22nd Century Group, Inc.

XXII

Nasdaq; consumer nondurables; SIC 2111, Cigarettes; CIK 0001347858

E

weakest fifth of 125 graded peers in consumer nondurables

rank 124 of 125; percentile 99.2; sampling error 3.8 points; lower is stronger

A B C D E

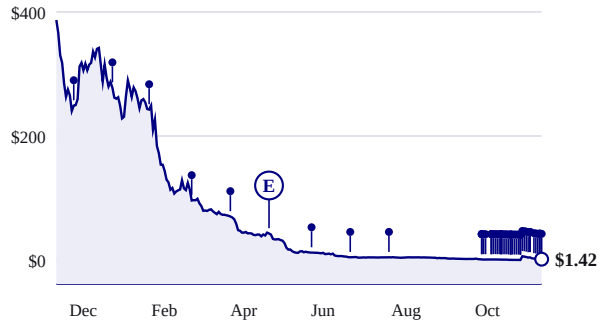
E, the bear



Scoreboard

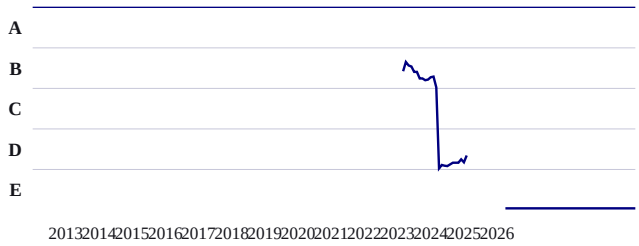
Profitability	D/E percentile 82.9
Solvency	C/D percentile 62.6
Growth and financing	E percentile 97.4
Reliability	0.83 AUC filers with $12.5M to $120M assets; 95% interval 0.79 to 0.86; 201 events, 2020 to 2025
Peer failure rate	1.07% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$12.5M to $120M assets total assets $27.0M
Standard universe	inside revenue above $1M and assets above $10M
Warnings	dilution; fortress balance sheet not computable: distress
Inputs computable	8 of 14
Graded from	filings received through Mar 26, 2026 230 days before the rescan; latest periodic filing 10-Q received Aug 14, 2026
Last close	$1.41 2026-11-10; market equity $1.0M; no price enters the letter

Share price, twelve months to the rescan



Split-adjusted close. Each lollipop is a rescan and carries the letter held then.

Letter at every rescan, 2012 to 2026



Sector percentile at each rescan, stronger toward the top; facts filed by each date only.

Business, in the company's words

opening of Item 1 of the 10-K received Mar 26, 2026

22nd Century Group, Inc. is a tobacco products company that enables cigarette smokers to take control of their consumption of nicotine, the addictive drug in cigarettes. We manufacture and distribute the only combustible tobacco products containing minimally or non-addictive levels of nicotine that are authorized by the US Food and Drug Administration (FDA) for retail purchase. We also provide turnkey contract manufacturing of cigarettes and filtered cigars for other established tobacco brands. We created our flagship product, the VLN® cigarette, to give traditional cigarette smokers an authentic and familiar alternative that helps them decide their consumption of nicotine.

The fourteen inputs

lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight

Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 82.9						
Gross profitability	27.4%	29.8%		53.5	145	2025-12-31
Return on invested capital	(148.2%)	5.6%		100.0	49	2025-12-31

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Accruals ratio	11.0%	(5.2%)	95.3	150	2025-12-31
Gross margin stability, five years	not computable	1.9 pts			
five consecutive annual gross margins are required					
Solvency, sleeve percentile 62.6					
Twelve-month failure probability	not computable	0.03%			
latest liabilities, cash plus short-term investments, book equity, and shares are required					
Altman Z double-prime	(46.55)	3.06	95.8	120	2025-12-31
Net debt to EBITDA	not computable	2.58x			
EBITDA must exceed $100,000					
Interest coverage	not computable	2.36x			
latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31					
Current ratio	2.42x	1.79x	29.4	154	2025-12-31
Growth and financing, sleeve percentile 97.4					
Revenue growth, three-year compound	(24.3%)	0.06%	95.5	134	2025-12-31
Free cash flow growth, three-year compound	not computable	14.9%			
current FCF must be positive and base FCF must exceed $100,000					
Reinvestment rate	not computable	11.0%			
NOPAT must exceed $100,000					
Asset growth, three years	(38.2%)	0.2%	97.7	134	2025-12-31
Net share issuance, one year	9,538.9%	0.05%	99.0	104	2026-03-20

