22ND CENTURY GROUP

VLN

INVESTOR PRESENTATION

January 2026

Leading the Tobacco Harm Reduction Movement

TAKE CONTROL

NASCO PRODUCTS

Forward Looking Statements

Except for historical information, all of the statements, expectations, and assumptions contained in this presentation are forward-looking statements, including but not limited to our business outlook forward-looking statements typically contain terms such as “anticipate,” “believe,” “consider,” “continue,” “could,” “drive to” “estimate,” “expect,” “explore,” “foresee,” “goal,” “guidance,” “intend,” “likely,” “may,” “plan,” “potential,” “predict,” “preliminary,” “probable,” “project,” “promising,” “seek,” “should,” “will,” “would,” and similar expressions. Actual results might differ materially from those explicit or implicit in forward-looking statements. Important factors that could cause actual results to differ materially are set forth in “risk factors” in the company’s annual report on form 10-K filed on March 20, 2025 and quarterly reports on form 10-Q filed May 13, 2025, August 14, 2025 and November 4, 2025. All information provided in this presentation is as of the date hereof, and the company assumes no obligation to and does not intend to update these forward-looking statements, except as required by law.

At A Glance

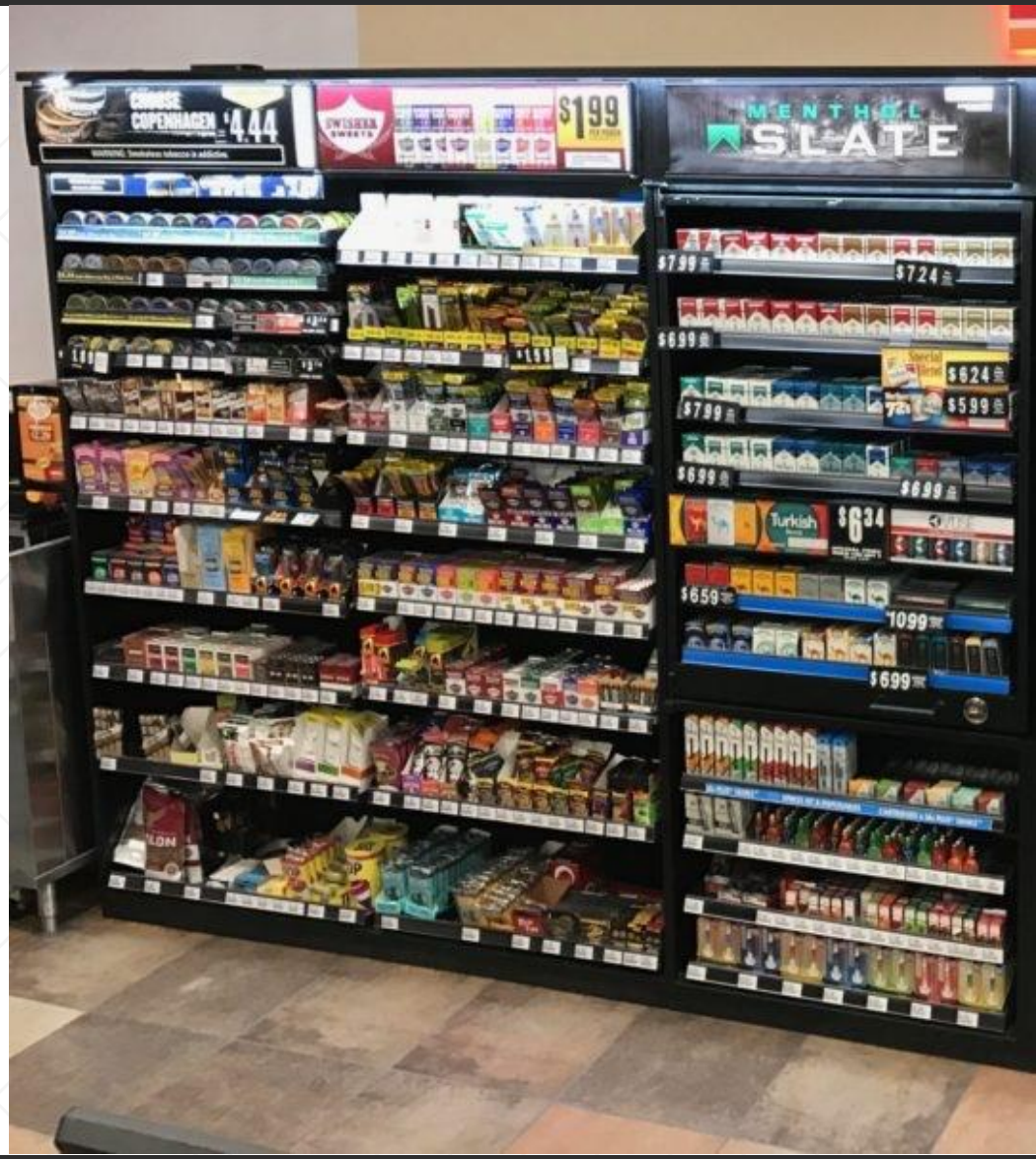
- **The true leader of the Tobacco Harm Reduction Movement – 27 Years**
- **The Only Company Fully aligned with the FDA's low nicotine mandate – January 2025**
- **Poised for profitable growth and value creation** with our **House of Brands**
- **VLN® products** offer a **CHOICE** for NICOTINE consumption in combustible cigarettes

