

C21 Investments Reports Second Quarter Financial Results

Retail Sales Growth of +15% Year-Over-Year Delivers Strong Free Cash Flow and Highlights Continued Outlier Performance

VANCOUVER, November 11, 2025 – C21 Investments Inc. (CSE: **CXXI** and OTCQX: **CXXIF**) (“**C21**” or the “**Company**”), a vertically integrated cannabis company, today announced the filing of its interim financial statements and management discussion and analysis for its second quarter ending September 30, 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**.

Second Quarter Highlights (July 1, 2025 to September 30, 2025):

- Revenue of \$8.5 million - up 13% year-over-year - driven by a 15% increase in same store sales, slightly offset by lower wholesale sales; State of Nevada sales were down 16% from the comparable period last year¹
- Record number of retail transactions in the quarter with transaction volumes up 19% from last year
- Gross Margin of 50.4% - up 690 basis points year-over-year, fueled by a higher business mix of retail over wholesale, on slightly lower Cost of Goods Sold (COGS)
- Income from Operations of \$1.2 million - up 300% from Q2 last year, driven by a \$1.1 million increase in same store sales on relatively flat SG&A costs
- Net Income Before Tax of \$0.6 million inclusive of the one-time \$0.4 million charge from the previously announced EFF settlement (see news release dated September 4, 2025)
- Earnings (Loss) Per Share of (\$0.00) - up from (\$0.01) last year, primarily impacted by Income Tax provisions
- Adjusted EBITDA² of \$2.2 million - up 71% from Q2 last year and +107% sequentially
- Free Cash Flow², before working capital changes and taxes, of \$1.9 million – up 88% year-over-year and +105% sequentially; Income Tax paid in Q2 of \$0.5 million and \$1.3 million year-to-date

Q2 Management and Operational Commentary:

CEO and President, Sonny Newman: “Our 15% growth in same store sales over Q2 last year, versus a 16% decline in state of Nevada sales, is a testament to the strength of our business model and ability to deliver outsized results in what remains a challenging market. We continue to expand our strong and loyal customer base as evidenced by the record number of retail transactions we reported this quarter. C21 shifted its revenue mix in Q2 to reduce wholesale exposure given credit quality challenges in the market. Bottom line, we delivered a substantial improvement in adjusted EBITDA and positive free cash flow, both

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



sequentially and year-over-year. Given our strong performance and growth trajectory, we are confident in our ability to capture ongoing opportunities in the market and continue to deliver for our shareholders.”

Q2 revenue of \$8.5 million was up 13% over the previous year, despite a 16% decline in Nevada sales over the comparative period¹. Retail sales were up 15% year-over-year and 2% sequentially, which was offset by a decision to lower wholesale sales in the quarter.

Gross Margin of 50.4% in the second quarter was up 690 basis points year-over-year, driven by \$1.1 million higher same store sales on slightly lower Costs of Goods Sold.

C21 reported Income from Operations of \$1.2 million in the second quarter, up 300% from the previous Q2 and 400% sequentially, primarily due to higher retail sales and improved gross margin. SG&A costs were relatively flat year-over-year despite the \$1.1 million increase in retail sales.

The Company reported a Net Loss of \$0.5 million in the second quarter, or (\$0.00) per share, versus a Net Loss per share of (\$0.01) in the previous second quarter. Q2’s Net Loss was primarily due to Income Tax provisions. The Company generated \$0.6 million Net Income Before Tax for Q2, inclusive of a one-time charge of \$0.4 million related to the EFF settlement previously announced.

Q2 Adjusted EBITDA² was \$2.2 million, up 71% from the previous year and 97% sequentially, driven by the increase in revenue, improved gross margins, and stable SG&A costs.

Q2 Free Cash Flow² before working capital changes was \$1.9 million, up 105% sequentially and up 88% from the previous Q2.

Cash at the end of Q2 was up slightly from Q1 notwithstanding \$0.5 million in Income Tax paid, a \$0.5 million one-time payment related to the EFF settlement, and \$0.5 million debenture principal (\$0.4 million in cash) retired, as well as a \$0.6 million reduction in payables. Year-to-date, Income Tax paid was \$1.3 million.

