and administrative expenses were increased by $675 and $2,328, and interest expense was increased by $57 and $170, respectively. There was no change to cost of goods sold or net loss. The December 31, 2024 balances in the statement of changes in shareholders' equity are presented as restated in the annual consolidated financial statements for the year ended December 31, 2025 (Note 24 of those statements).

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, except for the judgments applied to going concern (below) and the WPCU refinancing as an extinguishment (Note 13).

Going concern

Management has applied judgment in assessing the Company's ability to continue as a going concern. At September 30, 2026, the Company had a working capital deficit of $12,100. The deficit arises mainly from uncertain tax positions of $11,473, which IFRS requires to be classified as current because the Company does not have an unconditional right to defer settlement; no amounts included in the uncertain tax position liability have been assessed or are due. It also reflects the current classification of East West Bank notes of $9,360 and App Pharm promissory notes of $5,558. On October 1, 2026, the Company extended the repayment of the App Pharm Notes of $4,080 through replacement promissory notes maturing January 15, 2029, of which $2,197 of principal is due after September 30, 2027 (Note 21). On October 7, 2026, a further $656 of the replacement promissory notes was cancelled on the sale of a property (Note 21). The East West Bank notes are supported by the planned sale of the Eloy Facility (Note 8); under the August 2026 extension of the notes, the Company is required to apply all net proceeds from the sale of the Eloy Facility to partially repay the notes by January 20,

2027 (Note 13). Management has concluded, after considering these mitigating actions, that there is no material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

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 IAS 1 *Presentation of Financial Statements*. 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. 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.

4. TRADE AND OTHER RECEIVABLES

The Company's amounts receivable consist of the following:

	September 30, 2026	December 31, 2025
Trade receivables, net	1,029	1,406
Other receivables	175	94
Total trade and other receivables	**1,204**	**1,500**

The following table sets forth the trade receivables balances as at December 31, 2025 and September 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
September 30, 2026	574	208	252	108	(113)	1,029

Bad debt expense (recovery) recorded during the three and nine months ended September 30, 2026 was $58 and $(88), respectively, and is included 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:

	September 30, 2026	December 31, 2025
Work in process		
Capitalized cost	397	562
Fair value adjustment	632	143
Carrying value	1,029	705
Finished goods		
Capitalized cost	5,572	5,211
Fair value adjustment	1,150	8
Carrying value	6,722	5,219
Total	**7,751**	**5,924**

For the three and nine months ended September 30, 2026, $11,670 and $26,063, respectively, of inventory was expensed to cost of goods sold (three and nine months ended September 30, 2025 – $9,669 and $25,473, respectively).

6. BIOLOGICAL ASSETS

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

	September 30, 2026	December 31, 2025
Biological assets, beginning balance	1,543	1,577
Capitalized costs	6,244	9,825
Change in fair value less costs to sell due to biological transformation	6,461	2,711

	September 30, 2026	December 31, 2025
Transferred into inventory upon harvest	(12,393)	(12,570)
Biological assets, ending balance	**1,855**	**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 key inputs (Level 3) are the average selling price per gram, the average yield per plant, wastage of plants based on their stage of growth, post-harvest costs and the stage of completion in the cultivation process (a total average grow cycle of approximately 15 weeks).

Significant unobservable inputs	September 30, 2026	December 31, 2025
Average selling price per gram of flower	$2.63	$1.13 - $2.58
Weighted average yield of flower per plant (in grams)	99.06	67.80 - 85.08
Sensitivity – effect on fair value		
Increase or decrease by $0.50 per gram	246	362
Increase or decrease of yield by 10%	185	154
Total expected yield (in grams)	2,244,111	3,178,084

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

	Three months ended Sep 30, 2026	Three months ended Sep 30, 2025	Nine months ended Sep 30, 2026	Nine months ended Sep 30, 2025
Unrealized change in fair value of biological assets	2,247	1,894	6,461	3,796
Realized change in fair value on inventory sold in the period	(2,427)	(926)	(4,097)	(4,840)
Net effect of changes in fair value of biological assets and inventory	**(180)**	**968**	**2,364**	**(1,044)**

7. PREPAID EXPENSES AND DEPOSITS

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

	September 30, 2026	December 31, 2025
Vendor deposits	304	543
Prepaid expense/insurance/maintenance	964	693
Security deposits	124	112
Total prepaid expenses and deposits	**1,392**	**1,348**

Prepaid expenses and deposits include $50 that will be realized after more than twelve months, including refundable security deposits.

