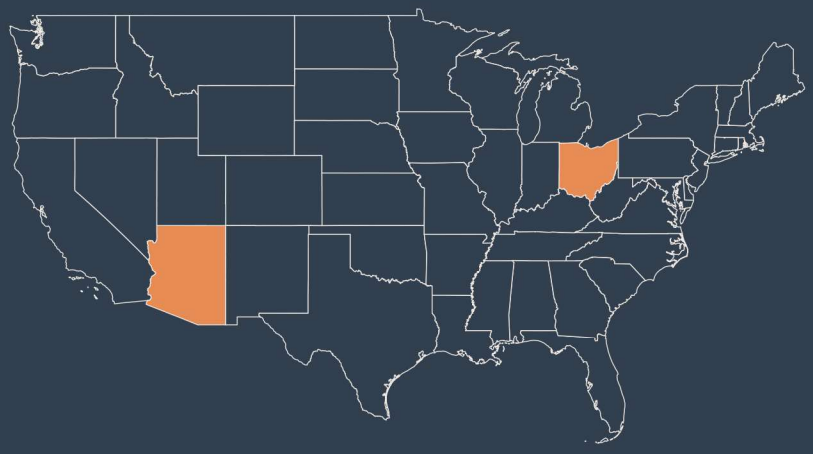
VEXT SCIENCE

THIRD QUARTER 2026

Management's Discussion and Analysis

For the three and nine months ended September 30, 2026



OHIO 6 dispensaries; cultivation and manufacturing

ARIZONA 2 dispensaries

Vext Science, Inc.

CSE: VEXT · OTCQX: VEXTF

Management's Discussion and Analysis for the three and nine months ended September 30, 2026
Dated as of November 2, 2026
(All amounts expressed in United States dollars, unless otherwise stated)

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THIRD QUARTER AT A GLANCE

(thousands of US dollars)	Q3 2026	Q2 2026	Q3 2025	9M 2026	9M 2025
Revenue	**14,899**	**12,123**	**12,670**	**39,183**	**37,639**
Ohio	10,889	8,591	7,929	27,692	22,317
Arizona	4,010	3,532	4,741	11,491	15,322
Gross profit before fair value adjustments	**3,229**	**5,336**	**3,001**	**13,120**	**12,166**
Gross margin before fair value adjustments[1]	21.7%	44.0%	23.7%	33.5%	32.3%
Operating expenses	6,531	5,921	5,379	18,177	15,035
Net loss	**(4,884)**	**(315)**	**(2,628)**	**(6,091)**	**(7,437)**
Adjusted EBITDA[1]	195	3,435	1,513	6,445	8,988
Adjusted EBITDA margin[1]	1.3%	28.3%	11.9%	16.4%	23.9%
Net cash provided by operating activities	2,366	1,182	1,259	5,163	8,516

	Sep 30, 2026	Jun 30, 2026	Dec 31, 2025
Cash	5,617	4,535	5,083
Notes payable (of which secured: 30,472)	36,030	29,792	31,011
Working capital[2]	(12,100)	(916)	(11,710)
Excluding the uncertain tax position liability	(627)	10,789	(3,656)

[1] *Gross margin before fair value adjustments (a supplementary financial measure), Adjusted EBITDA (a non-GAAP financial measure) and Adjusted EBITDA margin (a non-GAAP ratio) are further defined in Section 5.2, where Adjusted EBITDA is reconciled to net loss.*

[2] *The change in working capital from June 30 reflects the classification of the East West Bank notes as current (Section 6.2).*

What happened in the quarter

- The Fairfield, Ohio dispensary delivered its first full quarter and drove most of the $2,298 sequential increase in Ohio revenue; wholesale revenue was $2,785, against a first-half average of $1,572 a quarter, led by Company-grown flower.
- The Company acquired the Jackson, Ohio property, the site of its cultivation and manufacturing operations, on August 19 for $6,004. The purchase was funded by a $17,000 Wright-Patt Credit Union refinancing at a fixed 8.64%; net cash to the Company after repaying the previous loans ($10,497) was $222.
- On August 13, East West Bank extended the maturity of its second promissory note (originally $17,185, "EWB Note 2") to January 11, 2028. Under the extension, the net proceeds of the sale of the Eloy property are to be applied to partially repay the East West Bank notes by January 20, 2027.
- The Jackson dispensary was closed September 1 to 17 at the request of the Ohio Division of Cannabis Control ("DCC"), and Vapen-branded products were on administrative hold from September 2 to October 14, when the DCC released the hold based on testing data and analysis. Approximately $300 of retail revenue was not earned during the closure, and wholesale sales of Vapen-branded products ran approximately $150 below the second-quarter pace during the hold (Section 4.1.2).

What fell short

- Gross margin. The Company sold through inventory built in the first half while output was lower, cultivation yield declined and Vapen-branded production fell during the hold: inventory and biological assets decreased by $1,797, and cost of goods sold carried first-half production cost and overhead not absorbed at the lower output.
- Company-made share of Ohio store sales. Third-party product rose to approximately 51% of Ohio store sales from 39% in the second quarter, because of purchases made during the Vapen hold and new assortment at Fairfield. Company-made product earns both the manufacturing and the retail margin.

- Cultivation yield. Approximately 99.1 grams per plant, from approximately 101.1 in the second quarter, after a climate-control failure in one flowering room in July and first-time harvests of new strains. Preventive maintenance for the cultivation climate-control equipment has been enhanced, and the Company is putting additional monitoring in place.

After the quarter

On October 1, $4,080 of App Pharm seller notes were replaced by notes maturing January 15, 2029; the January 2027 cash requirement for App Pharm obligations is approximately $2,400. On October 7, $656 of the replacement notes was cancelled on the sale of the Circleville property (Section 4.2). In October, the Phoenix manufacturing property was listed for sale and the Arizona manufacturing operation is being reduced to packaging for the Company's own dispensaries, and the Kentucky CBD operation is being closed (Section 4.2).

PREFACE

1.1 Definitions

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

1.2 Cautionary note regarding forward looking statements

This Management's Discussion and Analysis ("MD&A") contains certain statements that may constitute "forward-looking statements". Forward-looking statements include, but are not limited to, statements regarding future expansion, business goals, anticipated business developments and the timing thereof, receipt of regulatory approvals, regulatory compliance, sufficiency of working capital, business and financing plans, the sale of the Eloy real property and the Phoenix manufacturing property, the reduction of the Company's Arizona manufacturing operations to packaging for its own dispensaries, the opening of additional dispensaries in Ohio, the repayment and refinancing of the Company's notes payable, the expected impact of the April 2026 DEA rescheduling on Section 280E and the Company's uncertain tax positions, and other forward-looking statements including, but not limited to, information concerning intentions, plans and future actions of the Company.

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

The forward-looking information reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, and similar expressions, or which by their nature refer to future events. The Company cautions that any forward-looking statements are not guarantees of future performance, and that actual results may differ materially. The Company disclaims any intention or obligation to update or revise such forward-looking statements, except as required by applicable law.

Certain statements included in this MD&A may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A. The purpose of the financial outlook is to provide readers with disclosure of the Company's reasonable expectations of its anticipated results. The financial outlook is provided as of the date of this MD&A.

1.3 Management's responsibility for the financial statements

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

1.4 Review and approval by the board of directors

The board of directors of the Company approved the contents of this MD&A on November 2, 2026.

1.5 Quarterly comparisons in the MD&A

Unless otherwise indicated, all comparisons of results for Q3 2026 (three months ended September 30, 2026) are compared against results for Q3 2025 (three months ended September 30, 2025), and all comparisons of results for the nine months ended September 30, 2026 are made against results for the nine months ended September 30, 2025.

1.6 MD&A background

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

This MD&A has been prepared for the period ended September 30, 2026, and it presents an analysis of the consolidated financial position of Vext for the three and nine months ended September 30, 2026. The following information should be read in conjunction with the condensed consolidated interim financial statements of the Company for the period ended September 30, 2026, including the notes contained therein.

1.7 Currency and exchange rates

All references to dollars ($) in this MD&A are expressed in thousands of United States dollars, unless otherwise indicated. For readability, round amounts of one million dollars or more are sometimes stated in millions (for example, $10.0 million).

1.8 Use of market and industry data

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

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

1.9 Accounting framework

The condensed consolidated interim financial statements are prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed consolidated interim financial statements include the financial statements of the Company and its direct subsidiaries, indirect subsidiaries that are not wholly owned by the Company and other entities consolidated other than on the basis of ownership as of September 30, 2026. Refer to Section 2.1 in this MD&A for details around the Company's subsidiaries.

1.10 Accounting estimates and assumptions

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 2025 Annual Financial Statements for the year ended December 31, 2025, except for the judgments applied to going concern (Section 6.4) and to the accounting for the August 19, 2026 Wright-Patt Credit Union refinancing as an extinguishment (Section 6.5).

COMPANY AND INDUSTRY OVERVIEW

2.1 About Vext

Vext Science, Inc. is a vertically integrated, multi-state operator in the cannabis industry. The Company is publicly listed on the Canadian Securities Exchange ("CSE") under the symbol "VEXT" and trades on the OTCQX Best Market in the United States under the symbol "VEXTF."

Through its subsidiary Herbal Wellness Center, Inc. and its other subsidiaries, the Company owns and operates two (2) cannabis dispensaries and a manufacturing facility in Arizona, and six (6) fully operational dispensaries in Ohio along with one cultivation and manufacturing facility. The Company's Arizona and Ohio dispensaries operate under the Herbal Wellness Center brand. In Ohio, the cultivation and manufacturing operations are licensed and operated as Appalachian Pharm Products and Appalachian Pharm Processing. On August 19, 2026, the Company acquired the Jackson, Ohio real property on which its cultivation and manufacturing facility operates (see Section 6.5).

The Company has exited cultivation in Arizona. Cultivation at the Eloy facility ceased in May 2026, and the Eloy real property is classified as an asset held for sale and is being marketed for sale. The Company's Arizona dispensaries source flower from third-party Arizona-licensed producers. The Company has listed its Phoenix manufacturing property for sale and is ending extraction, tolling and wholesale distribution in Arizona; the Phoenix facility will package product for the Company's own dispensaries. See "Section 4.1.3 — Arizona" and "Section 4.2 — Material events that occurred subsequent to the period".

Subsidiaries

As of September 30, 2026, Vext's subsidiaries are as follows:

Name	Jurisdiction	Ownership
Vext Science, Inc.	BC, Canada	
Subsidiaries:		
Herbal Wellness Center, Inc.	Arizona, USA	100%
Hydroponics Solutions, LLC	Arizona, USA	100%
New Gen 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 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%

Name	Jurisdiction	Ownership
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%

2.2 Industry overview and current operating environment

Ohio

The Ohio cannabis market continued to grow during the third quarter of 2026. Based on sales data published by the Ohio Division of Cannabis Control ("DCC"), Ohio statewide combined medical and non-medical cannabis sales were approximately $357 million in the third quarter of 2026, an increase of approximately 33% over the third quarter of 2025 (approximately $270 million), and approximately $1.01 billion for the nine months ended September 30, 2026, an increase of approximately 30% over the same period of 2025. Adult-use sales represented approximately 87% of statewide sales in the third quarter of 2026, compared with approximately 80% in the third quarter of 2025, as consumers continued to move from the medical program to adult-use; medical sales were approximately $47 million in the quarter, compared with approximately $53 million a year earlier.

The number of operating dispensaries grew faster than sales. The Company estimates that approximately 224 dispensaries were operating in Ohio during the third quarter of 2026, compared with approximately 162 a year earlier, so average sales per operating dispensary declined approximately 4% year-over-year, increasing competition at the retail level in certain regional submarkets, including the Columbus metropolitan area. Ohio Senate Bill 56, signed into law in September 2025, established the regulatory framework for the non-medical cannabis program, and implementation of operational rules and licensing under the framework continued during 2026. Refer to Section 4.1.2 of this MD&A for a detailed analysis of the Company's operations in Ohio.

Sources: Ohio Division of Cannabis Control (DCC), Medical Marijuana Control Program product and sales data through October 10, 2026, reported by week ending; quarterly totals assigned by the Company by week-ending date. Operating dispensary counts for April through August 2026 are Company estimates. Ohio Senate Bill 56 (136th General Assembly).

Arizona

The Arizona adult-use and medical cannabis market continued to contract during 2026. According to the Arizona Department of Revenue ("ADOR"), Arizona statewide taxable cannabis sales for January through July 2026 were approximately $710 million, a decline of approximately 3.3% compared with the same period of 2025; medical sales declined approximately 32%, while adult-use sales increased approximately 2%. Taxable sales for July 2026 were approximately $90 million, approximately 6.7% below July 2025. State figures for August and September 2026 were incomplete at the time of data retrieval. The number of operating dispensaries in Arizona was 169 throughout 2026, unchanged from the prior year, so the decline reflects lower average revenue per operating dispensary rather than a change in store count.

Pricing in the Arizona wholesale market remained under pressure, with sustained oversupply at the cultivation level continuing to compress wholesale unit economics. According to Cannabis Benchmarks, the Arizona wholesale spot price for flower fell in May 2026 to its lowest level since that firm began tracking the state in October 2015, with both indoor- and greenhouse-grown flower at all-time lows. This pricing environment underlies the Company's decision to source its Arizona retail assortment from third-party producers and, following its exit from cultivation, to reduce its Arizona manufacturing operation to packaging for its own dispensaries. Refer to Section 4.1.3 of this MD&A for a detailed analysis of the Company's operations in Arizona.

Sources: Arizona Department of Revenue, Collections and Taxable Sales by Period Covered (retrieved October 2026; taxable sales are estimated by the Department from revenue received and are restated as late and amended returns are processed); Arizona Department

of Health Services, Bureau of Marijuana Licensing monthly reports (169 operating establishments as of February 1, April 1 and August 1, 2026).

GROWTH STRATEGY, COMPETITIVE ADVANTAGE AND STRATEGIC PRIORITIES

3.1 Growth strategy - Own Operate Allocate

The Company describes its business in three words, in the order management runs it: Own, Operate, Allocate. The Company owns its brands, its dispensaries and its real estate; operates them with sourcing discipline, competitive pricing and merchandising; and allocates capital on a single test — fund whatever earns the highest return, and exit when the math no longer works.

