C21 Investments Reports Fourth Quarter and Fiscal Year End Financial Results

Q4's Increased Revenue Driven By Same Store Sales Growth Across All Silver State Relief Dispensaries

VANCOUVER, June 23, 2025 – C21 Investments Inc. (CSE: **CXXI** and OTCQX: **CXXIF**) ("**C21**" or the "**Company**"), a vertically integrated cannabis company, today announced the filing of its audited financial statements and management discussion and analysis for its fourth quarter and fiscal year ending March 31, 2025, on SEDAR. The Company's financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**"). All currency is reported in **U.S. dollars**. The Company recently changed its fiscal reporting period to a March 31st year-end (see news release dated August 1, 2024 for audited two-month stub period). With this change, the comparative period in our audited financial statements will not reflect the same calendar months.

Fourth Quarter Highlights (January 1, 2025 to March 31, 2025):

- Revenue of $8.1 million - up 3% from Q3 – driven by same store sales growth across all dispensaries; State of Nevada sales were down 6.5% from the sequential comparative period[1]; Compared to the previously reported Q4 (ended Jan. 31, 2024), revenue grew by 24%
- Gross Margin of 45% - relatively flat from Q3
- Income from Operations of $0.8 million – down $0.1 million from Q3 due to one-time SG&A costs
- Earnings (Loss) Per Share of ($0.01) – down from Q3's ($0.00), primarily due to income tax adjustments; Net Income Before Tax of $0.7 million
- Adjusted EBITDA[2] of $1.7 million - up 8% quarter-over-quarter and up 60% over the previous Q4
- Free Cash Flow[2] before working capital changes and taxes of $1.6 million – flat from Q3
- Purchased and cancelled over 2 million shares (see news release dated February 19, 2025)

Fiscal Year Highlights (April 1, 2024 to March 31, 2025)

- Revenue of $30.1 million – up 6.5% over the previously reported fiscal year (ended January 31, 2024)
- Gross Margin of 42% - up 230 basis points from the previous year despite one-time costs in Q1 associated with opening the South Reno store
- Income from Operations of $1.3 million, driven by an 11% operating margin in the second half of the fiscal year, partially offset by one-time costs in Q1
- Earnings (Loss) Per Share of ($0.03), primarily driven by income taxes and one-time costs opening the South Reno dispensary; Net Income Before Tax of $0.4 million
- Adjusted EBITDA[2] of $4.9 million – up 7% over the prior fiscal year

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[1] State of Nevada cannabis sales: https://www.headset.io/markets/nevada

[2] Refer to "Non-GAAP Measures" disclosure at the end of this news release for a description and calculation of these measures

- Free Cash Flow[2] before working capital changes and taxes of $4.0 million – up 41% from the prior fiscal year
- Customer Transactions increased 38% over the fiscal year, from 126,449 in Q1 to 174,611 in Q4

Q4 and Fiscal Year End Management and Operational Commentary:

CEO and President, Sonny Newman: "I'm excited to share our strong results this quarter, a typically slow period for the industry, which showcases the hard work we've put into driving continued organic, same-store sales growth. We have seen fourth quarter sales surge by 24% over the previous Q4, fuelled by a 38% increase in customer transactions over the year. Despite the 6.5% sequential decline in Nevada state sales, our Q4 revenue grew 3% quarter-over-quarter. Our South Reno store has now delivered over 100% same-store sales growth from its first full operational month in July 2024 to March 2025. Despite industry-wide price compression, we have witnessed a 26% retail sales increase from Q1 to Q4, which has significantly improved margins. The Company's disciplined approach to growth has allowed us to achieve another year of sustained free cash flow[2]. Our consistently strong results are a testament to C21's unique model and incredible team. We remain committed to actively pursuing additional accretive opportunities while maintaining our relentless focus on driving shareholder value."

Given the previously reported change in fiscal year end from January 31 to March 31, it is important to note that there is no equivalent time period to this Q4 report in the Company's historical results.

Q4 revenue of $8.1 million was up 3% from Q3, despite the 6.5% decline in Nevada sales over the comparative period[1]. The increase in retail sales was driven by same store sales growth in each of Silver State's three dispensaries. The South Reno dispensary continues ramping its sales with exceptional performance, with monthly sales of $580,000 in March, up from $273,000 in July, achieving over 100% same store sales growth since its first operational month. For the fiscal year, Revenue was $30.1 million, with 26% retail sales growth reported from Q1 to Q4.