8. ASSET HELD FOR SALE

During the six months 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 date of classification. Under the extension of its East West Bank notes, the Company has agreed to apply all net proceeds from the sale of the Eloy Facility to partially repay the notes by January 20, 2027 (Note 13). The assets were measured at the lower of their carrying amount and fair value less costs to sell; no impairment loss has been recognized. The assets held for sale consist of the following:

	September 30, 2026
Land and building	3,901
Building improvements	3,176
Machinery and equipment	746
Total assets held for sale	**7,823**

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Equipment and machinery	Building improvements	Leasehold improvements	Construction in progress	Automobile	Total
Cost								
Balance at December 31, 2025	**2,593**	**9,170**	**18,314**	**15,364**	**11,694**	**2,004**	**197**	**59,336**
Disposals	—	—	(42)	—	(268)	—	(110)	(420)
Additions	817	5,762	666	27	140	1,575	97	9,084
Transfer to assets held for sale	(860)	(3,490)	(1,206)	(6,744)	—	—	—	(12,300)
Reclassifications	—	(37)	244	9,111	(7,492)	(1,826)	—	—
Balance at September 30, 2026	**2,550**	**11,405**	**17,976**	**17,758**	**4,074**	**1,753**	**184**	**55,700**
Accumulated depreciation								
Balance at December 31, 2025	**—**	**1,034**	**10,279**	**8,050**	**4,875**	**—**	**156**	**24,394**
Disposals	—	—	(24)	—	(241)	—	(98)	(363)
Transfer to assets held for sale	—	(449)	(459)	(3,569)	—	—	—	(4,477)
Reclassifications	—	(14)	—	5,409	(5,395)	—	—	—
Depreciation	—	180	1,891	1,287	1,489	—	24	4,871
Balance at September 30, 2026	**—**	**751**	**11,687**	**11,177**	**728**	**—**	**82**	**24,425**
Net book value								
Balance at December 31, 2025	**2,593**	**8,136**	**8,035**	**7,314**	**6,819**	**2,004**	**41**	**34,942**
Balance at September 30, 2026	**2,550**	**10,654**	**6,289**	**6,581**	**3,346**	**1,753**	**102**	**31,275**

Of total depreciation expense during the three and nine months ended September 30, 2026, $901 and $4,262, respectively, was included in cost of sales (three and nine months ended September 30, 2025 – $1,650 and $4,844, respectively) and $415 and $609, respectively, was included in operating expense (three and nine months ended September 30, 2025 – $248 and $542, respectively).

Following the acquisition of the Jackson, Ohio property on August 19, 2026, leasehold improvements previously recognized on that property were reclassified to building improvements at their carrying amount (cost $8,641; accumulated depreciation $5,395). The reclassifications for the nine months also include $1,149 of construction in progress completed and transferred to leasehold improvements. Buildings are depreciated on a straight-line basis over 39 years.

10. LEASES

Right-of-use asset

	Office lease	Dispensary leases	Cultivation lease	Processing lease	Total
Cost					
Balance at December 31, 2025	**544**	**2,867**	**917**	**932**	**5,260**
Lease modifications and additions	—	369	—	—	369
Derecognition - Jackson leases	—	—	(917)	(932)	(1,849)
Terminations	—	(115)	—	—	(115)
Balance at September 30, 2026	**544**	**3,121**	**—**	**—**	**3,665**
Accumulated amortization					
Balance at December 31, 2025	**273**	**576**	**553**	**248**	**1,650**
Amortization - ROU assets	58	432	157	70	717
Derecognition - Jackson leases	—	—	(710)	(318)	(1,028)
Terminations	—	(115)	—	—	(115)
Balance at September 30, 2026	**331**	**893**	**—**	**—**	**1,224**
Net book value – December 31, 2025	**271**	**2,291**	**364**	**684**	**3,610**
Net book value – September 30, 2026	**213**	**2,228**	**—**	**—**	**2,441**

Of the amortization of right-of-use assets for the nine months ended September 30, 2026, $70 was included in cost of sales and the balance in operating expenses.

Lease liability

	Total
Balance at December 31, 2025	4,024
Additions / lease modifications	369
Derecognition on purchase of the Jackson property	(951)
Interest expense	355
Lease payments	(967)
Balance at September 30, 2026	**2,830**
Less: current portion	(591)

	Total
Long-term lease liability	**2,239**

Lease expenses recognized in the condensed consolidated statements of loss for the nine months ended September 30, 2026 were interest expense of $355 (2025 – $335) and amortization of $717 (2025 – $688).