Own

The Company owns the assets it depends on. It owns its retail brand (Herbal Wellness Center) and its product brands (including Vapen, Firebrand, Revibe and Prism), operates two dispensaries in Arizona and six in Ohio, and runs cultivation and manufacturing in Jackson, Ohio. The Company owns its real property rather than financing it through sale-leaseback arrangements. In August 2026, it acquired the Jackson, Ohio property on which its cultivation and manufacturing facility operates, replacing a lease with ownership. Owning the real estate keeps the balance sheet under the Company's control and preserves the option to monetize an asset on the Company's timing — as it is now doing with the Eloy property and the Phoenix manufacturing property.

Operate

The Company runs its stores as a retail operator, not as an outlet for its own production. Survey data consistently show that the cannabis consumer chooses primarily on price and potency rather than on brand, with most consumers reporting no strong brand preference. The Company therefore competes on sourcing discipline, competitive pricing and merchandising execution at the shelf rather than on brand marketing. Sourcing discipline means making product when making is cheaper and buying when buying is cheaper — and the same discipline runs in both states the Company operates. In Ohio, improving cultivation yields together with continued investment in manufacturing flow and added production capability support the Company's cost structure, so making is the advantage; in Arizona, structural wholesale oversupply has made buying the advantage. Either way, controlling the cost structure is what lets the Company price with discipline — competitively for a price-driven consumer, without giving up margin. Merchandising means routing that price-driven consumer through a tiered assortment — using the owned product portfolio and house brands as a margin tool — and capturing the full margin between wholesale cost and retail price inside stores the Company controls. The Company's decision to exit Arizona cultivation and source from the third-party wholesale market is a direct application of this discipline (see Section 4.1.3): where the market price of flower has fallen below the cost of growing it, the Company buys rather than makes, and uses the difference to hold margin while pricing competitively for that consumer.

In October 2026, the Company applied the same discipline to Arizona manufacturing: with production volume no longer covering the facility's overhead, the Company listed the Phoenix manufacturing property for sale and is reducing the Arizona operation to packaging for its own dispensaries (see Section 4.1.3).

Allocate

Every dollar competes for the highest return, and the Company will exit an activity when the return no longer clears the bar. In the current period this meant refinancing the Company's Wright-Patt Credit Union debt at a fixed rate and acquiring the Jackson property, restructuring the App Pharm seller notes ahead of their December 2026 maturity, marketing the Eloy property for sale, and listing the Phoenix manufacturing property for sale. The Company funds its expansion primarily from the cash it generates from operations rather than from dilutive equity issuance; net cash provided by operating activities was $5,163 for the first nine months of 2026.

3.2 Competitive advantages

Own — an owned balance sheet.

The Company owns its dispensaries, brands and real property and has not sold and leased back its real estate. With the August 2026 acquisition of the Jackson property, the Company owns the facility that supplies its Ohio dispensaries. Under the August 13, 2026 extension of EWB Note 2, the net proceeds of the sale of the Eloy

property are to be applied to partially repay the East West Bank notes by January 20, 2027. Because the Company owns its real property rather than leasing it back, it has the flexibility to sell Arizona properties it no longer needs and apply the proceeds to partially repay its East West Bank notes, beginning with the Eloy property.

Operate — sourcing discipline and cash generation.

The Company sources on a make-versus-buy basis and merchandises through a tiered brand assortment. Net cash provided by operating activities was $5,163 in the first nine months of 2026, which funded debt service and capital expenditures without reliance on dilutive capital markets.

Allocate — capital that moves to the return.

The Company invests where the return clears the bar and exits where it does not. In Ohio it is investing behind retail and manufacturing: it acquired the Jackson property, secured a construction loan commitment for its seventh dispensary at Roberts Road in Columbus, is installing new pre-roll equipment, and introduced two new products in 2026, the Firebrand Pyric vaporizer and the Prism THC pouch (Section 4.1.5). In Arizona it exited cultivation in response to structural wholesale oversupply, converting the oversupplied wholesale market into a sourcing advantage for its dispensaries.

3.3 Progress against stated objectives and priorities

Management reports its results against the objectives it set out in the prior period, including where it fell short. The table below tracks the priorities stated in the Company's Q2 2026 MD&A against status as at September 30, 2026 and the date of this MD&A.

Priority (as stated in the Q2 2026 MD&A)	Status
Complete the sale of the Eloy real property and apply the proceeds to secured debt	The Eloy real property is classified as held for sale and is being marketed. In progress.
Expand the Ohio retail footprint (seventh dispensary in Columbus and a future eighth location)	Wright-Patt Credit Union commitment received September 21, 2026 for a construction and permanent loan of up to $2.4 million for the Roberts Road, Columbus dispensary, which is under construction. In progress.
Grow the Ohio wholesale presence and product assortment	Wholesale revenue was $2,785 in the quarter, compared with an average of $1,572 a quarter in the first half of 2026, led by sales of Company-grown flower to other Ohio dispensaries. Pre-roll production resumed and new pre-roll equipment is being installed. The Firebrand Pyric vaporizer and the Prism THC pouch were introduced in 2026. Ongoing.
Hold price and sourcing discipline in Arizona	Arizona revenue was $4,010, up 13.5% from the second quarter, and Arizona dispensary sales rose 7.6%, the first increase after five quarterly declines. Sales per Company dispensary rose to 1.12 times the state average in July 2026, from 0.90 times in the second quarter (Section 4.1.4). Ongoing.
Fund expansion from operating cash flow and reduce secured debt	Wright-Patt Credit Union debt refinanced August 19, 2026 at a fixed 8.64%. On October 1, 2026, $4,080 of App Pharm seller notes were replaced by new notes maturing January 15, 2029. Secured debt $30,472 at September 30, 2026. In progress.
Determine the financial impact of the April 2026 DEA order on Section 280E and legacy uncertain tax positions	Monitoring; the U.S. Treasury and Internal Revenue Service had not issued guidance as at the date of this MD&A. Pending (external).

Three results fell short in the quarter. First, gross margin before fair value adjustments fell to 21.7% from 44.0% in the second quarter and the Company reported a net loss of $(4,884). The Company sold through inventory built in the first half while output was lower, so cost of goods sold carried first-half production cost and overhead not absorbed at the lower output (Section 4.1.1). Second, the share of Company-made product in Ohio store sales declined. Vapen-branded vaporizer products were on administrative hold from early September, and the Company bought more product in the wholesale market to keep its shelves stocked; third-party assortment at the new Fairfield dispensary also grew. Because Company-made product earns both the manufacturing and the retail margin, the shift lowered Ohio gross margin (Section 4.1.2). Third, Ohio cultivation yield declined to approximately 99.1 grams per plant from approximately 101.1 in the second quarter, reflecting a climate-control equipment failure in one flowering room in July, and lower yields from strains harvested for the first time; the

Company has enhanced preventive maintenance for its cultivation climate-control equipment and is putting additional monitoring controls in place.

Update on previously disclosed outlook

The table below compares the outlook the Company expressed in its Q2 2026 MD&A and on its August 20, 2026 earnings conference call with third-quarter results and management's current expectations.

Outlook as previously disclosed (August 2026)	Third-quarter result and current expectation
Improved performance in the second half of 2026 as the Arizona repositioning takes hold and Ohio inventory converts to cash	Not achieved in the third quarter. The Company reported a net loss of $(4,884) and Adjusted EBITDA of $195, reflecting the sell-through of inventory built in the first half at lower output, with overhead not absorbed, the Jackson dispensary closure and the Vapen administrative hold. The return to normal operations in Ohio following the closure and the hold, and the reduction of the Phoenix operation, carry into the fourth quarter (Section 4.1.1).
Approximately $2 million of excess Ohio inventory at June 30, 2026 to convert to cash in the second half of 2026	Inventory and biological assets decreased by $1,797 in the third quarter, and net cash provided by operating activities was $2,366, compared with $1,182 in the second quarter.
Cultivation yields above 100 grams per plant, with further data to be shared in the third quarter	Yield averaged approximately 99.1 grams per plant in the third quarter, compared with approximately 101.1 in the second quarter, after a climate-control equipment failure in one flowering room in July and lower yields from strains harvested for the first time (Section 4.1.2).
Seventh Ohio dispensary (Roberts Road, Columbus) expected to open in the first quarter of 2027	Construction is under way. The purchase of the land, about $1.0 million, is expected to close in November 2026. The land and construction are funded by a Wright-Patt Credit Union construction and permanent loan of up to $2.4 million, for which a commitment was received on September 21, 2026, drawn as costs are incurred, with approximately $1.4 million of the project funded from operating cash flow (Section 6.4).
Fourth quarter of 2026 expected to be the first quarter without the sell-through of Arizona cultivation inventory	The last Arizona cultivation inventory was sold in the third quarter. The Arizona manufacturing changes announced in October 2026 take effect during the fourth quarter, so fourth-quarter results will include costs of reducing the Phoenix operation (Section 4.1.3).
Net proceeds of the Eloy sale to be applied to the East West Bank notes	The Eloy real property is being marketed for sale; under the August 13, 2026 extension, the net proceeds are to be applied to partially repay the East West Bank notes by January 20, 2027 (Section 6.4).

COMMENTARY ON OVERALL PERFORMANCE

4.1 Summary of operations

4.1.1 Financial performance overview

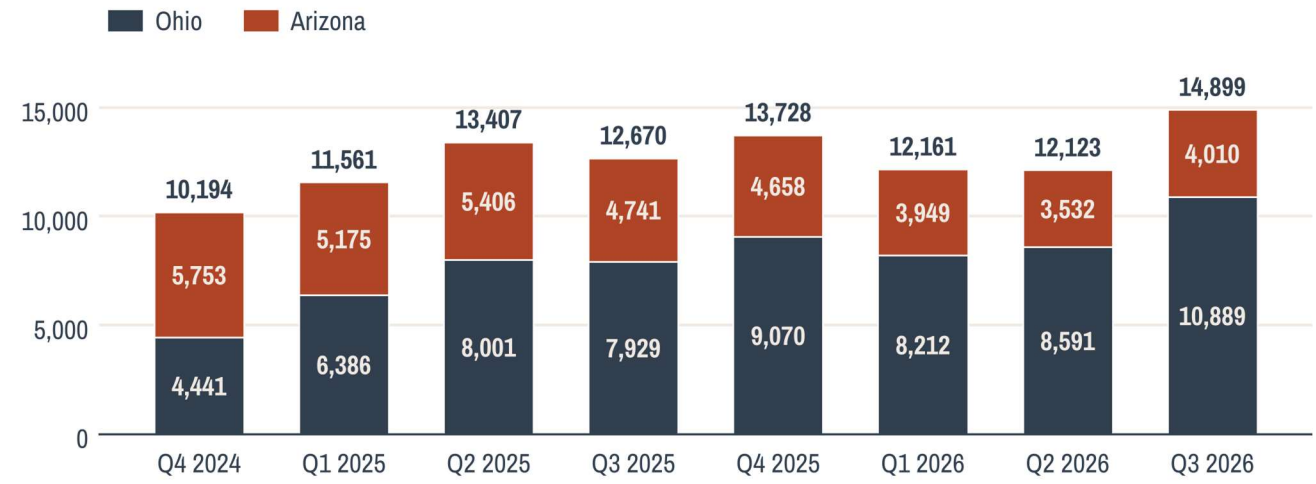
Revenue

Three months ended September 30, 2026	% Change 2026 vs. 2025	Three months ended September 30, 2025
14,899	17.6%	12,670

- Consolidated revenue for the quarter was $14,899, an increase of $2,229 or 17.6% compared with the third quarter of 2025. Ohio revenue increased 37.3% to $10,889 on the first full quarter of the Fairfield dispensary and higher wholesale sales of Company-grown flower, partly offset by the temporary closure of the Jackson dispensary in September and the administrative hold on Vapen-branded vaporizer products. Arizona revenue decreased 15.4% to $4,010, reflecting lower dispensary sales (Arizona dispensary sales were 10.3% lower than in the third quarter of 2025, against a 6.7% decline in the Arizona market in July) and lower wholesale sales following the exit from Arizona cultivation. Retail revenue was $12,114 and wholesale revenue $2,785.
- On a sequential basis, revenue increased 22.9% from the second quarter of 2026 ($12,123): Ohio revenue increased $2,298 on wholesale flower sales and the full quarter of Fairfield, and Arizona revenue increased $478 on higher retail sales.

Revenue by State – by Quarter

Ohio and Arizona revenue by quarter, in thousands of US dollars



Source: segmented reporting note; fourth quarters are annual less nine months. Arizona includes Kentucky.
Q3 2025 Ohio is 7,929 so that the states add to revenue of 12,670.

Revenue by State – Nine Months

Nine months ended September 30, in thousands of US dollars



Net loss after income tax

Three months ended September 30, 2026	2026 % of Revenue	% Change 2026 vs. 2025	Three months ended September 30, 2025
(4,884)	(32.8)%	85.8%	(2,628)

- The net loss after income tax for the quarter was $(4,884), compared with $(2,628) in the third quarter of 2025 and $(315) in the second quarter of 2026. Gross profit before fair value adjustments was $3,229 (21.7% of revenue), compared with $3,001 (23.7%) in the third quarter of 2025 and $5,336 (44.0%) in the second quarter of 2026.
- The decline from the second quarter mainly reflects the timing of production cost. In the first half of 2026 the Company built inventory and biological assets, carrying production cost into inventory. In the third quarter, sales exceeded output, cultivation yield declined and Vapen-branded production fell during the hold, and inventory and biological assets came down by $1,797, so cost of goods sold carried inventory built earlier in the year and overhead not absorbed at the lower output, including at the Ohio processing facility and at the Arizona manufacturing facility as it is wound down. Gross margin before fair value adjustments for the nine months was 33.5%, compared with 32.3% in 2025.
- The net change in the fair value of biological assets and inventory was a loss of $180, compared with a gain of $968 in the third quarter of 2025 and a gain of $1,373 in the second quarter of 2026, as the Company sold more flower than it harvested and cultivation yield declined. Ohio gross margin was also reduced by a higher share of third-party product in store sales during the Vapen hold (Section 4.1.2).
- Operating expenses were $6,531, compared with $5,379 in the third quarter of 2025. General and administrative expenses increased $1,052, mainly professional fees ($1,499 compared with $780) and wages and benefits ($2,663 compared with $2,307), including the Fairfield dispensary. Professional fees for the quarter include legal, advisory and tax services, including costs of the August 2026 financing transactions; Adjusted EBITDA is not adjusted for these fees (Section 5.2). Depreciation in operating expenses increased to $415 from $248.
- Other income and expense was a net expense of $653, compared with $1,461 in the third quarter of 2025. Miscellaneous income of $279 includes three items arising from the August 2026 financing transactions: a loss of $404 on the extinguishment of the previous Wright-Patt Credit Union loans, which were carried at fair value; a gain of $113 on the purchase of the leased Jackson property; and a loss of $35 on the modification of the East West Bank notes. Other miscellaneous income of $605 consists mainly of a gain of $500 on settlement of a contract manufacturing advance, together with net rental and processing fee income. Interest expense was $964, compared with $791.
- Income tax expense was $749, including current income tax of $1,000, which is management's estimate pending finalization of the annual provision; this compares with a recovery of $243 in the third quarter of

2025. Both the current and prior-year income tax provisions are affected by the non-deductibility of expenses under Section 280E; see Section 8.2 regarding the April 2026 DEA rule and the Company's uncertain tax positions.