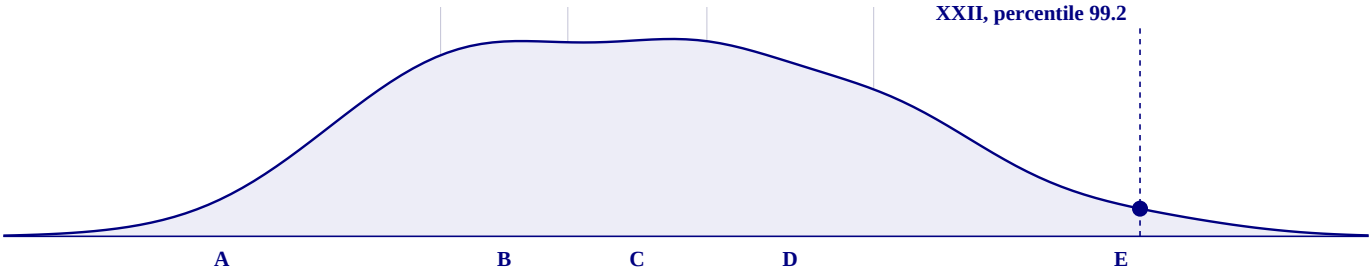
Warnings

2 of 7 checks triggered; none of them enters the letter

Check	Measured
Dilution	split-adjusted year-over-year share growth is 9538.9%
Fortress balance sheet	cash minus debt is 6,441,000 USD; Altman Z is not used

Among 125 peers

consumer nondurables; letters are fifths of this list



Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.

Rank	Company	Percentile	Letter	Warnings
119	Hain Celestial Group Inc. (HAIN)	95.2	E	fortress balance sheet
120	Limoneira Co. (LMNR)	96.0	E	
121	Blue Star Foods Corp. (BSFC)	96.8	E	dilution, late filer, fortress balance sheet
122	Reed'S, Inc. (REED)	97.6	E	
123	Endovia Health Sciences, Inc. (EDVA)	98.4	E	short runway, late filer, degenerate inputs, fortress balance sheet
124	22nd Century Group, Inc. (XXII)	99.2	E	dilution, fortress balance sheet
125	Planet Green Holdings Corp. (PLAG)	100.0	E	dilution, late filer, fortress balance sheet

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What the price implies

at the 2026-11-10 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(99.8%)	(1.3%)	1
Distance from 52-week high	(99.6%)	(20.6%)	1
EBIT to enterprise value	not computable	3.2%	
Free cash flow yield	(767.8%)	3.9%	0
Book value to price	18.39	0.53	99
Sales to price	17.35	1.17	98
Composite equity issuance, five years	1,388.0%	(16.7%)	99
Relative strength against the sector, log excess return	(6.37)	(0.09)	1

Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score None of 9, period end 2025-12-31	
Return on assets above zero	fail
Operating cash flow above zero	fail
Return on assets improved	pass
Operating cash flow exceeds net income	fail
Long-term leverage fell	pass
Current ratio improved	pass
No new shares issued	fail
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	$6.1M
Operating cash flow, four quarters	-$8.4M
Months of runway	8.7
Days since last periodic filing	89 (10-Q received Aug 14, 2026)
Median daily dollar volume, 63 sessions	$95,046