Tobacco Market

- **United States**
  - $109 billion in annual sales
  - $83 billion in annual cigarette sales
  - 28.8 million smokers
  - 480,000 smoking related deaths annually
  - 1,315 smokers die daily from smoking related health conditions in the US
- **Worldwide**
  - $1.1 trillion in annual sales
  - $873 billion in annual cigarette sales
  - 1.1 billion smokers
  - 8.0 million smoking related deaths annually
  - 21,900 smokers die daily from smoking related health conditions
- **22nd Century SAM is 20.2 million smokers**
  - **70% who want to quit or $58 billion in annual cigarette sales**
- **The US tobacco industry is expected to grow to $180.5 billion by 2030 – 8.15% CAGR - (TechSci Research)**

The Lanes in Tobacco

- The Good news is, the **Tobacco Harm Reduction movement is now alive and well** – We are the leader
- **The market is shaping into 4 lanes:**
  - **Lane 1** – Pouches and moist snuff
  - **Lane 2** – Heat not burn or Heated Tobacco Products
  - **Lane 3** – Low Nicotine or VLN products
  - **Lane 4** – Standard combustible cigarettes - Smokers who are not going to quit, they will smoke anyway
- The first 3 lanes are coined as being part of the tobacco harm reduction movement.
- **VLN® competes head-to-head** with Heat-Not-Burn and HTPs for combustible users
- **FDA nicotine standard** will shift smokers to reduced-nicotine options as full-strength brands exit
- **Growth opportunity:** expand VLN® and “VLN Inside” through licensing and partnerships
- **70% of smokers want to quit** — reducing nicotine dependence is key



Smokers – The $58b Market

- 70% of Smokers in the US have experienced "The Moment"
  - The Moment = "I need to/want to/should change my smoking habit"
- Smoking is a ritual – Enjoyment – A place to go – Relaxing – Stimulating
- Quitting, reducing, or changing is EXTREMELY HARD
- Use cases for VLN® following "The Moment":
  - Replacement for the standard cigarette
  - Dual use with their standard cigarette
  - Dual use with other nicotine delivery systems – Pouches, Vapes, Moist snuff, etc.

Nicotine Harm – The Great Unknown

- **Consumers have been led to believe that nicotine is harmless – Not true as Nicotine:**
  - **Bone Development:**
    - **Inhibits bone formation**
    - **Increases bone breakdown**
    - **Reduces bone density**
  - **Decreases blood flow**
  - **Affects hormones**
  - **Disrupts brain development under 25 years old**
  - **Highly addictive chemical that removes control from the user**
- **It's not just cigarettes, it's all nicotine delivery systems**

The Scientific Proof – VLN® Products

- **2024 Study:** 450+ participants using 95% less nicotine VLN® cigarettes
  - **40% reduced daily consumption** in 12 weeks
  - Scaled to 28.8M U.S. smokers = **11.5M smokers could see similar results**
- **VLN® Cigarette Advantage:**
  - Familiar cigarette format — no devices or habit changes needed
  - Already available via Pinnacle VLN®, Smoker Friendly VLN®, and 22nd Century VLN®
  - **Only cigarette aligned with FDA's proposed nicotine standard**