Most of the decline in gross margin from the second quarter traces to three conditions that management regards as transitional rather than structural. First, the quarter absorbed the cost of the first half's production: the Company built inventory and biological assets in the first half and sold them down by $1,797 in the third quarter, so cost of goods sold carried production cost incurred earlier in the year while third-quarter output was lower. Second, the completion of the exit from Arizona cultivation left the Phoenix manufacturing facility with overhead that its remaining volume does not absorb; the facility is being reduced to packaging for the Company's own dispensaries and the property has been listed for sale (Section 4.1.3). Third, the Jackson closure and the administrative hold increased the Company's reliance on third-party product in its Ohio stores, which earns the retail margin only (Section 4.1.2). The inventory built in the first half was largely sold through in the third quarter. Some of the other conditions carry into the fourth quarter. In Ohio, the Company is returning to normal operations from the Jackson closure and the administrative hold: Vapen-branded product returned to the shelves after the October 14 release, the third-party product purchased to keep the stores stocked during the hold is being sold through, and the store assortment is being rebalanced toward Company-made product. In Arizona, the reduction of the Phoenix operation to packaging for the Company's own dispensaries takes effect during the fourth quarter.

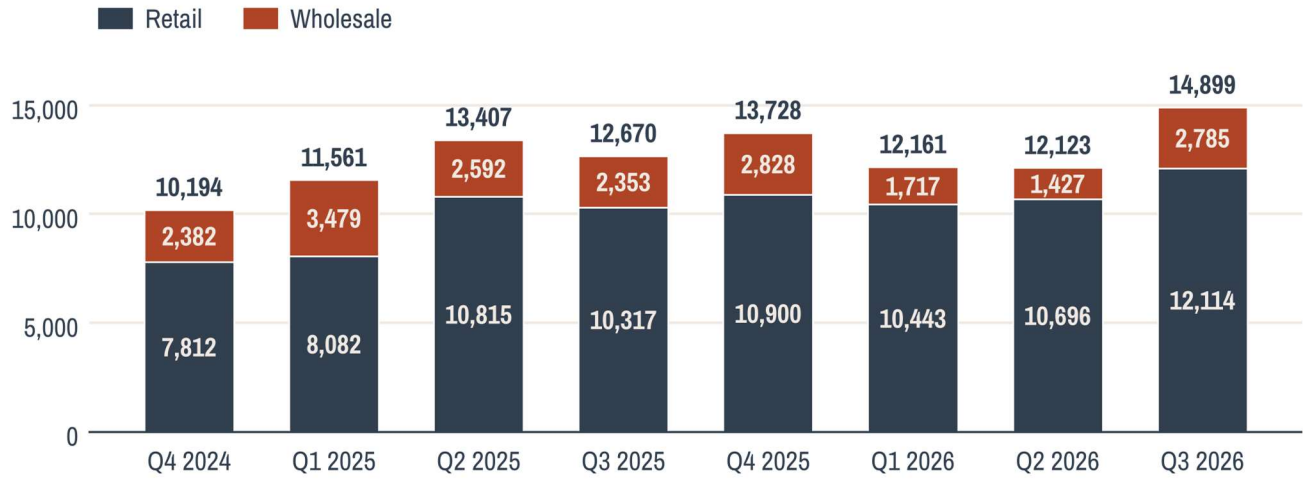
Operating metrics

Selected operating metrics at or for the three months ended September 30, 2026, with the second quarter of 2026 for comparison:

8 **Dispensaries** 6 in Ohio, 2 in Arizona; seventh Ohio dispensary under construction	**5 of 6** **Ohio dispensaries with drive-thru** Every Ohio dispensary except Columbus — East Main Street	**99.1 g** **Cultivation yield per plant** Q2 2026: 101.1 g (Section 4.1.2)
49% **Company-made share of Ohio store sales** Q2 2026: 61% (Section 4.1.2)	**2,785** **Wholesale revenue (thousands of US dollars)** First-half 2026 average: $1,572 a quarter	**267** **Employees at September 30, 2026** September 30, 2025: 257 (Section 4.1.6)

Retail and Wholesale Revenue

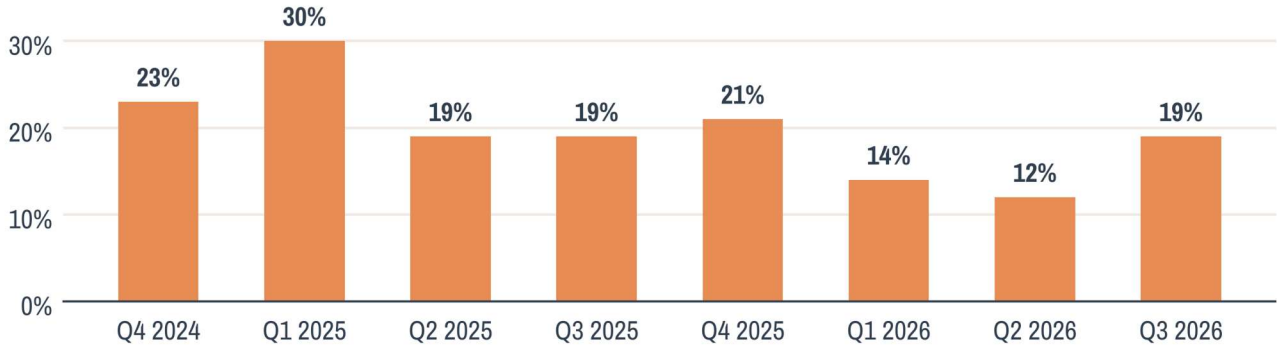
Revenue by channel and quarter, in thousands of US dollars



Source: interim financial statements (revenue by channel) and prior-period MD&As. Totals are revenue; Q1 2026 retail and wholesale add to 12,160 against revenue of 12,161 because of rounding.

Wholesale Share of Revenue

Wholesale revenue divided by revenue, by quarter, in per cent



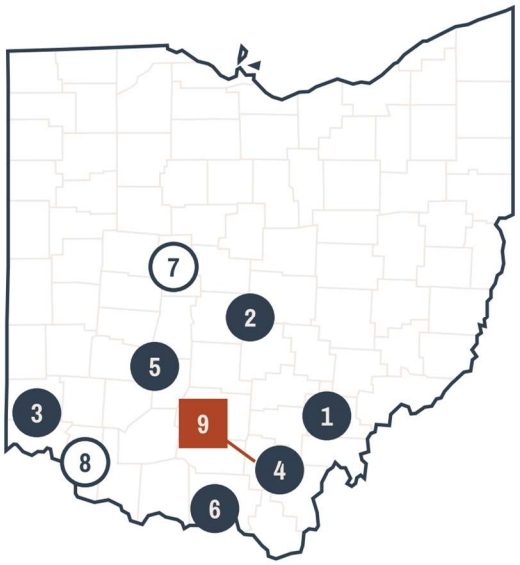
Wholesale revenue rose to 19% of revenue in the third quarter from 12% in the second quarter, on higher sales of Company-grown flower to other Ohio dispensaries (Section 4.1.2).

4.1.2 Ohio

In Ohio the Company competes on sourcing discipline, competitive pricing and merchandising execution at the shelf.

Ohio Locations

Herbal Wellness Center dispensaries and the Jackson cultivation and manufacturing facility



Herbal Wellness Center dispensaries		
1	**Athens** 544 Richland Ave, Athens, OH 45701	Open · Drive-thru
2	**Columbus – East Main Street** 2950 E. Main Street, Columbus, OH 43209	Open
3	**Fairfield** 8760 Michael Lane, Fairfield, OH 45014	Open · Drive-thru
4	**Jackson** 820 Veterans Drive, Jackson, OH 45640	Open · Drive-thru
5	**Jeffersonville** 1122 McArthur Rd, Jeffersonville, OH 43128	Open · Drive-thru
6	**Portsmouth** 2543 Scioto Trail, Portsmouth, OH 45662	Open · Drive-thru
7	**Columbus – Roberts Road** Columbus, OH	Expected Q1 2027
8	**Amelia** Amelia, OH	Planned
Cultivation and manufacturing – Appalachian Pharm		
9	**Jackson cultivation and manufacturing** 16064 Beaver Pike, Jackson, OH 45640	Operating

Filled circle: open dispensary; open circle: planned dispensary; square: production facility (marker offset; the line shows its location). All dispensaries offer drive-thru service except Columbus – East Main Street; planned locations are designed with drive-thru. Locations are shown at approximate map positions; county boundaries are shown for reference.

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

	Location	Description
Retail	Herbal Wellness Center, Jackson Jackson, Ohio Herbal Wellness Center, Columbus Columbus, Ohio Herbal Wellness Center, Athens Athens, Ohio Herbal Wellness Center, Jeffersonville Jeffersonville, Ohio Herbal Wellness Center, Portsmouth Portsmouth, Ohio Herbal Wellness Center, Fairfield Fairfield, Ohio Dual-use provisional license (#7) Roberts Road, Columbus, Ohio Under construction Dual-use provisional license (#8) Amelia, Ohio Planned	The Company operated six Herbal Wellness Center dispensaries in Ohio as at September 30, 2026. Every Ohio dispensary except Columbus — East Main Street offers drive-thru service. The Jackson dispensary was closed at the request of the DCC from September 1 and reopened on September 17, 2026 (see below). A seventh dispensary, at Roberts Road in Columbus, is under construction and is designed with drive-thru service.
Cultivation	Jackson, Ohio — operating cultivation facility; real property acquired August 19, 2026	Tier One cultivation facility in Jackson, Ohio. The Company harvested approximately 1,919 pounds of flower in the quarter at approximately 99.1 grams per plant.
Manufacturing	Jackson, Ohio — fully built-out and operating manufacturing facility	Vext produces its branded products in Ohio, including the Firebrand Pyric vaporizer introduced in 2026. Branded products are sold primarily through the Company's own dispensaries, as well as through other dispensaries across Ohio. Vapen-branded vaporizer products were subject to an administrative hold from early September to October 2026 (see below).

Ohio was again the principal driver of the Company's revenue in the quarter. The year-over-year and sequential results reflect the following contributing factors:

First full quarter of the Fairfield dispensary.

The Fairfield dispensary, opened in June 2026, contributed a full quarter of sales and accounted for most of the growth in Ohio retail revenue from the second quarter. As a new store in a market where the Company had no prior presence, Fairfield continued to build its customer base through the quarter, serving approximately 9,250 transactions in September.

Jackson dispensary closure.

On September 1, 2026, the Company voluntarily closed its Jackson dispensary at the request of the DCC, pending the DCC's investigation into two serious adverse health events that the DCC believed involved individuals who may have purchased products from that dispensary. The Company fully cooperated with the investigation, provided product samples for independent testing, and voluntarily quarantined certain product lines across its Ohio retail and manufacturing locations; all inventory had previously passed all mandated state-licensed laboratory testing. The Jackson dispensary reopened on September 17, 2026, following authorization from the DCC. The closure reduced the Jackson dispensary to 16 selling days in September; approximately $300 of retail revenue was not earned during the closure, based on the store's rate of sale before it.

Vapen administrative hold and its effect on inventory.

At the outset of the DCC's investigation, the Company voluntarily quarantined its Vapen-branded vaporizer products across its Ohio dispensaries and manufacturing facility, and on September 2, 2026 the DCC placed Vapen-branded products on administrative hold. On October 14, 2026, the DCC released the hold, removing all sale restrictions on Vapen-branded product lines based on testing data and analysis, and the products have been restocked across the Company's Ohio dispensaries and are again available to wholesale customers. While the hold was in place, Vapen-branded inventory could not be sold or transferred between the Company's dispensaries or to wholesale customers. To keep its shelves stocked through September, the Company bought more vaporizer and other product in the Ohio wholesale market, which raised the share of third-party product in its store sales and lowered Ohio gross margin in the quarter (see "Store assortment and margin" below). Wholesale sales of Vapen-branded products ran approximately $150 below the second-quarter pace while the hold was in place. Vapen-branded inventory held at September 30, 2026 is included in inventory.

Supply and inventory.

The Company sold more Company-grown flower in the quarter than it harvested, drawing down the inventory built in the second quarter. Sales of Company-grown flower to other Ohio dispensaries were higher in July and August, contributing to wholesale revenue of $2,785 for the quarter. Cultivation yield averaged approximately 99.1 grams per plant, compared with approximately 101.1 in the second quarter, reflecting a climate-control equipment failure in one flowering room in July, and lower yields from strains harvested for the first time.

Production.

The Company's Ohio manufacturing facility moved to scheduling production to demand during the quarter, and extraction output was lower as concentrates inventory built in the second quarter was used. Pre-roll production resumed in the quarter, and new pre-roll equipment is being installed. These investments support a competitive cost structure — the make-side counterpart to the buy-side sourcing advantage the Company is capturing in Arizona (Section 4.1.3) — and broaden the Company's assortment into higher-value formats that it merchandises across price tiers.