Gross Margin of 45% in the fourth quarter was relatively flat from Q3. For the year, Gross Margin was 42% and improved 230 basis points from the previous fiscal year (ended January 31, 2024). The improvement was driven by increased retail revenues, and greater operational synergies and cost efficiencies associated with integrating the new dispensary, partially offset by one-time costs in Q1 associated with opening the South Reno store.

C21 reported Income from Operations of $0.8 million in the fourth quarter. This continued strong operating margin was driven by the increase in retail sales while slightly offset by one-time costs in the period related to the refiling of income taxes for the previous three years. For the year, Income from Operations was $1.3 million, driven by an 11% operating margin in the second half of the year, and partially offset by one-time costs in Q1 associated with the new dispensary.

The Company reported a Net Loss of $1.6 million in the fourth quarter, or ($0.01) per share. Q4's Net Loss was primarily due to increased Income Tax provisions. The Company generated $0.7 million Net Income

Before Tax for Q4. For the year, Net Loss was $4.0 million or ($0.03) per share, impacted by $4.2 million in Income Tax and further by one-time costs in Q1 associated with opening the new dispensary in South Reno. Net Income Before Tax for the year was $0.4 million.

Q4 Adjusted EBITDA[2] was $1.7 million, up 8% from Q3. The increase in Adjusted EBITDA was driven by the improved retail sales for the quarter. For the year, Adjusted EBITDA was $4.9 million, up 7% from the previous fiscal year (ended January 31, 2024).

Q4 Free Cash Flow[2] before working capital changes was $1.6 million, flat from Q3. For the year, Free Cash Flow[2] before working capital changes was $4.0 million, up 41% over the previous fiscal year (ended January 31, 2024).

Cash at the end of Q4 was up $0.1 million from Q3 notwithstanding $0.8 million in Income Tax paid, a $0.3 million debenture principal repayment, and $0.3 million in share repurchases in the quarter. Total Liabilities increased due to the addition of Uncertain Tax Provisions. For the year, Income Tax paid in cash was $1.5 million.

In the fourth quarter, the Company announced the repurchase and cancellation of 2.05 million shares, at an average price of $0.125 per share (see news release dated February 19, 2025). As of June 23, 2025, the Company has 117,862,314 shares outstanding.

Based on legal interpretations and opinions that challenge its tax liability under Section 280E Internal Revenue Code of 1986, the Company has taken the position that it does not owe taxes attributable to the application of this Section of the Code. The Company plans on refiling amended U.S. federal income tax returns for the years ended January 31, 2022, January 31, 2023, January 31, 2024, and the two months ended March 31, 2024. Management exercises significant judgment when assessing the probability of successfully sustaining the Company's tax filing positions, and in determining whether a contingent tax liability should be recorded and, if so, estimating the amount. See disclosure of Risk Factors in the MD&A.

Non-GAAP Measures:

C21 reports its financial results in accordance with GAAP and uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures and ratios are not calculated in accordance with GAAP. The Company refers to certain Non-GAAP financial measures such as "Free Cash Flow", "Adjusted EBITDA" and "same store sales". These measures do not have any standardized meanings prescribed by GAAP and may not be comparable to similar measures presented by other issuers. The Company considers these measures to be an important indicator of the financial strength and performance of its business. The Company believes the adjusted results presented provide relevant and useful information for investors because they clarify the Company's actual operating performance, make it easier to compare the Company's results with those of other companies and allow investors to review performance in the same way as the management of the Company. Since these measures are not calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for, the Company's reported results as indicators of the Company's performance, and they may not be comparable to similarly named measures from other companies. The tables below provide reconciliations of Non-GAAP financial measures to the most directly comparable GAAP measures.

"Free Cash Flow" is defined as Cash Provided by Operating Activities from Continuing Operations adding back income tax expense and before changes in working capital, minus capital expenditures. Management believes that Free Cash Flow, which measures our ability to generate cash from our continuing business operations, is an important financial measure for use in evaluating the Company's financial performance. Free Cash Flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity.