Sources

every fact behind the inputs; each row links to its filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAs...	$17.6M	2025-12-31	2026-03-26	10-K	26-034814
2	cost of revenue	us-gaap:CostOfRevenue	$10.2M	2025-12-31	2026-03-26	10-K	26-034814
3	assets	us-gaap:Assets	$27.0M	2025-12-31	2026-03-26	10-K	26-034814
4	operating income	us-gaap:OperatingIncomeLoss	-$11.6M	2025-12-31	2026-03-26	10-K	26-034814
5	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	-$13.1M	2025-12-31	2026-03-26	10-K	26-034814
6	income tax	us-gaap:IncomeTaxExpenseBenefit	-$28,000	2025-12-31	2026-03-26	10-K	26-034814
7	total debt	us-gaap:LongTermDebt	$708,000	2025-12-31	2026-03-26	10-K	26-034814
8	book equity	us-gaap:StockholdersEquity	$15.8M	2025-12-31	2026-03-26	10-K	26-034814
9	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$7.1M	2025-12-31	2026-03-26	10-K	26-034814
10	total debt	us-gaap:LongTermDebt	$6.7M	2024-12-31	2026-03-26	10-K	26-034814
11	book equity	us-gaap:StockholdersEquity	$4.0M	2024-12-31	2026-03-26	10-K	26-034814
12	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$4.4M	2024-12-31	2026-03-26	10-K	26-034814
13	net income	us-gaap:NetIncomeLoss	-$5.1M	2025-12-31	2026-03-26	10-K	26-034814
14	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$7.7M	2025-12-31	2026-03-26	10-K	26-034814
15	assets	us-gaap:Assets	$21.7M	2024-12-31	2026-03-26	10-K	26-034814
16	current assets	us-gaap:AssetsCurrent	$17.6M	2025-12-31	2026-03-26	10-K	26-034814
17	current liabilities	us-gaap:LiabilitiesCurrent	$7.3M	2025-12-31	2026-03-26	10-K	26-034814
18	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$398.9M	2025-12-31	2026-03-26	10-K	26-034814

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19	liabilities	us-gaap:Liabilities	$8.5M	2025-12-31	2026-03-26	10-K	26-034814
20	depreciation amortization	us-gaap:Depreciation	$479,000	2025-12-31	2026-03-26	10-K	26-034814
21	operating income	us-gaap:OperatingIncomeLoss	-$44.9M	2023-12-31	2025-03-20	10-K	25-003345
22	interest expense	us-gaap:InterestExpense	$9.4M	2023-12-31	2024-03-28	10-K	24-004163
23	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAs...	$24.4M	2024-12-31	2026-03-26	10-K	26-034814
24	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$32.2M	2023-12-31	2024-03-28	10-K	24-004163
25	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$40.5M	2022-12-31	2024-03-28	10-K	24-004163
26	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$61,000	2025-12-31	2026-03-26	10-K	26-034814
27	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$14.3M	2024-12-31	2026-03-26	10-K	26-034814
28	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$141,000	2024-12-31	2026-03-26	10-K	26-034814
29	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$55.0M	2023-12-31	2025-03-20	10-K	25-003345
30	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$4.7M	2023-12-31	2025-03-20	10-K	25-003345
31	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$51.7M	2022-12-31	2024-03-28	10-K	24-004163
32	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$3.7M	2022-12-31	2024-03-28	10-K	24-004163
33	current assets	us-gaap:AssetsCurrent	$11.5M	2024-12-31	2026-03-26	10-K	26-034814
34	current liabilities	us-gaap:LiabilitiesCurrent	$10.0M	2024-12-31	2026-03-26	10-K	26-034814
35	assets	us-gaap:Assets	$27.5M	2023-12-31	2025-03-20	10-K	25-003345
36	assets	us-gaap:Assets	$114.7M	2022-12-31	2024-03-28	10-K	24-004163
37	shares outstanding	dei:EntityCommonStockSharesOutstanding	662,023	2026-03-20	2026-03-26	10-K	26-034814
38	shares outstanding	dei:EntityCommonStockSharesOutstanding	2,369,552	2025-03-17	2025-04-30	10-K/A	25-006806

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