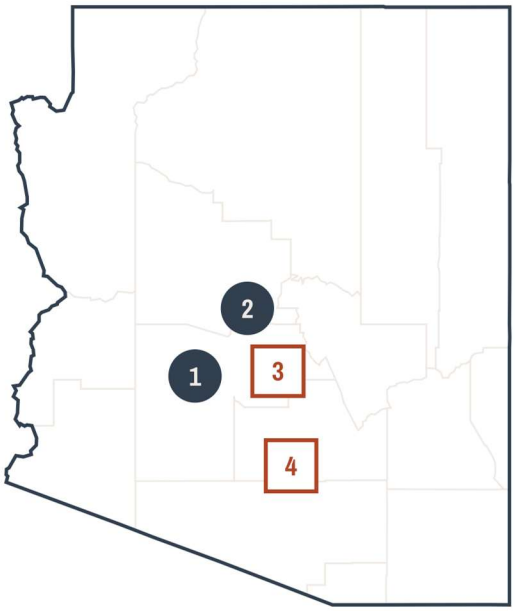
Store assortment and margin.

Third-party product grew as a share of Ohio store sales in the quarter, from approximately 39% in the second quarter to approximately 51%, mainly because of the purchases made during the Vapen hold and new assortment at Fairfield. Company-made product earns both the manufacturing and the retail margin, while third-party product earns the retail margin only, so the shift reduced Ohio gross margin. With Vapen-branded products back on the shelf, the Company is rebalancing its store assortment toward Company-made product in the formats it makes, while keeping third-party product for variety.

4.1.3 Arizona

Arizona Locations

Herbal Wellness Center dispensaries and properties for sale



Herbal Wellness Center dispensaries		
1	**Central Phoenix** 4126 W. Indian School Road, Phoenix, AZ 85019	Open
2	**North Phoenix** 1720 E. Deer Valley Road, Phoenix, AZ 85024	Open

Properties for sale		
3	**Phoenix manufacturing facility** Phoenix, AZ	Listed for sale – October 2026
4	**Eloy facility (former cultivation)** Eloy, AZ	Held for sale – being marketed

Arizona is moving to retail only. Cultivation at Eloy ended in May 2026, and the Arizona dispensaries source product from third-party Arizona-licensed producers. The Eloy property is classified as held for sale and is being marketed, and the Phoenix manufacturing property was listed for sale in October 2026.

Filled circle: open dispensary; open square: property for sale. The Central Phoenix dispensary and the Phoenix manufacturing facility are about half a mile apart; their markers are offset for legibility. Locations are shown at approximate map positions; county boundaries are shown for reference.

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

	Location	Description
Retail	Herbal Wellness Center, Central Phoenix 4126 W. Indian School Road, Phoenix, Arizona Herbal Wellness Center, North Phoenix 1720 E. Deer Valley Road, Phoenix, Arizona	Vext's two Arizona dispensaries serve both recreational and medical customers in high-traffic Phoenix metro areas and source product from third-party Arizona-licensed producers, pricing competitively as merchandisers rather than as an outlet for internally produced product.
Cultivation	Eloy — cultivation ceased; final harvest completed May 2026 Phoenix — 10,000 sq. ft. under canopy (historically used for research and development)	The Eloy real property is classified as an asset held for sale (see Section 6.2) and is being marketed for sale.
Manufacturing	Phoenix — owned manufacturing property; listed for sale October 2026	Has produced the Company's Arizona portfolio of brands, including Vapen, Firebrand, Revibe and Prism, and provided tolling and white-label manufacturing. The Company is ending extraction, tolling and wholesale distribution; the facility will package flower and fill cartridges with purchased distillate for the Company's own dispensaries while the property is marketed for sale.

Arizona revenue was $4,010 in the quarter, compared with $3,532 in the second quarter and $4,741 in the third quarter of 2025. Sales at the Company's Arizona dispensaries increased approximately 7.6% from the second quarter, the first increase after five quarterly declines, as the Company used its third-party sourcing advantage to lower shelf prices for a consumer who buys primarily on price and potency. At the North Phoenix dispensary, the average sales price per gram was reduced from approximately $4.98 to $4.00 and transactions increased approximately 15.8%. Arizona wholesale and contract manufacturing revenue was approximately $0.4 million.

Arizona manufacturing

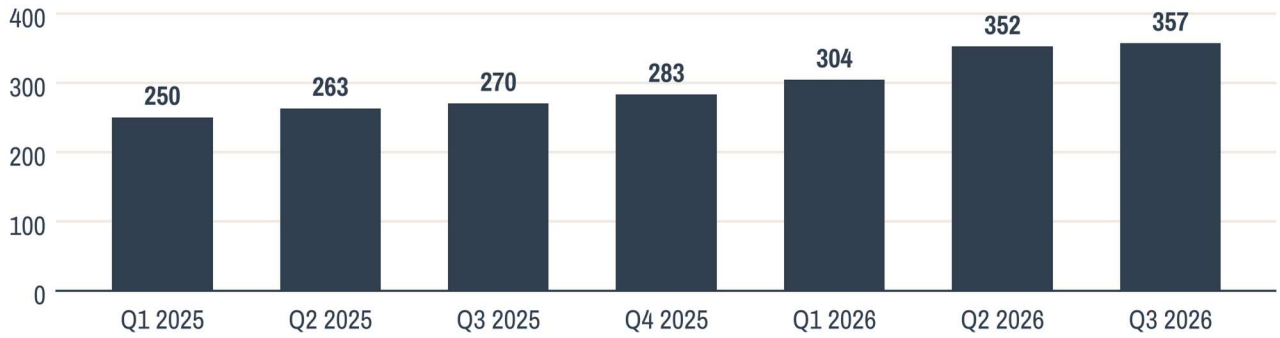
With cultivation exited, Arizona manufacturing volume no longer covers the facility's overhead, including depreciation and amortization, and tolling income does not close the gap. In October 2026, the Company listed its Phoenix manufacturing property for sale and began reducing the Arizona operation to packaging for its own dispensaries: extraction, tolling and wholesale distribution are ending, and product will be received directly at the dispensaries. The Company's Arizona dispensaries continue to source from the third-party wholesale market, where structural oversupply has kept the price of finished product below the cost of producing it for many cultivators. The Phoenix property was listed after the reporting date; it was in use and was not classified as held for sale at September 30, 2026. At September 30, 2026, the Company assessed its Arizona assets for indicators of impairment. An April 2026 appraisal of the Phoenix property, on the basis that the property is vacant and not used for cannabis operations, exceeds the carrying amount of the Phoenix real property, and the manufacturing equipment is largely being redeployed to the Company's Ohio operations; no impairment was recognized. The Company will assess in the fourth quarter whether the property meets the criteria for classification as held for sale, and will perform its annual goodwill impairment test at December 31, 2026.

4.1.4 Store performance against state data

The Company measures the performance of its dispensaries against sales data published by each state rather than by reporting store-level sales. Three measures are used: the Company's share of statewide cannabis sales; an index of sales per Company dispensary against the state average sales per operating dispensary (state average = 100); and the year-over-year change in sales at comparable Company dispensaries against the change in state average sales per operating dispensary.

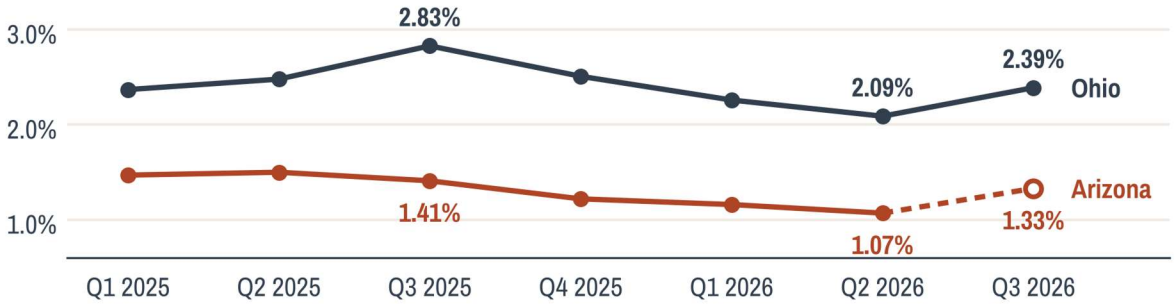
Ohio Statewide Cannabis Sales

Medical and adult-use combined, by quarter, in millions of US dollars



Company Share of State Cannabis Sales

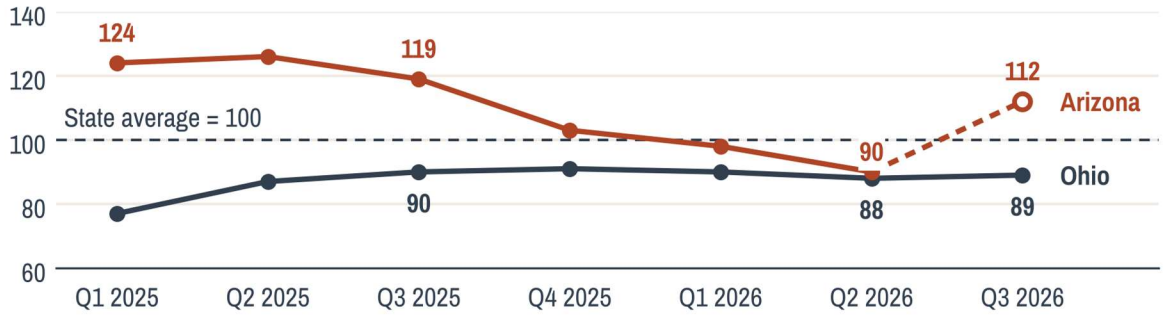
Company dispensary sales divided by statewide sales, in per cent



Arizona Q3 2026 is July only (latest month published).

Sales per Company Dispensary Against the State Average

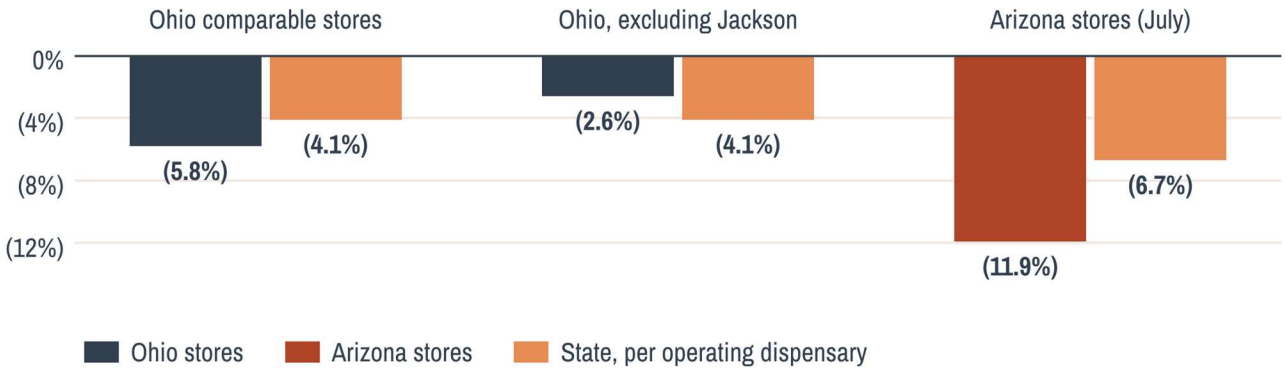
Index: state average sales per operating dispensary = 100



Arizona Q3 2026 is July only. Ohio dispensary counts between published dates are Company estimates.

Year-over-Year Change in Sales, Q3 2026

Company stores against state average sales per operating dispensary, in per cent



- Ohio. The Company's share of Ohio statewide cannabis sales was 2.39% in the third quarter of 2026, compared with 2.09% in the second quarter and 2.83% in the third quarter of 2025; share declined through the first half of 2026 as the number of operating dispensaries in Ohio grew and recovered in the third quarter with the first full quarter of the Fairfield dispensary. Sales per Company dispensary indexed at 89 against the state average, compared with 88 in the second quarter and 90 a year earlier, and has held between 87 and 91 since the second quarter of 2025.
- Ohio comparable dispensaries — those open at least 15 months (Jackson, Columbus, Athens and Jeffersonville) — had sales 5.8% lower than in the third quarter of 2025, against a 4.1% decline in state average sales per operating dispensary. Excluding the Jackson dispensary, which was closed from September 1 to September 17, 2026, comparable dispensary sales were 2.6% lower. The Portsmouth dispensary, opened in June 2025, enters the comparable base in the fourth quarter of 2026.
- Arizona. The Company's share of Arizona statewide taxable cannabis sales was 1.33% in July 2026, the latest month published, compared with 1.07% in the second quarter of 2026 and 1.41% in the third quarter of 2025. Sales per Company dispensary indexed at 112 against the state average in July 2026, compared with 90 in the second quarter, following price reductions at both dispensaries. Sales at the Company's two Arizona dispensaries were 11.9% lower in July 2026 than in July 2025 (for the full quarter, approximately 10.3% lower than the third quarter of 2025 — Section 4.1.1), against a 6.7% decline in state average sales per dispensary; the number of operating dispensaries in Arizona was unchanged at 169.

Sources: Ohio Division of Cannabis Control weekly sales data, assigned to quarters by week-ending date; Arizona Department of Revenue taxable sales by period covered (state data for August and September 2026 incomplete at the date of retrieval). Ohio operating dispensary counts between published dates are Company estimates, so the index and per-dispensary change depend on the count used; share of state sales uses published totals only. Each store is excluded from the index in its opening month.

4.1.5 New products

The Company introduced two new products in 2026:

Product	Description
Firebrand Pyric	An all-in-one disposable vaporizer under Firebrand, the Company's value-tier inhalable brand. Pyric uses postless hardware with one gram of distillate and botanical terpenes, an LED display, a preheat function and adjustable voltage. It launched in six strains in each state and is sold in Arizona and Ohio.
Prism	A discreet THC pouch, used sublingually. Prism uses the same nano-emulsion as the Company's cannabis beverages, dried into a powder, flavored and sealed in a pouch, for a fast-acting product suited to settings where smoking or vaping is less convenient. It is sold in three flavors at 10 milligrams of THC per pouch, 100 milligrams per container. Prism was introduced in Arizona in 2026 and in Ohio in October 2026.