On August 19, 2026, the Company acquired the leased Jackson, Ohio property. Right-of-use assets of $821, prepaid rent of $17 and lease liabilities of $951 were derecognized, and a gain of $113 was recognized in miscellaneous income (expense).

11. INTANGIBLE ASSETS AND GOODWILL

Intangible assets	Balance as at December 31, 2025	Amortization – nine months ended September 30, 2026	Balance as at September 30, 2026
Dispensary licenses	36,045	(2,983)	33,062
Cultivation license	18,011	(1,384)	16,627
Processing license	6,830	(525)	6,305
Customer relationships	1,254	(376)	878
Brand names	834	(625)	209
Patent	150	(11)	139
Total	**63,124**	**(5,904)**	**57,220**

Of total amortization of intangible assets during the three and nine months ended September 30, 2026, $763 and $2,578, respectively, was included in cost of sales and $1,205 and $3,326, respectively, was included in operating expense (three and nine months ended September 30, 2025 – $732 and $2,498 in cost of sales and $1,201 and $3,286 in operating expense, respectively, as reclassified – Note 2(f)). Goodwill of $2,069 is unchanged from December 31, 2025.

12. PAYABLES AND ACCRUED LIABILITIES

Payables and accrued liabilities consist of the following:

	September 30, 2026	December 31, 2025
Trade payables	5,846	5,265
Sales tax payable	1,162	1,058
Payroll liabilities	544	820
Accrued liabilities	390	409
Interest payable	121	99
Total payables and accrued liabilities	**8,063**	**7,651**

13. NOTES PAYABLE

Note balances at amortized cost

	EWB Notes (1)	APP Notes (3)	Athens Note (4)	Portsmouth Note (5)	WPCU Notes (2)	Total
Balance at December 31, 2025	**12,977**	**5,783**	**1,488**	**340**	**—**	**20,588**
Interest and accretion expense	952	337	74	25	177	1,565
Proceeds from new notes	—	—	—	—	17,000	17,000
Debt issuance costs	—	—	—	—	(202)	(202)
Loss on modification of financial liability	35	—	—	—	—	35
Extension fee paid to lender (capitalised)	(14)	—	—	—	—	(14)
Principal and interest paid (incl. interest transferred to accrued liabilities)	(1,991)	(562)	(178)	(34)	(177)	(2,942)
Balance at September 30, 2026	**11,959**	**5,558**	**1,384**	**331**	**16,798**	**36,030**
Less: current portion	9,360	5,558	130	11	868	15,927
Non-current notes payable	**2,599**	**—**	**1,254**	**320**	**15,930**	**20,103**

Note balances at fair value through profit or loss

	WPCU Loans (2)
Balance at December 31, 2025	**10,423**
Interest accretion	662
Principal and interest paid	(765)
Fair value adjustment	(227)
Carrying amount at August 19, 2026 (extinguishment)	**10,093**

	WPCU Loans (2)
Loss on extinguishment	404
Repayment on refinancing	(10,497)
Balance at September 30, 2026	—

(1) On July 8, 2022, the Company completed a financing with East West Bank ("EWB") 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 bears interest at the Wall Street Journal Prime rate plus 2.75% (9.50% at September 30, 2026), subject to a floor of 6.25%, and matures on July 15, 2027. The second promissory note of $17,185 bears interest at the Wall Street Journal Prime rate plus 2.25% (9.00% at September 30, 2026), subject to a floor of 6.25%. Blended payments for principal and accrued interest are due on the 15th day of each month. On July 6 and August 13, 2026, EWB approved two 90-day extensions of the maturity of the second promissory note, from July 15, 2027 to January 11, 2028. As a condition subsequent to the second extension, the Company must apply all net proceeds from the sale of the Eloy Facility (Note 8) to partially repay the notes by January 20, 2027. The extensions were accounted for as non-substantial modifications and a loss of $35 was recognized in miscellaneous income (expense). The current portion of the EWB notes of $9,360 includes the expected repayment from the Eloy sale proceeds. 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. At the last annual test (December 31, 2025), the Company was in compliance; no interim test is required.

(2) On August 19, 2026, the Company repaid its loans with Wright-Patt Credit Union ("WPCU"), principal of $10,497, from the proceeds of two new term notes with aggregate principal of $17,000. The refinancing was accounted for as an extinguishment of the existing loans (Note 2(g)). A loss of $404 was recognized in miscellaneous income (expense), and the cumulative change in the fair value of the existing loans attributable to changes in the Company's own credit risk, $2,493, together with a legacy accumulated other comprehensive loss of $138 arising in prior years, was transferred to retained earnings and is not reclassified to profit or loss.