Q4 Free Cash Flow:

	Q4	Q3	Q2	Q1
Quarter Ended (except as noted)	**March 31, 2025**	December 31, 2024	September 30, 2024	June 30, 2024
Cash Provided by Operating Activities before taxes and changes in working capital (continuing operations)	$ 1,582,088	$ 1,726,751	$ 1,045,505	$ 77,815
Purchase of Property and Equipment	(31,434)	(144,908)	(60,731)	(169,660)
Free Cash Flow	**$ 1,550,654**	$ 1,581,843	$ 984,774	$ (91,845)

Fiscal Year Free Cash Flow:

	Year Ended	Two Months Ended	Year Ended
Quarter Ended (except as noted)	**March 31, 2025**	March 31, 2024	January 31, 2024
Cash Provided by Operating Activities before taxes and changes in working capital (continuing operations)	$ 4,432,159	$ 588,813	$ 3,367,021
Purchase of Property and Equipment	(406,733)	(51,483)	(521,579)
Free Cash Flow	**$ 4,025,426**	$ 537,300	$ 2,845,442

"**Adjusted EBITDA**" is defined as EBITDA (earnings before depreciation and amortization, depreciation and interest in cost of sales, income taxes, and interest) less accretion, loss from discontinued operations, one-time transaction costs and all other non-cash items. The Company has presented "Adjusted EBITDA" because its management believes it is a useful measure for investors when assessing and considering the Company's continuing operations and prospects for the future. Furthermore, "Adjusted EBITDA" is a commonly used measurement in the financial community when evaluating the market value of similar companies.

Q4 Adjusted EBITDA:

	Q4	Q3	Q2	Q1
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Net Income (Loss)	$ (1,581,297)	$ (130,941)	$ (845,132)	$ (1,412,172)
Interest & accretion	196,905	231,358	238,531	136,752
Provision for Income Taxes	2,232,750	722,800	828,400	367,700

Depreciation and Amortization	445,042	445,992	435,456	379,522
Depreciation and Interest in COGS	203,091	-	406,184	203,091
EBITDA	**$ 1,496,491**	$ 1,269,209	$ 1,063,439	$ (325,107)
Change in FV of derivative liability	(52,257)	-	-	-
Share based compensation	136,757	143,493	147,091	422,218
Loss (gain) from discontinued operations	51,712	49,663	85,714	25,724
One-time special project costs	70,000	-	-	117,543
Production curtailment, non-cash inventory adjustments	-	-	-	28,700
Other gain (loss)	(10,602)	105,234	(927)	41,740
Adjusted EBITDA	**$ 1,692,102**	$1,567,599	$1,295,317	$ 310,818

Fiscal Year Adjusted EBITDA

	Year Ended	Two Months Ended	Year Ended
	March 31, 2025	March 31, 2024	January 31, 2024
Net Income (Loss)	$ (3,969,542)	$ (74,404)	$ (3,305,285)
Interest & accretion	803,546	-	35,210
Provision for Income Taxes	4,151,650	372,743	3,482,125
Depreciation and Amortization	1,706,012	207,225	1,408,976
Depreciation and Interest in COGS	812,366	135,395	812,368
EBITDA	**$ 3,504,032**	$ 640,959	$ 2,433,394
Change in FV of derivative liability	(52,257)	(22,189)	451,372
Share based compensation	849,559	-	22,128
Loss (gain) from discontinued operations	212,813	22,965	81,817
One-time special project costs	187,543	-	159,000
Production curtailment, non-cash inventory adjustments	28,700	-	656,000
Other gain/loss	135,446	(9,209)	726,789
Adjusted EBITDA	**$ 4,865,836**	$ 632,526	$ 4,530,500

Q4 Balance Sheet Summary:

(US$)	March 31, 2025	March 31, 2024	January 31, 2024
Assets			
Cash	**2,625,461**	3,260,568	2,408,526
Inventory	**4,051,425**	2,866,054	2,708,721
Other current, assets held for sale	**827,229**	2,011,700	2,125,107
Current Assets	**7,504,115**	8,138,322	7,242,354

Note receivable	**802,766**	-	-
Fixed Assets/Goodwill/Intangibles, deferred tax	**48,692,868**	47,087,514	47,286,580
Total Assets	**56,999,749**	55,225,836	54,528,934
Liabilities			
Accounts payable	**2,148,153**	2,593,195	2,215,956
Convertible Debentures (current portion)	**977,817**	-	-
Income taxes payable	**2,833,991**	10,230,423	9,719,872
Other notes, current lease, liabilities held for sale	**1,997,082**	2,223,539	2,229,312
Current Liabilities	**7,957,043**	15,047,157	14,165,140
Lease liabilities	**9,771,124**	9,120,396	9,192,588
Convertible Debentures	**710,367**	-	-
Derivative liability, Deferred tax	**62,641**	84,871	124,198
Uncertain tax position	**9,822,797**	-	-
Total Liabilities	**28,323,972**	24,252,424	23,481,926
Shareholders' Equity	**28,675,777**	30,973,412	31,047,008
Total Liabilities and Shareholders' Equity	**56,999,749**	55,225,836	54,528,934