PRISM

WORKS AS HARD AS YOU DO

Firebrand Pyric and Prism product artwork

4.1.6 Workforce

At September 30, 2026, the Company employed 267 people: 182 in Ohio, 64 in Arizona and 21 in corporate and other roles, compared with 257 a year earlier. The change in mix reflects the shift in the business: Ohio staffing grew by approximately 40 positions with the expansion of cultivation, processing and retail in that state, while Arizona declined by 31 positions, principally the 25 positions eliminated with the exit from Arizona cultivation at Phoenix and Eloy. Excluding those eliminations, annualized employee turnover was 30% in the third quarter, compared with 52% in each of the first two quarters of 2026 and approximately 50% in the third quarter of 2025, with improvement in both states (Ohio 31%, Arizona 39%). Close to half of departures occurred within an employee's first six months, and early-tenure retention is the Company's main workforce focus. A company-wide attendance policy takes effect on January 1, 2027.

Turnover is separations, excluding position eliminations and transfers, divided by average headcount, annualized. Source: Company payroll records.

4.2 Material events that occurred subsequent to the period

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 the condensed consolidated interim financial statements.

4.3 Additional commentary around financial performance

The Company has reviewed its financial position and results of operations for the three and nine months ended September 30, 2026 and the following determinations have been made by management:

The Company has completed the renegotiation of the two obligations that required it. The App Pharm seller notes, $5,558 at September 30, 2026, were due on December 31, 2026 under the terms in force at the quarter end; on October 1, 2026, $4,080 of these obligations were replaced by new notes maturing January 15, 2029 (Section 4.2). Under the August 13, 2026 extension of EWB Note 2, the net proceeds of the sale of the Eloy real property are to be applied to partially repay the East West Bank notes by January 20, 2027. As of the date of this MD&A, no other obligations require renegotiation.

Third-quarter results were affected by three items that management does not consider part of the Company's ongoing operations: the closure of the Jackson dispensary from September 1 to September 17, 2026; the administrative hold on Vapen-branded vaporizer products and the wholesale purchases made to replace them; and the costs of the August 2026 refinancing. The Arizona cannabis market continues to experience revenue compression driven by persistent cultivation oversupply and wholesale pricing pressure; the Company's Arizona business no longer carries cultivation overhead.

The Company has secured a Wright-Patt Credit Union construction and permanent loan commitment of up to $2.4 million for the Roberts Road dispensary, which funds the land purchase, expected to close in November

2026, and construction, drawn as costs are incurred. Approximately $1.4 million of the project is funded from operating cash flow.

SELECT FINANCIAL PERFORMANCE

5.1 Financial results of operations

	For the Three Months Ended September 30, 2026	September 30, 2025	$ Change	% Change
REVENUE	**14,899**	**12,670**	**2,229**	**17.6%**
NET COST OF GOODS SOLD	11,850	8,701	3,149	36.2%
GROSS PROFIT	**3,049**	**3,969**	**(920)**	**(23.2%)**
OPERATING EXPENSES	**6,531**	**5,379**	**1,152**	**21.4%**
Change in fair value of debt	—	(846)	846	(100.0%)
Interest expense	(964)	(791)	(173)	21.9%
Interest income	32	41	(9)	(22.0%)
Miscellaneous income	279	135	144	106.7%
Net loss before income tax	**(4,135)**	**(2,871)**	**(1,264)**	**44.0%**
Income tax (expense)/recovery	(749)	243	(992)	n/m
Net loss after income tax	**(4,884)**	**(2,628)**	**(2,256)**	**85.8%**
Loss per subordinated voting shares and equivalent multiple voting shares — basic and diluted	**(0.02)**	**(0.01)**	**(0.01)**	**100.0%**
Weighted average number of subordinated voting shares and equivalent multiple voting shares outstanding — basic and diluted	**247,707,041**	**247,617,738**	**89,303**	**0.0%**

Revenue:

The following table is a comparison of the category breakdown for the three months ended September 30, 2026 compared to the same period of 2025.

	Three months ended September 30, 2026	Three months ended September 30, 2025	$ Change
Retail revenue	12,114	10,317	1,797
Wholesale revenue	2,785	2,353	432
Revenue	**14,899**	**12,670**	**2,229**

Revenue increased by $2,229 or 17.6% when comparing three months ended September 30, 2026 vs 2025. Retail revenue increased 17.4%, led by the Fairfield dispensary in Ohio, and wholesale revenue increased 18.4% on sales of Company-grown flower to other Ohio dispensaries. Ohio revenue increased $2,960 and Arizona revenue decreased $731 (Section 4.1.1).

Gross profit:

The following table presents gross profit for the three months ended September 30, 2026 and 2025, as presented in the condensed consolidated interim statements of loss and comprehensive loss:

	Three months ended September 30, 2026	Three months ended September 30, 2025
Revenue	14,899	12,670
Cost of goods sold	(11,670)	(9,669)
Gross profit before fair value adjustments	**3,229**	**3,001**
Unrealized fair value gain of biological assets	2,247	1,894
Realized fair value gain of inventory sold	(2,427)	(926)
Gross profit	**3,049**	**3,969**

Gross profit before fair value adjustments for the three months ended September 30, 2026, was $3,229 compared to $3,001 for the same period in 2025. Cost of goods sold carried inventory built in the first half of 2026 and overhead not absorbed at lower third-quarter output (Section 4.1.1).

Financial results of operations for the nine months ended September 30, 2026 and 2025

	For the Nine Months Ended September 30, 2026	September 30, 2025	$ Change	% Change
Revenue	**39,183**	**37,639**	**1,544**	**4.1%**
Net cost of goods sold	23,699	26,517	(2,818)	(10.6%)
Gross profit	**15,484**	**11,122**	**4,362**	**39.2%**
Total operating expenses	**18,177**	**15,035**	**3,142**	**20.9%**
Change in fair value of debt	227	(8)	235	n/m
Interest expense	(2,663)	(2,610)	(53)	2.0%
Interest income	96	139	(43)	(30.9%)
Miscellaneous income	189	231	(42)	(18.2%)
Income (loss) before income tax	**(4,844)**	**(6,161)**	**1,317**	**(21.4%)**
Income tax (expense) recovery	(1,247)	(1,276)	29	(2.3%)
Net loss after income tax	**(6,091)**	**(7,437)**	**1,346**	**(18.1%)**
Loss per subordinated voting shares and equivalent multiple voting shares — basic and diluted	**(0.02)**	**(0.03)**	**0.01**	**(33.3%)**
Weighted average number of subordinated voting shares and equivalent multiple voting shares outstanding — basic and diluted	**247,692,869**	**247,563,387**	**129,482**	**0.1%**

Net cost of goods sold is cost of goods sold less the net change in the fair value of biological assets and inventory. 2025 comparatives have been reclassified to conform with the current period presentation (Note 2(f) to the Interim Financial Statements).

Revenue:

	Nine months ended September 30, 2026	Nine months ended September 30, 2025	$ Change
Retail revenue	33,254	29,214	4,040
Wholesale revenue	5,929	8,425	(2,496)
Revenue	**39,183**	**37,639**	**1,544**

Revenue increased by $1,544 or 4.1% when comparing nine months ended September 30, 2026 vs 2025. Ohio revenue increased $5,375 to $27,692, from additional Ohio dispensaries and higher wholesale sales of Company-grown flower; Arizona revenue decreased $3,831 to $11,491, as wholesale sales ended with the exit from Arizona cultivation and Arizona market prices declined. Wholesale revenue decreased $2,496, mainly in Arizona.

Gross profit:

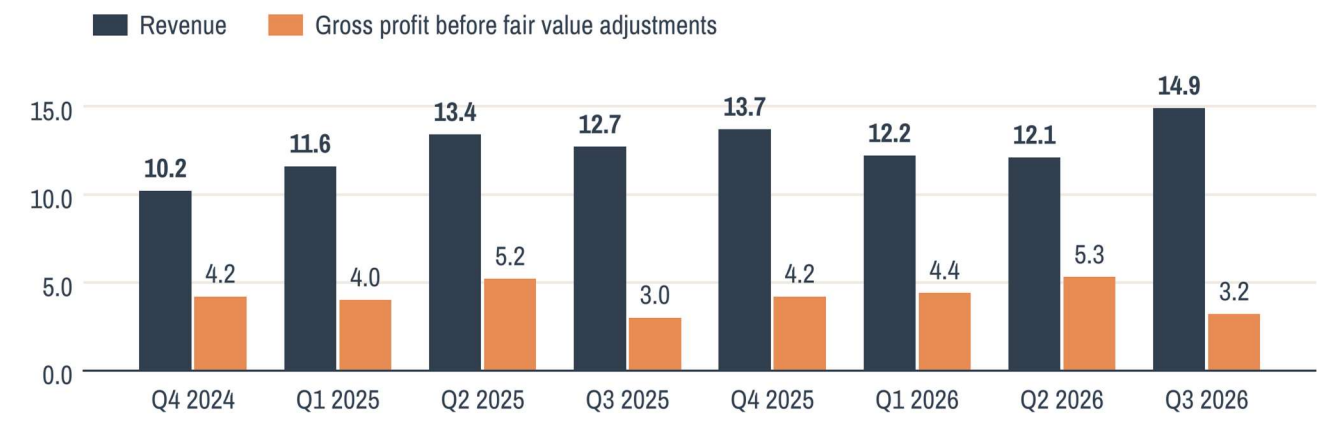
	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Revenue	39,183	37,639
Cost of goods sold	(26,063)	(25,473)
Gross profit before fair value adjustments	**13,120**	**12,166**
Unrealized fair value gain of biological assets	6,461	3,796
Realized fair value gain of inventory sold	(4,097)	(4,840)
Gross profit	**15,484**	**11,122**

Gross profit for the nine months ended September 30, 2026, was $15,484 compared to $11,122 for the same period in 2025. Gross margin before fair value adjustments was 33.5% compared with 32.3% in 2025, reflecting improved Ohio margins and the exit from Arizona cultivation, and the net change in the fair value of biological assets and inventory was a gain of $2,364 compared with a loss of $1,044 in 2025.

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

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

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



Gross Margin Before Fair Value Adjustments[1]

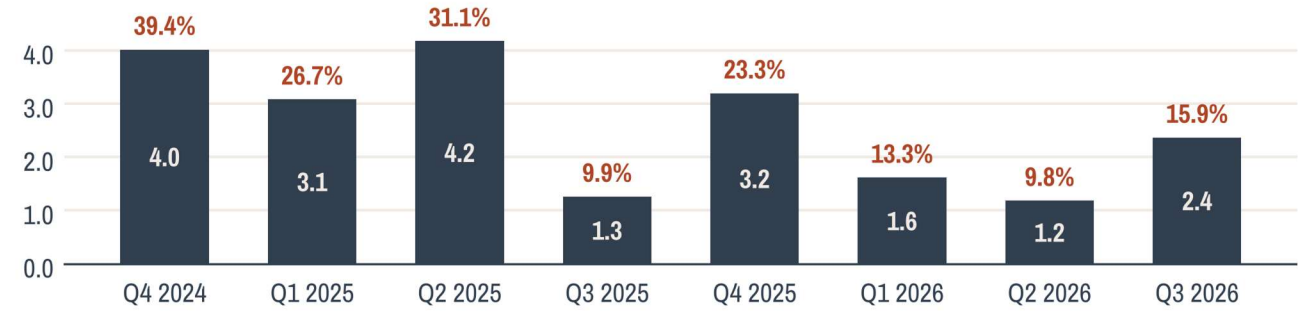
Gross profit before fair value adjustments divided by revenue, in per cent



[1] Gross margin before fair value adjustments is a supplementary financial measure, defined in this Section 5.2.

Net Cash Provided by Operating Activities

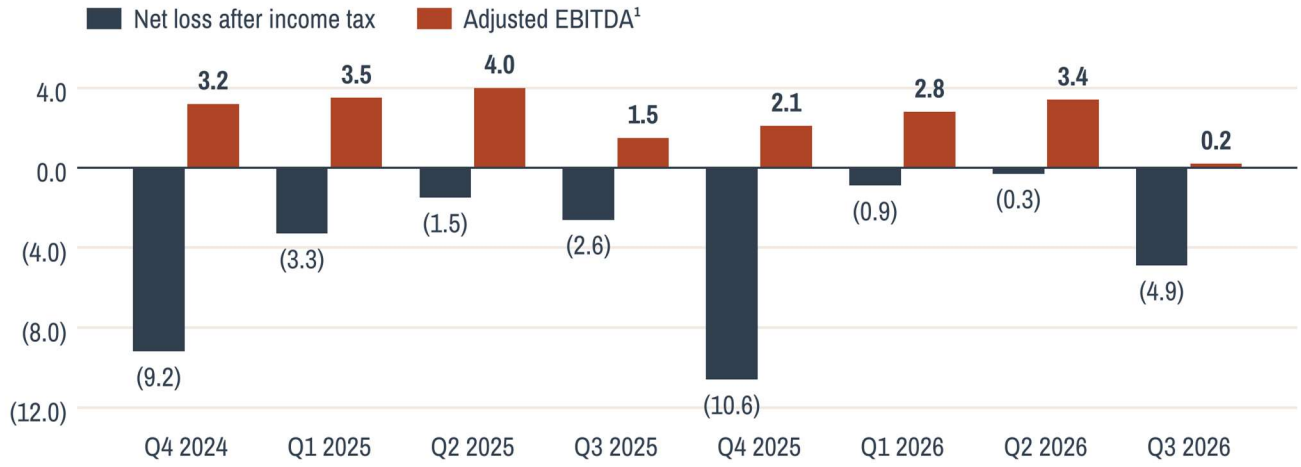
In millions of US dollars; Cash Flow Margin[1] (per cent) shown above each bar



[1] Cash Flow Margin (net cash provided by operating activities divided by revenue) is a supplementary financial measure, defined in this Section 5.2.

Net Loss After Income Tax and Adjusted EBITDA[1]

Last eight quarters, in millions of US dollars



[1] Adjusted EBITDA is a non-IFRS financial measure, defined and reconciled to net loss in this Section 5.2.