The new notes are measured at amortized cost. Transaction costs of $202 were deducted from their carrying amount and are amortized over the terms of the notes using the effective interest rate method. Both notes bear interest at a fixed 8.64% to September 1, 2031, after which the rate resets to the five-year constant maturity rate plus 4.25%. The $11,000 note is repayable in monthly payments of $96, based on a 20-year amortization, and matures on September 1, 2036, when principal of approximately $7,779 will remain outstanding (assuming the reset rate equals the initial rate). The $6,000 note is repayable in monthly payments of $95 and is fully amortized by its maturity on September 1, 2033. The notes are secured by a mortgage and assignment of rents on the Company's Jackson, Ohio property and by the business assets of the borrowing entities, and carry prepayment fees of $350 and $200 during the first five and four years, respectively.

(3) On January 1, 2023, the Company issued unsecured promissory notes to the sellers of Appalachian Pharm Products, LLC ($2,270) and APP1803, LLC ($3,738) (the "App Pharm Notes"). The App Pharm Notes bear interest at a fixed rate of 8.00% and mature on December 31, 2026; they are classified as current. On October 1, 2026, a subsidiary of the Company issued new promissory notes to holders of a portion of the App Pharm Notes (Note 21). The classification of the App Pharm Notes at September 30, 2026 is not affected by the agreements entered into after the reporting date.

(4) On April 8, 2024, the Company issued a promissory note of $1,700 on the acquisition of real property in Athens, Ohio. The note bears interest at 7.0% per annum and is repayable over 10 years, maturing on April 4, 2034.

(5) On December 3, 2024, the Company issued a promissory note of $350 on the acquisition of real property in Portsmouth, Ohio. The note bears interest at 10.0% per annum and is repayable over 15 years, maturing on December 3, 2039.

14. SHARE CAPITAL

(a) Share Capital

The Company is authorized to issue an unlimited number of common shares ("Subordinated Voting Shares") without par value and an unlimited number of Class A common shares with multiple voting rights ("Multiple Voting Shares"), with each Multiple Voting Share convertible into 100 Subordinated Voting Shares in accordance with the Company's articles. Holders of Subordinated Voting Shares and Multiple Voting Shares vote together on all matters subject to a vote of holders of both classes as if they were one class of shares. The holders of Multiple Voting Shares are entitled to receive dividends and distributions payable in respect of Subordinated Voting Shares.

For the nine months ended September 30, 2026 and the 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; the balance was settled in cash equal to the amount withheld for the remittance of tax.
- 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.

There were no share issuances in the three months ended September 30, 2026. At September 30, 2026, 185,816,341 Subordinated Voting Shares and 618,907 Multiple Voting Shares were outstanding.

(b) Stock options

The Company has adopted a Stock Option Plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company, up to a maximum of 10% of the issued and outstanding Subordinated Voting Shares at the time of the grant, at an exercise price equal to or above the market price on the grant date. Vesting and term are determined by the Board of Directors. The continuity of stock options 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, September 30, 2026	5,764,284	CAD 0.84

As at September 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	2.27	January 4, 2029
200,000	200,000	CAD 1.00	2.62	May 13, 2029
833,334	833,334	CAD 0.75	3.62	May 12, 2030
375,000	375,000	CAD 0.75	4.16	November 26, 2030
235,000	235,000	CAD 1.22	4.27	January 6, 2031
500,000	500,000	CAD 1.43	4.39	February 19, 2031
190,000	190,000	CAD 0.58	5.56	April 19, 2032
10,000	10,000	CAD 0.58	5.73	June 23, 2032
1,000,000	1,000,000	CAD 1.00	5.90	August 24, 2032
250,000	250,000	CAD 0.60	5.90	August 24, 2032
125,000	125,000	CAD 0.50	6.23	December 22, 2032
245,000	245,000	CAD 0.50	6.48	March 22, 2033
200,000	200,000	CAD 0.68	6.95	September 11, 2033
874,950	874,950	CAD 0.48	7.65	May 24, 2034
50,000	33,334	CAD 0.49	8.09	October 31, 2034
5,764,284	**5,747,618**	**CAD 0.84**	**5.06**	

As at December 31, 2025, 5,774,284 stock options were outstanding (5,462,627 exercisable) with a weighted average exercise price of CAD 0.83 and a weighted average remaining life of 5.83 years. Total share-based compensation expense for options and restricted share units was $1 and $12 for the three and nine months ended September 30, 2026, respectively (2025 – $11 and $52, respectively). On settlement of RSUs in June 2026, the Company withheld and remitted $2 of employee income tax.