Q4 Summary Income Statement:

	Q4	Q3	Q2	Q1	Two Month Stub
(US$)	**March 31, 2025**	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Revenue	**8,105,512**	7,907,812	7,508,547	6,596,009	4,464,950
Cost of Sales	**4,477,048**	4,272,868	4,243,714	4,565,310	2,688,650
Gross Profit	**3,628,464**	3,634,944	3,264,833	2,030,699	1,776,300
Gross Margin%	***45%***	*46%*	*43%*	*31%*	*40%*
Total Expenses	**2,791,252**	2,656,830	2,958,247	2,870,955	1,486,394
Income from Operations	**837,212**	978,114	306,586	(840,256)	289,906
Income Tax Expense	**(2,232,750)**	(722,800)	(828,400)	(367,700)	(372,304)
Net Income (Loss)	**(1,581,297)**	(130,941)	(845,132)	(1,412,172)	(74,404)
Earnings (Loss) Per Share	**(0.01)**	(0.00)	(0.01)	(0.01)	(0.00)

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About C21 Investments Inc.
C21 Investments Inc. is a vertically integrated cannabis company that cultivates, processes, and distributes quality cannabis and hemp-derived consumer products in the United States. The Company is focused on value creation through the disciplined acquisition and integration of core retail, manufacturing, and distribution assets in strategic markets, leveraging industry-leading retail revenues with high-growth potential multi-market branded consumer packaged

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goods. The Company owns Silver State Relief and Silver State Cultivation in Nevada, including legacy Oregon brands Phantom Farms, Hood Oil and Eco Firma Farms. These brands produce and distribute a broad range of THC and CBD products from cannabis flowers, pre-rolls, cannabis oil, vaporizer cartridges and edibles. Based in Vancouver, Canada, additional information on C21 can be found at **www.sedarplus.com** and **www.cxxi.ca**.

Cautionary Note Regarding Forward-Looking Information and Statements:

This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "**Forward-Looking Statements**"). Forward-Looking Statements in this news release include but are not limited to the Company's focus on actively pursuing additional accretive opportunities while maintaining its relentless focus on driving shareholder value and the Company's intention to refile amended U.S. federal income tax returns for the years ended January 31, 2022, January 31, 2023, January 31, 2024, and the two months ended March 31, 2024 in connection with the Company's position that it does not owe taxes attributable to the application of Section 280E of the Internal Revenue Code of 1986. Such Forward-Looking Statements represent the Company's beliefs and expectations regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control.

Forward-Looking Statements are based on assumptions, estimates, analyses and opinions of management of the Company at the time they were provided or made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including: achieving the anticipated results of the Company's strategic plans; and general economic, financial market, regulatory and political conditions in which the Company operates.

A variety of factors, including known and unknown risks, many of which are beyond the Company's control, could cause actual results to differ materially from the Forward-Looking Statements in this news release. Such factors include, without limitation: risks and uncertainties arising from: the inability to effectively manage growth; inputs, suppliers and skilled labour being unavailable or available only at uneconomic costs; the adequacy of the Company's capital resources and liquidity, including but not limited to, availability of sufficient cash flow to execute the Company's business plan (either within the expected timeframe or at all); changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws generally and adverse future legislative and regulatory developments involving medical and recreational marijuana; the risks of operating in the marijuana industry in the United States, risks associated with the Company's position that it does not owe taxes attributable to the application of Section 280E of the Internal Revenue Code of 1986 and those other risk factors discussed in the Company's 20F filing with the U.S. Securities and Exchange Commission, and the Company's latest annual information form and management's discussion and analysis as filed under the Company's profile on SEDAR+.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the Forward-Looking Statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such Forward-Looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Should assumptions underlying the Forward-Looking Statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

The Forward-Looking Statements contained in this news release are made as of the date of this news release, and the Company does not undertake to update any Forward-Looking Statements that are contained or referenced herein, except in accordance with applicable securities laws.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.