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

	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Net cash provided by operating activities	2,366	1,182	1,615	3,196	1,259	4,175	3,082	4,016
Revenue	14,899	12,123	12,161	13,728	12,670	13,407	11,561	10,194
Cash Flow Margin	**15.9%**	**9.8%**	**13.3%**	**23.3%**	**9.9%**	**31.1%**	**26.7%**	**39.4%**

	2026 YTD	2025	2024
Net cash provided by operating activities (YTD or annual)	5,163	11,712	3,289
Revenue (YTD or annual)	39,183	51,367	35,998
Cash Flow Margin	**13.2%**	**22.8%**	**9.1%**

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

alternative to net earnings or cash flows as determined under IFRS. The reconciling items between net earnings, EBITDA, and Adjusted EBITDA are as follows:

	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Revenue	14,899	12,123	12,161	13,728	12,670	13,407	11,561	10,194
Gross profit before FV adjustments	3,229	5,336	4,352	4,236	3,001	5,206	3,958	4,151
Gross margin % before FV adj.[1]	21.7%	44.0%	35.8%	30.9%	23.7%	38.8%	34.2%	40.7%
Change in FV of biological	180	(1,373)	(1,171)	903	(968)	334	1,679	1,934
Operating expense	6,531	5,921	5,523	11,211	5,379	5,349	4,307	5,109
Other (income) expense	653	855	643	1,175	1,461	(741)	1,528	4,303
Income taxes (recovery)	749	249	249	1,504	(243)	1,742	(223)	2,020
Net loss after income tax	**(4,884)**	**(315)**	**(892)**	**(10,557)**	**(2,628)**	**(1,478)**	**(3,334)**	**(9,215)**
Basic and diluted earnings per subordinate voting share	(0.02)	(0.00)	(0.00)	(0.04)	(0.01)	(0.01)	(0.01)	(0.04)
Interest (net)	932	825	810	1,998	647	889	832	1,276
Income taxes (recovery)	749	249	249	1,504	(243)	1,742	(223)	2,020
Depreciation and amortization	3,496	4,017	3,979	4,019	4,006	4,110	3,742	3,872
EBITDA	**293**	**4,776**	**4,146**	**(3,035)**	**1,782**	**5,263**	**1,018**	**(2,047)**
Change in FV of biological	180	(1,373)	(1,171)	903	(968)	334	1,679	1,934
Change in FV of debt	—	145	(372)	(514)	846	(685)	(153)	(318)
Miscellaneous (income) expense	(279)	(115)	205	(309)	(158)	(977)	906	1
Share-based compensation	1	2	7	(6)	11	66	25	55
Goodwill and Intangible Impairment	—	—	—	5,020	—	—	—	—
Share (profit)/loss on joint ventures	—	—	—	—	—	—	—	3,249
(Gain)/loss on asset disposal	—	—	—	—	—	—	—	143
Loan costs EWB amortized	—	—	—	—	—	—	—	44
RSU taxes	—	—	—	—	—	—	—	177
Adjusted EBITDA	**195**	**3,435**	**2,815**	**2,059**	**1,513**	**4,001**	**3,474**	**3,238**
Adjusted EBITDA Margin	**1.3%**	**28.3%**	**23.1%**	**15.0%**	**11.9%**	**29.8%**	**30.1%**	**31.8%**

	2026 YTD	2025	2024
Adjusted EBITDA (YTD or annual)	**6,445**	**11,047**	**9,062**

[1] This is a supplementary financial measure calculated by dividing gross profit before fair value adjustments, as presented in the condensed consolidated interim statements of loss and comprehensive loss, by revenue.

BALANCE SHEET ANALYSIS

6.1 Financial position:

Financial position at September 30, 2026

	September 30, 2026	December 31, 2025	$ Change
ASSETS			
Current assets	26,711	16,784	9,927
Non-current assets	93,005	103,745	(10,740)
Total Assets	**119,716**	**120,529**	**(813)**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	38,811	28,494	10,317
Long-term liabilities	31,612	36,661	(5,049)
Shareholders' equity	49,293	55,374	(6,081)
Total liabilities and shareholders' equity	**119,716**	**120,529**	**(813)**

The following discussion of the Company's financial position is based on the Company's condensed consolidated interim financial statements as at September 30, 2026.

6.2 Select Balance Sheet highlights

2026 vs. 2025:

Current assets

	September 30, 2026	December 31, 2025	$ Change
Cash	5,617	5,083	534
Trade and other receivables	1,204	1,500	(296)
Inventory	7,751	5,924	1,827
Biological assets	1,855	1,543	312
Assets held for sale	7,823	—	7,823

- Refer to Section 6.3 for discussion of changes in cash.
- Trade and other receivables decreased by $296, mainly trade receivables, as balances over 90 days declined to $108 from $331 at December 31, 2025.
- Inventory and biological assets increased by $2,139 from December 31, 2025. Inventory includes fair value adjustments of $1,782 at September 30, 2026, compared with $151 at December 31, 2025. During the third quarter, inventory and biological assets decreased by $1,797 as the Company drew down Ohio flower and finished goods built in the first half (Sections 4.1.1 and 4.1.2).
- Assets held for sale of $7,823 represents the Eloy, Arizona real property, reclassified from property, plant and equipment in the first half of 2026 and measured at the lower of carrying amount and fair value less costs to sell; no impairment has been recognized. The Phoenix manufacturing property was listed for sale after the reporting date and was not classified as held for sale at September 30, 2026.

Non-current assets

	September 30, 2026	December 31, 2025	$ Change
Property, plant and equipment	31,275	34,942	(3,667)
Right-of-use assets	2,441	3,610	(1,169)
Intangible assets	57,220	63,124	(5,904)

- The change in property, plant and equipment reflects the acquisition of the Jackson property on August 19, 2026 for $6,004 (land $817 and building $5,187), other additions of $3,080, the reclassification of the Eloy real property to assets held for sale (net book value $7,823), and depreciation of $4,871. Following the acquisition, leasehold improvements previously recognized on the leased Jackson property were reclassified to building improvements at their carrying amount.
- Right-of-use assets decreased as the leases of the Jackson property, $821, were derecognized on its acquisition.
- The decrease in intangible assets was driven by normal course amortization.

Current liabilities

	September 30, 2026	December 31, 2025	$ Change
Accounts payables and accrued liabilities	8,063	7,651	412
Income tax payable	2,757	4,393	(1,636)
Uncertain tax position	11,473	8,054	3,419
Notes payable – current portion	15,927	7,500	8,427

- Accounts payables and accrued liabilities increased by $412, mainly trade payables ($5,846 compared with $5,265), partly offset by lower payroll liabilities.
- Income tax payable decreased and the uncertain tax position liability increased mainly because $3,997 of income tax payable was reclassified to uncertain tax positions in the first half of 2026, as the Company finalized its tax filing position for 2025. The uncertain tax position liability includes $1,368 of interest accrued in prior years. No amounts included in the uncertain tax position liability have been assessed or are due; amounts that have been assessed or are due are presented in income tax payable.

Income taxes in brief

- Uncertain tax position liability of $11,473 (December 31, 2025: $8,054), classified as current under IFRIC 23 *Uncertainty over Income Tax Treatments*, including $1,368 of interest accrued in prior years. No amounts included in the liability have been assessed or are due.
- Income tax payable of $2,757 (December 31, 2025: $4,393).
- Current income tax expense of $2,000 for the nine months, which is management's estimate pending finalization of the annual provision; income taxes paid of $667.
- The Final Order rescheduling certain cannabis products includes a non-binding recommendation regarding retroactive Section 280E relief; no financial effect has been recognized (Section 8.2).

- The current portion of notes payable at September 30, 2026 of $15,927 includes the App Pharm seller notes of $5,558, due December 31, 2026 under the terms in force at the quarter end (Section 4.2); East West Bank notes of $9,360, comprising EWB Note 1, which matures on July 15, 2027, and the portion of EWB Note 2 expected to be repaid from the Eloy sale proceeds; the current portion of the Wright-Patt Credit Union loans of $868; and $141 of the Athens and Portsmouth property notes.

Long-term liabilities

	September 30, 2026	December 31, 2025	$ Change
Notes payable – non-current portion	20,103	23,511	(3,408)
Lease liability – non-current portion	2,239	3,128	(889)
Deferred tax liabilities	9,270	10,022	(752)

- The change in notes payable – non-current portion reflects the August 19, 2026 Wright-Patt Credit Union refinancing: two new loans totaling $17.0 million, carried at amortized cost, replaced the previous Wright-

Patt Credit Union loans, which were carried at fair value (Section 6.5); and the reclassification of maturing notes to current. The Wright-Patt Credit Union loans are carried at $16,798, net of $202 of issuance costs.

- Lease liability – non-current portion decreased by $889, mainly because the lease liabilities of the Jackson property, $951, were derecognized on its acquisition.
- The decrease in deferred tax liabilities was driven by normal course amortization of intangible assets.

Working capital position

As at September 30, 2026, the Company's working capital position was $(12,100) compared to $(916) at June 30, 2026 and $(11,710) at December 31, 2025. The decline from June 30 reflects the classification of EWB Note 1 as current and the drawdown of inventory and biological assets. Had the October 1, 2026 replacement of App Pharm obligations been in effect at September 30, 2026, $2,197 of the replacement notes would have been due after September 30, 2027.

The Company's working capital position continues to be significantly affected by the IFRS-required classification of the uncertain tax position liability as a current liability. The Company's uncertain tax position liability of $11,473 at September 30, 2026 (December 31, 2025: $8,054) is recognized in accordance with IFRIC 23 and reflects management's estimate of the most likely amount payable in respect of uncertain tax treatments. Excluding the uncertain tax position liability, the Company's working capital position would have been $(627) at September 30, 2026.

6.3 Cash from activities

The following table summarizes the sources and uses of cash for the nine months ended September 30, 2026 compared to the same period of 2025:

	September 30, 2026	September 30, 2025	$ Change
Cash provided by operating activities	5,163	8,516	(3,353)
Net cash used in investing activities	(8,726)	(4,873)	(3,853)
Net cash provided by (used in) financing activities	4,097	(4,566)	8,663
Net change in cash	**534**	**(923)**	**1,457**

2026 vs. 2025		
OPERATING ACTIVITIES	(3,353) change	Lower cash from operating activities reflects higher general and administrative expenses, mainly professional fees and wages, and a smaller release of cash from inventory ($6,731 compared with $9,244 in 2025), partly offset by lower income tax and interest paid.
INVESTING ACTIVITIES	(3,853) change	The Company acquired the Jackson property for $6,004 and invested $2,722 in property, plant and equipment, compared with $2,717 of property, plant and equipment and $2,127 of acquisitions in 2025.
FINANCING ACTIVITIES	8,663 change	Proceeds of $17,000 from the new Wright-Patt Credit Union loans, less repayment of $10,497 of the previous Wright-Patt Credit Union loans and $202 of issuance costs. The loan proceeds were disbursed directly to the former lender, the seller of the Jackson property and service providers. Note principal repayments were $1,591 compared with $3,950 in 2025.

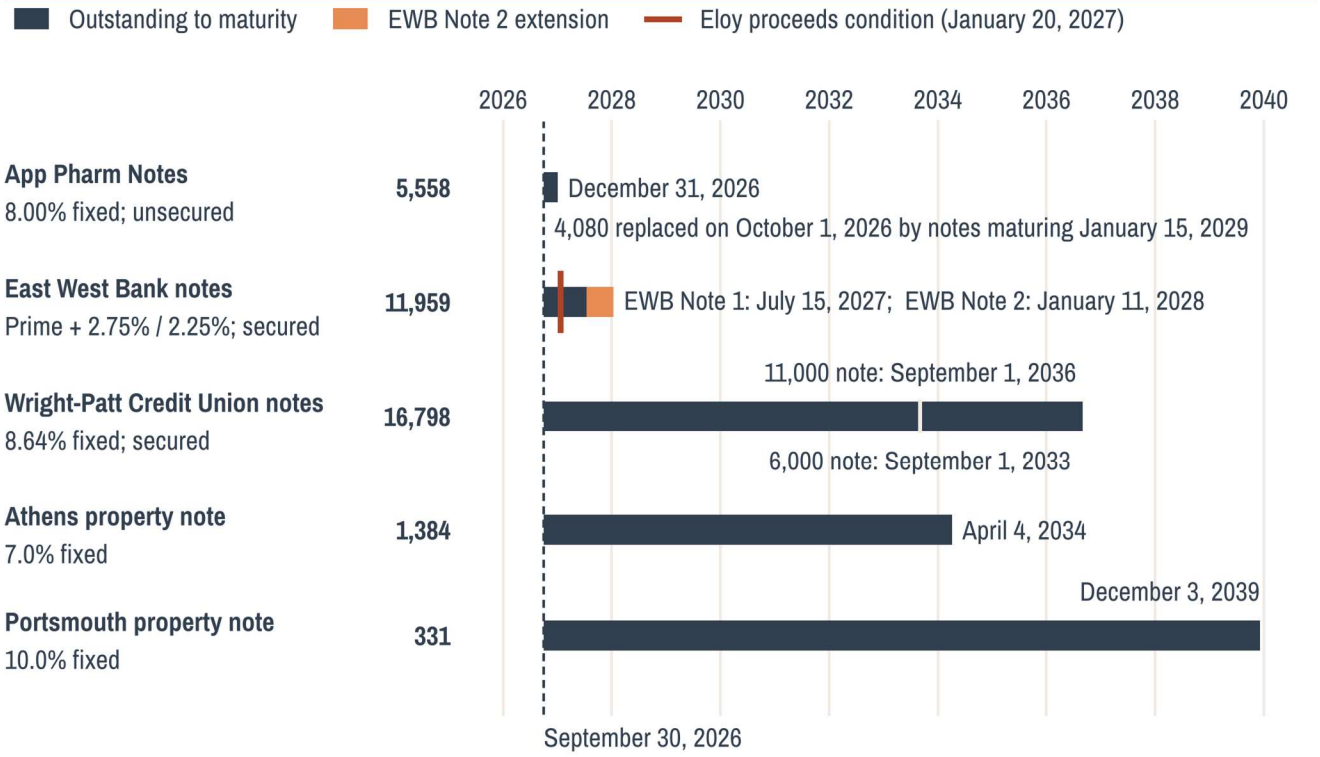
6.4 Liquidity and capital resources

The Company's condensed consolidated interim financial statements follow IFRS Accounting Standards applicable to a going concern. This means the Company expects to remain operational for the foreseeable future, realizing assets and meeting liabilities during the normal course of business. The Company expects to meet its financial needs from operating cash flow, together with the net proceeds of the planned sale of the Eloy real property (Section 4.2).