(c) Restricted Share Units

The Company's restricted share unit ("RSU") plan provides certain directors, officers, consultants and other key employees with the opportunity to acquire Subordinated Voting Shares. RSUs are measured at fair value on the grant date and expensed over the vesting term. On June 16, 2025, the Company granted 100,000 RSUs to an employee, vesting in equal annual amounts over three years and expiring on June 16, 2028.

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

(d) Warrants

No share purchase warrants were outstanding at December 31, 2025 or September 30, 2026 (365,909 warrants at CAD 0.50 expired during 2025). At September 30, 2026, 280,000 special advisory warrants with an exercise price of CAD 1.00 were outstanding (December 31, 2025 – 280,000), expiring December 31, 2027, with a weighted average remaining life of 1.25 years (December 31, 2025 – 2.00 years).

15. GENERAL AND ADMINISTRATIVE

The Company's general and administrative expenses consist of the following:

	Three months ended Sep 30, 2026	Three months ended Sep 30, 2025	Nine months ended Sep 30, 2026	Nine months ended Sep 30, 2025
Wages and benefits	2,663	2,307	7,633	6,442
Professional fees	1,499	780	3,897	2,328
Property expenses (insurance, taxes, utilities, etc.)	122	132	398	450
Share based compensation	1	11	12	53
Other (advertising, bank fees, office expenses, etc.)	485	488	1,655	1,246
Total general and administrative	**4,770**	**3,718**	**13,595**	**10,519**

16. SEGMENTED REPORTING

The Company's operations consist of a single operating segment engaged in the cultivation, manufacturing, distribution and sale of cannabis within the United States. All revenues are generated in the United States 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 States of Ohio and Arizona.

For the three and nine months ended September 30, 2026, the Company generated revenue of $10,889 and $27,692 in Ohio, respectively (2025 – $7,929 and $22,317, respectively), and $4,010 and $11,491 in Arizona, respectively (2025 – $4,741 and $15,322, respectively).

As at September 30, 2026, the Company's non-current assets located in Ohio were $69,292 (December 31, 2025 – $65,995), and non-current assets located in Arizona were $23,713 (December 31, 2025 – $37,750).

17. FAIR VALUE MEASUREMENT

The fair value of the Company's cash, trade and other receivables, 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 measured at amortized cost approximates their carrying value due to variable interest rates (East West Bank) and fixed rates which approximate market rates, including the WPCU notes issued on August 19, 2026 at 8.64%.

The WPCU Loans were designated at fair value through profit or loss (Level 3). On August 19, 2026, the WPCU Loans were repaid in full and derecognized as part of the refinancing described in Note 13. Changes in the fair value of the WPCU Loans before derecognition are presented in change in fair value of debt. Their fair value was last measured at June 30, 2026. The inputs and sensitivity at December 31, 2025 are disclosed in Note 17 of the annual consolidated financial statements. At September 30, 2026, the Company has no financial liabilities measured at fair value. The reconciliation of Level 3 debt is disclosed in Note 13. Biological assets continue to be measured at fair value less costs to sell using Level 3 inputs (Note 6). There were no transfers between levels during the period.

18. UNCERTAIN TAX POSITIONS, INCOME TAXES, COMMITMENTS, AND CONTINGENCIES

As at September 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 condensed consolidated interim financial statements.

As at September 30, 2026, the Company has recognized a liability of $11,473 (December 31, 2025 – $8,054) related to uncertain tax treatments regarding the deductibility of certain costs, including accrued interest of $1,368. The liability is recognized in accordance with IFRIC 23, Uncertainty over Income Tax Treatments, and has been measured using the "most likely amount" method based on legal advice. The ultimate outcome may differ from the liability recognized. No amounts included in the liability have been assessed or are due; amounts that have been assessed or are due are presented in income tax payable. During the six months ended June 30, 2026, the Company reclassified $3,997 of income tax payable to uncertain tax positions, reflecting progress in finalizing its tax filing position for the year ended December 31, 2025.

Current income tax expense for the three and nine months ended September 30, 2026 was $1,000 and $2,000, respectively, and represents management's estimate pending finalization of the annual provision, which may be increased or decreased in the fourth quarter given the ongoing uncertainty of the U.S. federal income tax treatment of cannabis businesses.