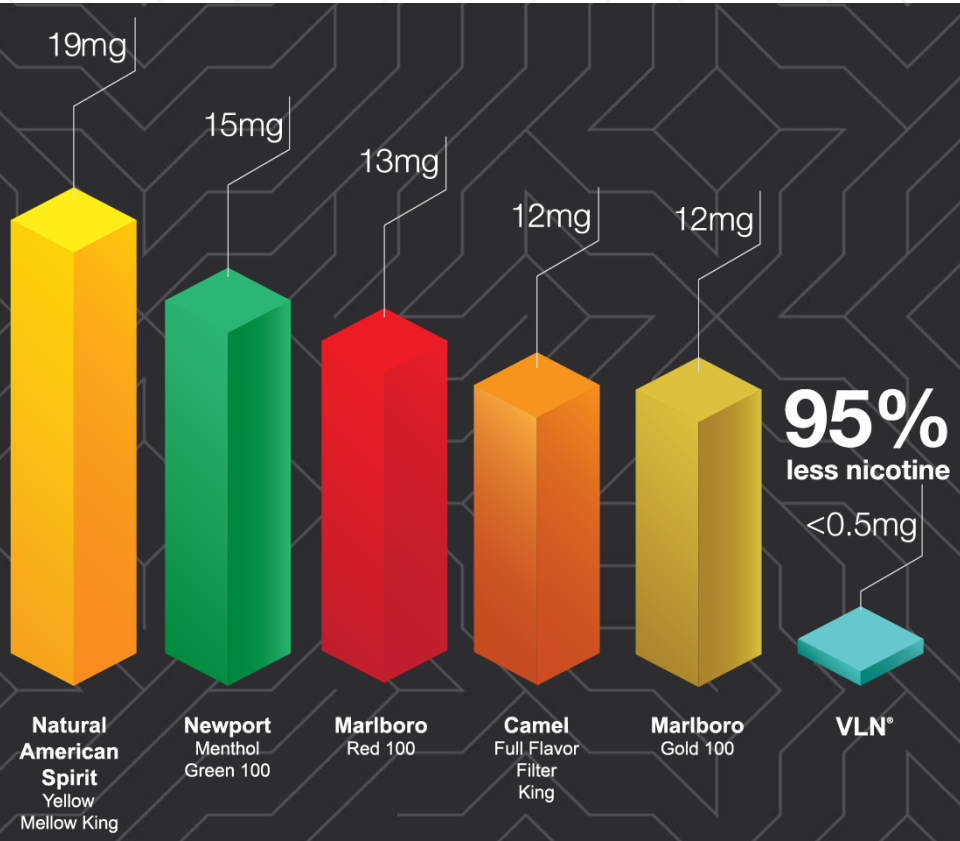
FDA Low Nicotine Mandate

- **75 years** of U.S. government warnings about nicotine and smoking risks
- **Billions invested** in research, cessation programs, and messaging to help smokers gain control over nicotine dependence
- **Addiction:** loss of control over harmful substances—nicotine included
- **FDA Proposed Rule:**
  - Sets **0.7mg/g nicotine cap**—a groundbreaking step to curb addiction
  - Backed by **22nd Century VLN® data** proving commercial viability
  - **Strong public health support**
- **VLN® today:** in the market now, proving a reduced-nicotine future is here
- **Momentum building:** more partner brands in development; transition to reduced nicotine is **inevitable**

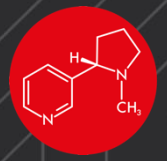
Our Technology has made this mandate possible

22nd Century Mission: return control to the smoker in the form that they are used to