As of September 30, 2026, the Company's working capital was $(12,100), compared with $(916) at June 30, 2026 and $(11,710) at December 31, 2025. The deficit arises mainly from the $11,473 uncertain tax position liability, which IFRS requires to be classified as current because the Company does not have an unconditional right to defer settlement, and from the current classification of the East West Bank notes of $9,360 and the App Pharm seller notes of $5,558. On October 1, 2026, $4,080 of App Pharm obligations were replaced by notes maturing January 15, 2029, of which $2,197 of principal is due after September 30, 2027, and, under the August 13, 2026 extension of EWB Note 2, the net proceeds of the planned sale of the Eloy real property are to be applied to partially repay the East West Bank notes by January 20, 2027. 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. This conclusion involves significant judgment (Note 2(g) to the Interim Financial Statements).

Debt Maturity Profile

Notes payable at September 30, 2026 by lender and maturity, in thousands of US dollars



Total notes payable	**36,030**

Carrying amounts at amortized cost; the Wright-Patt Credit Union balance is net of 202 of issuance costs. Terms are those in force at September 30, 2026. Under the August 13, 2026 extension of EWB Note 2, the net proceeds of the sale of the Eloy property are to be applied to partially repay the East West Bank notes by January 20, 2027.

Source: Note 13 to the Interim Financial Statements.

Notes payable totaled $36,030 at September 30, 2026. On August 19, 2026, the Company refinanced its Wright-Patt Credit Union loans with two loans totaling $17.0 million. Both loans bear interest at a fixed 8.64% until September 1, 2031, when the rate resets to the five-year constant maturity rate plus 4.25%. The $11.0 million loan is repayable over a 20-year amortization and matures on September 1, 2036. The $6.0 million loan is fully amortized by its maturity on September 1, 2033. The loans are secured by a mortgage and assignment of rents on the Jackson property and by the business assets of the borrowing entities.

The App Pharm seller notes, $5,558 at September 30, 2026, were due on December 31, 2026 under the terms in force at the quarter end; $4,080 was replaced on October 1, 2026 by notes maturing January 15, 2029 (Section 4.2). The East West Bank notes, $11,959 at September 30, 2026, mature on July 15, 2027 (EWB Note 1) and January 11, 2028 (EWB Note 2). Under the August 13, 2026 extension of EWB Note 2, the net proceeds of the sale of the Eloy property are to be applied to partially repay the East West Bank notes by January 20, 2027.

The Company has secured loans against its real property. As of September 30, 2026, the outstanding secured debt of approximately $30,472 represents a roughly 55% loan-to-appraised value ratio, based on recent appraisals of all of the Company's owned non-retail properties and certain of its retail properties, and on the purchase prices of properties acquired within the past two years, including the $6.0 million purchase price of the Jackson property. The East West Bank loans require the Company to maintain certain annual financial covenants, including a debt coverage ratio and a debt to tangible net worth ratio, which are tested annually as of December 31. 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. The Wright-Patt Credit Union loans do not carry financial covenants.

Principal due within twelve months

Notes payable classified as current at September 30, 2026 were $15,927. Taking into account the October 1, 2026 replacement of App Pharm obligations, principal due within twelve months of September 30, 2026 is as follows:

	Current at Sep 30, 2026	Replaced Oct 1, 2026 and due after Sep 30, 2027	Due within twelve months
App Pharm obligations[1]	5,558	(2,197)	3,361
East West Bank notes[2]	9,360	—	9,360
Wright-Patt Credit Union loans	868	—	868
Athens and Portsmouth property notes	141	—	141
Total	**15,927**	**(2,197)**	**13,730**

Interest is excluded. [1] Includes approximately $2.4 million payable in January 2027 (Section 4.2). [2] EWB Note 1, which matures on July 15, 2027, and the portion of EWB Note 2 expected to be repaid from the net proceeds of the Eloy sale, which are to be applied to partially repay the East West Bank notes by January 20, 2027.

On October 7, 2026, App Pharm obligations were reduced by a further $656 through the cancellation of a replacement note on the sale of the Circleville property (Section 4.2); $210 of this amount would otherwise have been due within twelve months of September 30, 2026.

The Company expects to meet these obligations from cash on hand ($5,617 at September 30, 2026), cash provided by operating activities and the net proceeds of the sale of the Eloy real property.

Capital expenditure outlook

Management's current estimate of capital expenditures for the fourth quarter of 2026 and for 2027 is as follows:

$ millions	Q4 2026	2027	Expected funding
Roberts Road, Columbus	1.4 – 1.7	1.5 – 2.8	Wright-Patt Credit Union construction and permanent loan (commitment up to $2.4 million, covering land and construction) and operating cash flow (approximately $1.4 million of the project in total)
Eighth Ohio dispensary	0.1 – 0.3	1.8 – 2.4	Operating cash flow
Ohio maintenance	0.15 – 0.2	0.6 – 0.8	Operating cash flow
Arizona	< 0.1	0.1	Operating cash flow
Total	**1.7 – 2.3**	**4.0 – 6.1**	

Ranges are rounded; totals may not add.

These estimates are forward-looking information and may constitute "financial outlook" for the purposes of applicable securities laws. They assume that the purchase of the Roberts Road land closes in November 2026,

that the land and construction of the Roberts Road dispensary are funded by the Wright-Patt Credit Union construction and permanent loan drawn as costs are incurred, together with approximately $1.4 million of operating cash flow, with construction payments continuing into the second quarter of 2027. The estimates exclude any further expansion of cultivation capacity at Jackson, the timing of which has not been determined. Actual amounts and timing may differ materially; see Section 1.2.

6.5 Use of proceeds from financing activities

On August 19, 2026, the Company completed a financing with Wright-Patt Credit Union consisting of two commercial real estate loans with aggregate gross proceeds of $17.0 million. The proceeds were used as follows:

	$
Gross proceeds	17,000
Repayment of previous Wright-Patt Credit Union loans (principal)	(10,497)
Paid to the seller of the Jackson property	(5,982)
Debt issuance costs	(202)
Interest on the previous loans and interim interest paid at closing	(97)
Net cash to the Company	**222**

The property consists of approximately 50 acres of land with related improvements and is the site of the Company's cultivation and manufacturing operations in Jackson, Ohio. Other than this financing, the Company has not completed any financing activities during the period ended September 30, 2026.

ADDITIONAL INFORMATION

7.1 Related Party Transactions

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

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Operating Officer, Chief Financial Officer, and Corporate Secretary.

Remuneration attributed to key management personnel for the nine months ended September 30, 2026 and September 30, 2025 is summarized as follows:

	September 30, 2026	September 30, 2025
Salaries and wages[1]		
Eric J. Offenberger, Chief Executive Officer and Chief Operating Officer	253	268
Trevor Smith, Chief Financial Officer	172	164
Scott R. Everett, Corporate Secretary	157	149
David Johns, Director	—	8
Nalee Pham, Chief of Staff	—	85
Total salaries and wages	**582**	**674**
Employer payroll taxes	**32**	**19**
Share-based compensation	2	19
Consulting fees included in operating expenses — directors[2]	309	281
Total	**925**	**993**

[1] *Salary, bonus, car and cell phone allowances and employer retirement plan contributions.*

[2] *Consulting fees were paid to directors Jason T. Nguyen, Mark Opzoomer, Spiro A. Phanos, Terry L. Creighton and David Johns.*

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

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 Jason T. Nguyen 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 $16 receivable from a related party representing insurance premiums and related costs paid by the Company on behalf of the related party. These amounts are reimbursable pursuant to the underlying arrangement and are expected to be settled in the ordinary course of business. The balance is non-interest bearing and due on demand unless otherwise specified.

Due to related party:

David Johns 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). Under the restructuring described in Section 4.2, effective October 1, 2026, $477 of his balance is payable in January 2027 and approximately $200 was rolled into a replacement note on the same terms as the other replacement notes. During the nine months ended September 30, 2026, $41 in interest was accrued on these notes payable. The portion of the promissory notes payable due is as follows:

	September 30, 2026	December 31, 2025
Total Current Promissory Note Payable (Director)	686	723
Total Interest Payable (Director)	**14**	**14**

7.2 Outstanding share data

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

Class of Security	Number Outstanding
Subordinate voting shares	185,816,341
Multiple voting shares*	618,907
RSUs	66,667
Stock options	5,764,284
Special advisory warrants	280,000

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

7.3 Proposed transactions

Other than the sale of the Eloy real property classified as held for sale (Section 4.1.3), the sale of the Phoenix manufacturing property, and as otherwise disclosed in this MD&A, the Company does not have any other proposed transactions at this time.

7.4 Off-balance sheet transactions

There are no off-balance sheet transactions.

7.5 Other information

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

KEY RISKS, RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

8.1 Risk management and financial instruments

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk, price risk, and currency risk. The fair value of the Company's cash, trade and other receivables, accounts payable and accrued liabilities and amounts due to and from related parties approximate their carrying value due to their short-term nature. The fair value of notes payable approximates carrying value, as the East West Bank notes bear variable interest rates and the fixed rates on the Company's other notes, including the Wright-Patt Credit Union notes issued on August 19, 2026 at 8.64%, approximate market rates.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on its receivables and cash. The Company records an allowance for expected credit losses related to accounts receivable considered to be non-collectible; the allowance is based on the Company's knowledge of the financial condition of its customers, the current business environment, and historical experience. To reduce credit risk, cash is only held at major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through its capital management. As at September 30, 2026, the Company has a current cash balance of $5,617. Current liabilities exceed current assets due to the recognition of an uncertain tax provision, which is required to be classified as a current liability although the timing of repayment is uncertain. The Company believes it will be able to meet its financial obligations as and when they fall due and, as such, has prepared the consolidated financial statements on a going concern basis.

Interest rate risk

A portion of the Company's borrowings, the East West Bank notes, includes a variable interest rate component, and as a result the Company is subject to interest rate risk with respect to such floating-rate debt. A hypothetical 100 basis point increase in the variable interest rate would not result in a material change in interest expense.

Currency risk

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

8.2 Risks and uncertainties

Uninsured or uninsurable risk

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

Description of the U.S. legal cannabis industry

In accordance with Staff Notice 51-352, below is a discussion of the current federal and state-level U.S. regulatory regimes in those jurisdictions where, as of September 30, 2026, the Company was currently directly involved or had ancillary involvement. In accordance with Staff Notice 51-352, the Company will evaluate, monitor, and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

Legal and regulatory matters

United States federal overview:

The U.S. federal regulatory framework for cannabis underwent material change between December 2025 and April 2026. The discussion below summarizes the current federal landscape as of the date of this MD&A, including specific implications for the Company's operations.

Executive Order 14370 (December 18, 2025). On December 18, 2025, President Trump issued Executive Order 14370, "Increasing Medical Marijuana and Cannabidiol Research" (the "Executive Order"), directing the Attorney General to take all necessary steps to complete the rulemaking process to reschedule marijuana from Schedule I to Schedule III of the Controlled Substances Act ("CSA"). The Executive Order also directed expanded federal research into medical marijuana and cannabidiol products and certain actions to clarify the regulatory framework for hemp-derived cannabinoid products.

DEA Final Order (April 23, 2026; Effective April 28, 2026). On April 23, 2026, the Acting Attorney General and the U.S. Drug Enforcement Administration ("DEA") issued a final order, published in the Federal Register and effective April 28, 2026 (the "Final Order"), rescheduling specified categories of marijuana from Schedule I to Schedule III of the CSA. The Final Order applies to: (i) U.S. Food and Drug Administration-approved drug products containing delta-9-tetrahydrocannabinol derived from the cannabis plant; and (ii) marijuana subject to a qualifying state-issued medical marijuana license. The Final Order also covers certain marijuana extracts and naturally derived delta-9-tetrahydrocannabinol to the extent incorporated into the foregoing categories. The Final Order does not reschedule marijuana that is neither covered by an FDA-approved drug product nor subject to a state medical marijuana license, including state-licensed adult-use (recreational) marijuana, hemp-derived intoxicating cannabinoid products outside the FDA-approved framework, and synthetically derived tetrahydrocannabinols, all of which remain Schedule I controlled substances under federal law.

Federal Registration. The DEA opened its Medical Marijuana Dispensary Registration Portal on April 29, 2026, providing an expedited federal registration pathway for entities holding qualifying state medical marijuana licenses. The Company has begun submitting applications under this pathway for its qualifying state medical marijuana operations and intends to continue submitting applications as additional categories of registration become available. State licensees that submit applications by June 29, 2026 may continue to operate in conformity with applicable state-issued medical marijuana licenses while their applications are pending. The DEA must "make every effort" to process applications submitted by June 29, 2026 within six months.

DEA Administrative Hearing (June 29, 2026). On April 28, 2026, the DEA also published a Notice of Hearing announcing administrative proceedings, that commenced on June 29, 2026, to consider the broader rescheduling of all marijuana, including state-licensed adult-use marijuana, from Schedule I to Schedule III of the CSA. The outcome of these proceedings, and the timing and scope of any final rule resulting from them, cannot be predicted. The Company will continue to monitor the proceedings and the resulting rulemaking activity.

The DEA administrative hearing concluded on July 15, 2026, and the parties have filed post-hearing briefs. As at the date of this MD&A, the Chief Administrative Law Judge had not issued a recommended decision, and the U.S. Treasury and Internal Revenue Service, which have said that guidance is forthcoming, had not issued guidance on the application of Section 280E following rescheduling.