On April 23, 2026, the United States Drug Enforcement Administration issued a Final Order rescheduling certain cannabis products. The Final Order includes a non-binding recommendation to the Secretary of the Treasury regarding retrospective 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. Accordingly, no adjustment has been made to these condensed consolidated interim financial statements.

At September 30, 2026, the Company had contractual commitments of $1,833 for the construction of its Roberts Road, Columbus, Ohio dispensary.

19. INTEREST EXPENSE

	Three months ended Sep 30, 2026	Three months ended Sep 30, 2025	Nine months ended Sep 30, 2026	Nine months ended Sep 30, 2025
Interest expense on term loans	623	469	1,540	1,511
Interest expense on loans measured at FVTPL	200	231	662	704
Interest expense on lease liabilities	110	91	355	335
Interest expense on income taxes	33	—	81	136
Other interest expense	(2)	—	25	15
Accretion of discount on provisions / decommissioning liabilities	—	—	—	(91)
Total interest expense	**964**	**791**	**2,663**	**2,610**

20. RELATED PARTY TRANSACTIONS

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 nine months ended September 30, 2026 and 2025 is summarized as follows (salaries and wages include salary, bonus, car and cell phone allowances and employer retirement plan contributions):

	September 30, 2026	September 30, 2025
Share-based compensation	2	19
Salaries and wages	582	674
Employer payroll taxes	32	19
Consulting fees included in operating expenses	309	281
Total	**925**	**993**

Due from related parties

	September 30, 2026	December 31, 2025
Beginning balance	1,063	1,347
Payments (offset against director fees)	(101)	(440)
Interest accrued	91	156
11.5% per annum interest bearing, due on December 31, 2026	1,053	1,063
Insurance premiums	16	10
Total due from related party	**1,069**	**1,073**

On December 31, 2025, the Company and the related party entered into a Consent and Amending Agreement, by which 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 loan is secured against shares of the Company held by the related party. The Company has recorded a $16 receivable from a related party representing insurance premiums and related costs paid by the Company on behalf of the related party, reimbursable in the ordinary course of business.

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 13). During the nine months ended September 30, 2026, $41 in interest was accrued on these notes payable.

	September 30, 2026	December 31, 2025
Total current promissory note payable (Director)	686	723
Interest payable (Director)	14	14

On October 1, 2026, the Director's App Pharm notes were replaced by a new promissory note (Note 21).

21. SUBSEQUENT EVENTS

On October 1, 2026, Vapen Ohio, LLC, a subsidiary of the Company, issued unsecured promissory notes with an aggregate principal amount of $4,080 to seven holders of App Pharm Notes, replacing and extending the repayment of those obligations. The replacement notes bear interest at 8.00% per annum to December 31, 2026 and 10.00% per annum thereafter. They are subordinated to the Company's senior secured credit facilities and mature on January 15, 2029. A payment of $984 is due in January 2027, followed by monthly payments of principal and interest. The App Pharm Notes remain classified as current liabilities at September 30, 2026. The portion of the replacement notes due after December 31, 2027 will be presented as non-current from December 31, 2026.

On October 7, 2026, the Company sold real property in Circleville, Ohio, acquired in June 2026 and included in property, plant and equipment at September 30, 2026 at a carrying amount of $571, to a third party for consideration of $850. The consideration was settled by the cancellation of one of the replacement promissory notes issued on October 1, 2026, with a principal amount of $656, and by a promissory note receivable due January 1, 2027, which is personally guaranteed and bears interest at 10% per annum on any balance outstanding after December 31, 2026. Following the cancellation, replacement notes held by six holders with an aggregate principal amount of $3,424 remain outstanding, and the payment due on them in January 2027 is $959.

In October 2026, the Company listed its Phoenix, Arizona manufacturing property for sale, and began reducing its Arizona manufacturing operation to packaging for its own dispensaries. The property was in use and was not classified as held for sale at September 30, 2026. The Company will assess in the fourth quarter whether the property meets the criteria for classification as held for sale.

In October 2026, the Company began closing its Kentucky operation, Vapen KY, LLC. The carrying amount of the Kentucky non-current assets at September 30, 2026 was less than $1.

On October 15, 2026, the Company, as tenant under its ground lease, entered into an agreement to purchase the land at 4410 Roberts Road, Columbus, Ohio, the site of its seventh Ohio dispensary, for $1,000, on exercise of its purchase option under the lease. The purchase is expected to close in November 2026.

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 condensed consolidated interim financial statements.