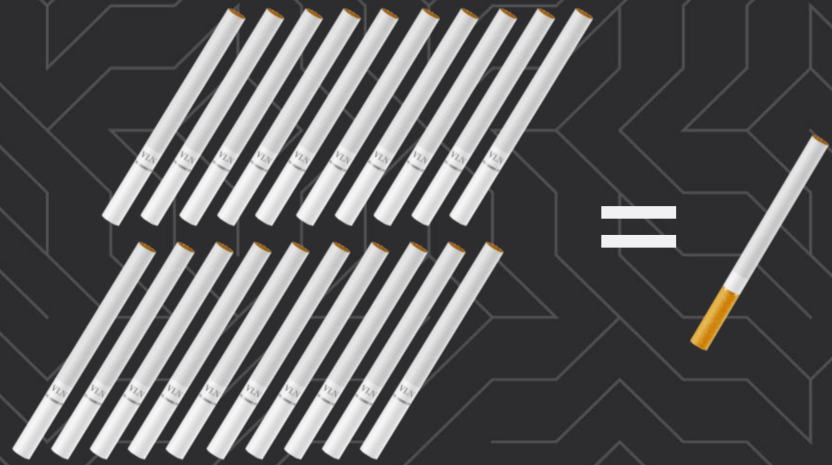
Cigarette Comparison



*Source: 22nd Century Group's MRTP Application to the FDA - 2018



20 VLN® cigarettes = 1 traditional cigarette



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VLN® Brands

Future

High Margin

Better Option for You Category Vertical

Differentiation

- Leaf Grade
- Pack Size
- Price

Competitive Advantage

- Account Depth
- Consumer Options

Natural Brands

Distribution

Momentum in Motion

- **VLN® + Partner VLN® and Naturals launched** into retail
- Already in **2,000 outlets across more than 20 states**
- Riding alongside established branded products in the same chains

Expanding the Footprint

- **22nd Century VLN®** key state approvals in progress
- Targeting **50-state coverage** for all branded products

Partner Power

- Current brands: **Smoker Friendly, Pinnacle, 22nd Century**
- Pipeline: **additional partner brands + licensing opportunities** to expand reach across tobacco

R&D Drives Future Opportunities

Expanding the VLN® Lineup

- Adding **100MM+ VLN® products** (both Regular + Partner)
- Developing **new low-nicotine tobacco strains** for future blends

Deepening the Science

- Ongoing research on **TSNAs** — tackling nicotine *and* carcinogens
- Long-term partnership with **NC State University** for continuous innovation

Beyond Combustibles

- Exploring **non-combustible, low-nicotine product extensions**
- Preparing **future FDA filings** to expand regulatory leadership

TTM Condensed P&L

(amounts in thousands)

	QTD December 31, 2024	QTD March 30, 2025	QTD June 30, 2025	QTD September 30, 2025
Revenues, net	$ 4,020	$ 5,956	$ 4,083	$ 4,011
Cost of goods sold	3,094	2,884	2,863	2,557
Excise taxes and fees on products	2,180	3,681	1,855	2,513
Gross (loss) profit	(1,254)	(609)	(635)	(1,059)
Total operating expenses	2,839	1,961	2,346	2,153
Operating loss	(4,093)	(2,570)	(2,981)	(3,212)
Total other income (expense)	(152)	(704)	(349)	(551)
Loss before income taxes	(4,245)	(3,274)	(3,330)	(3,763)
Provision for income taxes	3	-	(34)	-
Net loss from continuing operations	$ (4,248)	$ (3,274)	$ (3,296)	$ (3,763)
EBITDA	**(3,783)**	**(2,508)**	**(2,759)**	**(3,011)**

YTD 2025 Highlights:

- Poised for sequential revenue growth and positive gross margin entering 1H 2026
- Eliminated high volume low margin CMO business in 2025
- Launch of VLN® and partner VLN products in 2025; high margin
- Normalized OpEx run rate for 2025
- All outstanding debt repaid in 2025; eliminating all cash and non-cash interest expense

Please refer to our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Form 8-K earnings release for a full presentation of the statement of operations and comprehensive loss, and reconciliation of GAAP to Non-GAAP measures.

Summary

VLN® Cigarettes — Proven, Ready & In The Market

- Science validated, clinical proof in market
- Product strategy launched + strengthened through partner brands (VLN® inside)

Growth Engine in Motion

- Portfolio built for **cross-sell + gradual expansion through 2026 into 2027**
- Fully aligned with the **FDA's low nicotine mandate**
- Market Leader in a **new Low Nicotine Content category**

Innovation That Doesn't Stop

- Ongoing R&D in low-nicotine strains + reduced-nicotine products
- Expanding through **branded growth, licensing, and partnerships**

Path to Profitability

- Focused growth in total branded portfolio (Full + Low Nicotine)
- Targeting **EBITDA breakeven in 2026**

Key to Success

- **Scaling distribution + accelerating sell-through = industry leadership.**
- **VLN® is a big part of the future of tobacco.**

www.xxiicentury.com
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