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 refiled 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.

Q2 Free Cash Flow:

Quarter Ended (except as noted)	Q2 September 30, 2025	Q1 June 30, 2025	Q4 March 31, 2025	Q3 December 31, 2024	Q2 September 30, 2024
Cash Provided by Operating Activities before taxes and changes in working capital (continuing operations)	\$ 1,864,309	\$ 942,348	\$ 1,582,088	\$ 1,726,751	\$ 1,045,505
Purchase of Property and Equipment	(9,900)	(37,329)	(31,434)	(144,908)	(60,731)
Free Cash Flow	\$ 1,854,409	\$ 905,019	\$ 1,550,654	\$ 1,581,843	\$ 984,774

"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.

Q2 Adjusted EBITDA:

	Q2	Q1	Q4	Q3	Q2
	Sept 30, 2025	June 30, 2025	March 31, 2025	Dec 31, 2024	Sept 30, 2024
Net Income (Loss)	\$ (486,655)	\$(758,820)	\$(1,581,297)	\$(130,941)	\$ (845,132)
Interest & accretion	156,321	180,598	196,905	231,358	238,531
Provision for Income Taxes	1,117,100	825,500	2,232,750	722,800	828,400
Depreciation and Amortization	444,582	445,616	445,042	445,992	435,456
Depreciation and Interest in COGS	203,092	203,092	203,091	-	406,184
EBITDA	\$ 1,434,440	\$ 895,986	\$ 1,496,491	\$ 1,269,209	\$ 1,063,439
Change in FV of derivative liability	-	-	(52,257)	-	-
Share based compensation	50,449	93,945	136,757	143,493	147,091
Loss (gain) from discontinued operations	4,983	1,861	51,712	49,663	85,714
One-time special project costs	289,911	118,770	70,000	-	-
Production curtailment, non-cash inventory adjustments	-	-	-	-	-
Other gain (loss)	436,599	(41,726)	(10,602)	105,234	(927)
Adjusted EBITDA	\$ 2,216,382	\$1,068,836	\$ 1,692,102	\$ 1,567,599	\$ 1,295,317

Q2 Balance Sheet Summary:

	(US\$)	September 30, 2025	March 31, 2025
Assets			
Cash		2,795,772	2,625,461
Inventory		4,767,492	4,051,425
Other current, note receivable, assets held for sale		1,327,238	827,229
Current Assets		8,890,502	7,504,115
Note receivable		-	802,766
Fixed Assets/Goodwill/Intangibles		47,264,606	48,692,868
Total Assets		56,155,108	56,999,749
Liabilities			
Accounts payable		1,896,124	2,148,153
Convertible promissory notes		-	1,156,259
Convertible Debentures (current portion)		1,161,852	977,817
Income taxes payable		1,998,859	2,833,991
Other, current lease, Settlement liability		2,116,305	1,997,082
Current Liabilities		7,173,140	7,957,043
Convertible Debentures		112,264	710,367
Lease liabilities		9,467,419	9,771,124
Uncertain tax position		11,300,529	9,822,797
Derivative liability, Deferred tax, Settlement liability		763,551	62,641

Total Liabilities	28,816,903	28,323,972
Shareholders' Equity	27,338,205	28,675,777
Total Liabilities and Shareholders' Equity	56,155,108	56,999,749

Q2 Summary Income Statement:

	Q2	Q1	Q4	Q3	Q2
(US\$)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Revenue	8,470,292	8,553,373	8,105,512	7,907,812	7,508,547
Cost of Sales	4,201,818	5,569,382	4,477,048	4,272,868	4,243,714
Gross Profit	4,268,474	2,983,991	3,628,464	3,634,944	3,264,833
Gross Margin%	50%	35%	45%	46%	43%
Total Expenses	3,040,126	2,776,578	2,791,252	2,656,830	2,958,247
Income from Operations	1,228,348	207,413	837,212	978,114	306,586
Income Tax Expense	(1,117,100)	(825,500)	(2,232,750)	(722,800)	(828,400)
Net Income (Loss)	(486,655)	(755,098)	(1,581,297)	(130,941)	(845,132)
Earnings (Loss) Per Share	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)

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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 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 refiled 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.