Section 280E. Under Section 280E of the Internal Revenue Code, businesses that traffic in Schedule I or Schedule II controlled substances are precluded from claiming federal income tax deductions and credits other than for cost of goods sold. The Final Order, by moving state-licensed medical marijuana to Schedule III, removes Section 280E's application to such activity. The Final Order expressly encouraged the Secretary of the Treasury to consider providing retrospective relief from Section 280E liability for taxable years in which a state licensee operated under a state medical marijuana license. On April 23, 2026, the U.S. Department of the Treasury and the Internal Revenue Service announced an intention to issue guidance addressing the federal tax consequences of the Final Order, including a transition rule contemplated to apply for a taxpayer's full taxable year that includes the effective date of the Final Order. As of the date of this MD&A, no such guidance has been issued.

A portion of the Company's uncertain tax position liability of $11,473 at September 30, 2026 (December 31, 2025: $8,054) relates to tax positions taken in respect of prior tax years, including periods currently under examination by relevant tax authorities, during which the Company's operations in Arizona and Ohio were conducted under each state's medical marijuana regulatory framework. To the extent that the Treasury and Internal Revenue Service issue guidance providing retrospective Section 280E relief consistent with the recommendation in the Final Order, the Company expects that such relief would reduce the recognized uncertain tax position liability with respect to those periods, and the impact on the consolidated financial statements could be material. The remaining portion of the uncertain tax position liability relates to other taxable periods and positions for which the scope of any retrospective relief, if granted, is presently uncertain. The Company will recognize the financial effects of the Final Order, including any guidance issued by the Treasury and Internal Revenue Service and any retrospective relief, in the future reporting periods in which such effects become probable and reliably measurable. See Note 18 to the Interim Financial Statements.

Continued Schedule I Status of Adult-Use Marijuana. Notwithstanding the Final Order, marijuana that is not covered by an FDA-approved drug product or a state medical marijuana license, including state-licensed adult-use (recreational) marijuana, which represents a substantial portion of the Company's current operating activity, remains a Schedule I controlled substance under federal law. Activities involving the manufacture, importation, possession, use, or distribution of such marijuana remain illegal under federal law, subject only to federal prosecutorial discretion. With respect to enforcement of federal cannabis laws against state-licensed adult-use operations, the U.S. federal government's posture has historically reflected a pattern of limited enforcement against businesses in substantial compliance with applicable state regulatory regimes. The Cole Memorandum, issued on August 29, 2013 by the Department of Justice, generally directed U.S. Attorneys not to prioritize enforcement of federal marijuana laws against state-regulated businesses meeting specified criteria. The Cole Memorandum was rescinded on January 4, 2018, returning prosecutorial discretion to U.S. Attorneys without specific guidance regarding state-regulated cannabis businesses. There has been no subsequent re-issuance of the Cole Memorandum or equivalent enforcement guidance, and the Final Order does not address federal prosecutorial discretion with respect to non-Schedule III marijuana activity. The Company cannot predict whether or how federal prosecutorial discretion regarding state-licensed adult-use marijuana may evolve, nor whether the DEA administrative hearing that commenced on June 29, 2026 will result in a final rule rescheduling adult-use marijuana to Schedule III, and if so, on what timeline.

States Where the Company Operates. As of September 30, 2026, 40 U.S. states, the District of Columbia and Puerto Rico have legalized medical marijuana, and 24 U.S. states and the District of Columbia have legalized adult-use marijuana. Both states in which the Company conducts cannabis operations, Arizona and Ohio, have legalized both medical and adult-use marijuana under state law. See "Arizona overview" and "Ohio overview" below for further information.

Arizona overview:

Arizona has authorized the cultivation, extraction and dispensing of medical marijuana products by licensed dispensaries located throughout the State. As of August 1, 2026, the most recent report of the Arizona Department of Health Services, there were 170 licensed establishments, with 169 operating, and 136 operating medical marijuana dispensaries in the state which cover all categories of production and sale of cannabis and cannabis related products. In 2010, Arizona became the 14th state to legalize medicinal cannabis for adults over 21 under Proposition 203: the Arizona Medical Marijuana Act, A.R.S. Title 36, Section 28.1 (the "AMMA"). On November 3, 2020, Arizona voters passed Proposition 207, the "Smart and Safe Act", which legalized recreational marijuana use for adults (see "Adult use" below). In Arizona, the dispensaries can now operate as for-profit entities and engage with management companies to provide real estate rental, administrative, general management and advisory services, financing, and logistics to medical marijuana businesses (the dispensaries) licensed under the provisions of the AMMA and to provide material support.

Medical use

Arizona Medical Marijuana cardholders are entitled to purchase not more than 2.5 ounces of product every two weeks. Purchases are tracked by cardholder and all dispensaries are required to report cardholder sales to the

state to ensure that cardholders do not exceed their allotted purchase amount. Vext and its subsidiaries are following Arizona's medical marijuana regulatory requirements and programs where applicable.

Adult use

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

Ohio overview:

Ohio has authorized the cultivation, processing, and dispensing of medical marijuana products by licensed dispensaries throughout the state. As of September 30, 2026 there were approximately 224 operating dispensaries registered in Ohio. In 2016, Ohio became the 25th state to legalize medical cannabis under House Bill 523: the Ohio Medical Marijuana Control Program (OMMCP). On November 7, 2023, Ohio voters passed Issue 2, legalizing recreational marijuana use for adults, and adult-use sales began in the State of Ohio on August 6, 2024.

Medical use

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

Adult use

The Ohio Division of Cannabis Control has issued dual-use permits to most existing medical marijuana cultivators, processors and dispensaries, enabling the sale of cannabis to adults aged 21 and over. Adult use sales officially started on August 6, 2024, including at retail outlets operated by Vext and its subsidiaries. Under Ohio's adult-use law, adults 21 and over may possess up to 2.5 ounces of marijuana (with no more than 15 grams being marijuana concentrate). Non-medical consumers may purchase no more than ten whole day units of cannabis combined across all forms pursuant to the Ohio Administrative Code. Home cultivation of a limited number of plants is also permitted. Pursuant to O.R.C. 3780.10, the Division will review the number of cannabis operator licenses 24 months after the first issuance of an adult use operator license, and on a biannual basis thereafter. Ohio Senate Bill 56, signed into law in September 2025, established the regulatory framework for the non-medical cannabis program, and implementation of operational rules and licensing under the framework continued during 2026 (see Section 2.2). Vext and its subsidiaries adapt their operations as the rules take effect.

Regulatory risks

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

Participants in the U.S. cannabis industry will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties, or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. Further, the Company may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all these claims may result in significant monetary damages or injunctive relief that could adversely affect its ability to conduct its business. Litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on the Company's financial statements could also occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

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

Product holds and regulatory investigations

State regulators may request the voluntary closure of a licensed facility, or place administrative holds on products, while they investigate a matter, including where no violation has been alleged. In September 2026, the DCC requested the voluntary closure of the Company's Jackson dispensary pending an investigation and placed Vapen-branded products on administrative hold; the dispensary reopened on September 17, 2026, and the hold was released on October 14, 2026 (see Section 4.1.2). Closures and holds can reduce revenue, prevent the sale or transfer of inventory, require replacement product to be purchased at higher cost, require inventory to be written down, and affect customer and wholesale relationships, whether or not any violation is ultimately found. The Company cannot predict the duration of any such action.

Bifurcated Federal Status of the Company's Operations

As described above under "United States federal overview," the Final Order issued by the Acting Attorney General and the DEA on April 23, 2026 and effective April 28, 2026 rescheduled to Schedule III of the CSA: (i) FDA-approved drug products containing delta-9-tetrahydrocannabinol derived from the cannabis plant; and (ii) marijuana subject to a qualifying state-issued medical marijuana license. State-licensed adult-use (recreational) marijuana was not rescheduled and remains a Schedule I controlled substance under federal law. The Company conducts both medical and adult-use cannabis operations in Arizona and Ohio under state licenses, and accordingly the Company's activities fall on both sides of this federal classification line. Activities conducted under state medical marijuana licenses fall within the scope of the Final Order and are conducted in respect of a Schedule III controlled substance; activities conducted under state adult-use licenses continue to be conducted in respect of a Schedule I controlled substance and accordingly remain subject to the full range of federal regulatory and enforcement risks applicable to Schedule I substances. The DEA administrative hearing that commenced on June 29, 2026 is expected to consider the broader rescheduling of all marijuana, including adult-use marijuana; however, the outcome and timing of such proceedings, and the timing and scope of any final rule resulting from them, cannot be predicted.

Federal Enforcement Risk

Notwithstanding the Final Order, the Company derives a substantial portion of its revenues from state-licensed adult-use cannabis operations, which remain illegal under U.S. federal law. As a result of the conflicting positions between state legislatures and the U.S. federal government regarding cannabis, cannabis businesses in the United States are subject to inconsistent legislation and regulation. The U.S. federal government has specifically reserved the right to enforce federal law with respect to the sale and distribution of state-legalized adult-use or medical-use cannabis even where such activity is sanctioned by state law. It is presently unclear whether the U.S. federal government intends to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law. The history of federal prosecutorial guidance, including the Cole Memorandum and its January 2018 rescission, is described under "United States federal overview" above. The Final Order does not address federal prosecutorial discretion with respect to non-Schedule III marijuana activity, and the Company cannot predict whether or how that discretion may evolve.

There can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that could make it difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, the Company's business would

be materially and adversely affected. U.S. federal actions against any individual or entity engaged in the cannabis industry, or a substantial repeal of state cannabis legalization, could adversely affect the Company.

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

The Company is a vertically integrated, multi-state operator in the cannabis industry. As at September 30, 2026, through its wholly-owned subsidiaries, the Company cultivates, manufactures, distributes and dispenses cannabis and cannabis products in Arizona and Ohio under licenses issued by each state's applicable cannabis regulatory authority. As at September 30, 2026, the Company operated two retail dispensaries in Arizona, six (6) retail dispensaries in Ohio (with a seventh under development), cultivation and manufacturing operations in Ohio at the Company's Jackson, Ohio facility, and a manufacturing facility in Phoenix, Arizona, which the Company has listed for sale. The Company sources product for its Arizona retail dispensaries from third-party Arizona-licensed producers, and the Company is reducing its Arizona manufacturing operation to packaging for its own dispensaries. The Company's assets and revenues are substantially attributable to its cannabis operations in Arizona and Ohio.

As stated above, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions, or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, the listing of its securities on any stock exchange, its financial position, operating results, profitability or liquidity, or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or their final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. The approach to enforcement of cannabis laws may be subject to change.

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

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

Heightened scrutiny

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

Change in laws, regulations and guidelines

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

incur substantial costs associated with bringing the Company's operations into compliance. It is beyond the Company's scope to predict the nature of any future change to existing laws, regulations, policies, interpretations or applications, nor can the Company determine what effect such changes, when and if promulgated, could have on the Company's business.

Unfavorable publicity or consumer perception

The legal cannabis industry in the U.S. is at an early stage of its development. Cannabis has been, and will continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy, and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory opinion, and support for medical and adult-use cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general). Research reports, findings, regulatory proceedings, litigation, media attention or other publicity perceived as less favorable than, or that question, earlier reports or findings could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Adverse publicity regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have the same effect.

Section 280E of the U.S. Internal Revenue Code

Section 280E of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), provides that "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted." Section 280E has historically been applied by the United States Internal Revenue Service ("IRS") to state-licensed cannabis operations, prohibiting taxpayers with cannabis operations from deducting expenses other than cost of goods sold for U.S. federal income tax purposes. Section 280E and related IRS enforcement activity has had a significant impact on the operations of cannabis companies in the United States. As a result, an otherwise profitable business may operate at a loss after accounting for U.S. federal income tax expense.

In its U.S. federal income tax filings for prior taxable years, the Company took the position that certain ordinary and necessary business expenses are deductible notwithstanding Section 280E. The Company and certain of its subsidiaries are currently under examination by the IRS for various tax years, and certain of those examinations include a review of the Company's tax positions challenging the deductibility of expenses under Section 280E. In its consolidated financial statements, the Company has recognized an uncertain tax position liability under IFRIC 23 *Uncertainty over Income Tax Treatments*, reflecting management's most-likely-amount estimate of amounts payable to the relevant tax authorities in respect of uncertain tax treatments, including Section 280E-related positions. The Company believes that it has meritorious defenses for the tax filing positions it has taken and intends to defend those positions through the examination, any appellate process and, if necessary, through litigation in courts.

As described above under "United States federal overview," the Final Order issued on April 23, 2026 and effective April 28, 2026 moves state-licensed medical marijuana to Schedule III of the CSA, which removes Section 280E's application to such activity on a prospective basis. The Final Order also expressly encouraged the Secretary of the Treasury to consider providing retrospective relief from Section 280E liability for taxable years in which a state licensee operated under a state medical marijuana license. On April 23, 2026, the U.S. Department of the Treasury and the Internal Revenue Service announced an intention to issue guidance addressing the federal tax consequences of the Final Order. As of the date of this MD&A, no such guidance has been issued. A portion of the Company's recognized uncertain tax position liability relates to taxable periods during which the Company's

operations in Arizona and Ohio were conducted under each state's medical marijuana regulatory framework and to positions currently under examination, and to the extent that the Treasury and Internal Revenue Service issue guidance providing retrospective Section 280E relief consistent with the recommendation in the Final Order, the Company expects that such relief would reduce the recognized uncertain tax position liability with respect to those periods. The remaining portion of the uncertain tax position liability relates to other taxable periods and positions for which the scope of any retrospective relief, if granted, is presently uncertain. See "United States federal overview — Section 280E" above and Note 18 to the Interim Financial Statements.

Other risks

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

Other regulatory risks

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

Reliance on third-party service providers

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

Reliance on management

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

Additional financing

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

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

Maturity of notes payable

Under the October 1, 2026 replacement notes issued to certain sellers of the App Pharm entities, the Company is required to pay $959 in January 2027 and monthly payments of principal and interest through January 15, 2029, and, under the August 13, 2026 extension of EWB Note 2, the net proceeds of the sale of the Eloy property are to be applied to partially repay the East West Bank notes by January 20, 2027. If the Company is unable to generate sufficient cash from operations to meet these payments, or to complete the sale of the Eloy property on the expected timeline, it may be required to use operating cash or other sources of liquidity to meet them, which could reduce funds available for its expansion plans and could have a material adverse effect on its financial position.

Cannabis industries are highly competitive

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

Operating risk and insurance coverage

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

Key personnel risk

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

Dividend risk

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

Securities and dilution

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

Future capital requirements

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