

CCA INDUSTRIES, INC.
500 OFFICE CENTER DRIVE, SUITE 400, FORT WASHINGTON, PA 19034

201-935-3232
WWW.CCAINVESTOR.COM
INVESTORRELATIONS@CCAINDUSTRIES.COM

Quarterly Report

For the period ending May 31, 2025 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

6,593,982 as of May 31, 2025 *(Current Reporting Period Date or More Recent Date)*

6,593,982 as of November 30, 2024 *(Most Recent Completed Fiscal Year End)*

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ “Change in Control” shall mean any events resulting in:

- (i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

CCA INDUSTRIES, INC.

Current State and Date of Incorporation or Registration: DELAWARE, MARCH 25, 1983

Standing in this jurisdiction: (e.g. active, default, inactive): ACTIVE

Prior Incorporation Information for the issuer and any predecessors during the past five years:

NO CHANGE

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

NONE

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

NONE

Address of the issuer's principal executive office:

500 OFFICE CENTER DRIVE, SUITE 400, FORT WASHINGTON, PA 19034

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: BROADRIDGE CORPORATE ISSUER SOLUTIONS, LLC

Phone: 877-830-4936

Email: _____

Address: 1155 LONG ISLAND AVENUE, ENGLEWOOD, NJ 11717

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>CAWW</u>	
Exact title and class of securities outstanding:	<u>COMMON STOCK</u>	
CUSIP:	<u>124867102</u>	
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>15,000,000</u>	as of date: <u>MAY 31, 2025</u>
Total shares outstanding:	<u>6,593,982</u>	as of date: <u>MAY 31, 2025</u>
Total number of shareholders of record:	<u>74</u>	as of date: <u>AUGUST 31, 2024</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>CLASS A COMMON STOCK</u>	
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>5,000,000</u>	as of date: <u>MAY 31, 2025</u>
Total shares outstanding:	<u>967,702</u>	as of date: <u>MAY 31, 2025</u>
Total number of shareholders of record:	<u>1</u>	as of date: <u>MAY 31, 2025</u>

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Exact title and class of the security:	<u>PREFERRED STOCK, SENIOR REDEEMABLE SERIES B</u>	
Par or stated value:	<u>\$1.00</u>	
Total shares authorized:	<u>20,000,000</u>	as of date: <u>MAY 31, 2025</u>
Total shares outstanding:	<u>175,000</u>	as of date: <u>MAY 31, 2025</u>
Total number of shareholders of record:	<u>1</u>	as of date: <u>MAY 31, 2025</u>

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

COMMON SHARES ELECTED ONE MEMBER TO THE BOARD OF DIRECTORS. THE CLASS A SHAREHOLDERS ELECT TWO MEMBERS TO THE BOARD OF DIRECTORS. OTHERWISE, COMMON AND CLASS A HAVE THE SAME RIGHTS AS TO DIVIDEND AND ANY DISTRIBUTIONS.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

THERE IS NO MINIMUM DIVIDEND. THE PREFERRED STOCK RECEIVES THE SAME DIVIDEND, IF ANY, AS THE COMMON STOCK. THE PREFERRED STOCK HAS TO BE REDEEMED AT THE VALUE OF

\$3.50 PER SHARE, AND HAS PREFERENCE IN DISTRIBUTIONS PRIOR TO DISTRIBUTION TO ANY OTHER CLASS OF STOCK

3. Describe any other material rights of common or preferred stockholders.

NONE

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

NONE

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance:</u> Date <u>11/30/2022</u> Common: 6,593,982 Preferred: <u>160,000 (NON-TRADING)</u> <u>CLASS A COMMON 967,702 (NON-TRADING)</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

<u>3/09/2023</u>	<u>NEW</u>	<u>5,000</u>	<u>PREFERRED STOCK SERIES B</u>	<u>\$3.50</u>	<u>NO</u>	<u>LARRY WYSS</u>	<u>STOCK ISSUANCE</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>02/01/2024</u>	<u>NEW</u>	<u>5,000</u>	<u>PREFERRED STOCK SERIES B</u>	<u>\$3.50</u>	<u>NO</u>	<u>LARRY WYSS</u>	<u>STOCK ISSUANCE</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>15,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>FRANK CORBISERIE</u>	<u>INCENTIVE STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>200,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>CHRISTOPHER DOMINELLO</u>	<u>INCENTIVE STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>100,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>STEPHEN HEIT</u>	<u>INCENTIVE STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>20,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>LUCY FIGUEIREDO</u>	<u>INCENTIVE STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>15,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>COLLEEN FOX</u>	<u>INCENTIVE STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>5,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>DENISE MUNNO</u>	<u>INCENTIVE STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>150,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>BRENT FUNSTON</u>	<u>NON-QUALIFIED STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>75,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>BRIAN HAVESON</u>	<u>NON-QUALIFIED STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>03/12/2024</u>	<u>STOCK OPTION GRANTED</u>	<u>75,000</u>	<u>COMMON STOCK</u>	<u>\$0.66</u>	<u>NO</u>	<u>S. DAVID FINEMAN</u>	<u>NON-QUALIFIED STOCK OPTION</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>
<u>02/28/2025</u>	<u>NEW</u>	<u>5,000</u>	<u>PREFERRED STOCK SERIES B</u>	<u>\$3.50</u>	<u>NO</u>	<u>LARRY WYSS</u>	<u>STOCK ISSUANCE</u>	<u>RESTRICTED</u>	<u>UNREGISTERED</u>

Shares Outstanding on Date of This Report: <u>Ending</u> <u>Balance:</u> Date <u>05/31/2025</u> Common: 6,593,982 Preferred: <u>175,000 (NON-TRADING)</u> CLASS A COMMON: 967,702 (NON-TRADING)	
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Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁵	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)

Total Outstanding Balance:

Total Shares:

Any additional material details, including footnotes to the table are below:

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

SALES AND MARKETING OF HEALTH AND BEAUTY AIDS AND PRODUCTS

B. List any subsidiaries, parent company, or affiliated companies.

NONE.

C. Describe the issuers' principal products or services.

SKIN CARE, ORAL CARE, BRAIN HEALTH SUPPLEMENTS, BEAUTY PRODUCTS SOLD TO MASS MARKETS, CHAIN DRUG, FOOD AND ON-LINE THROUGH AMAZON.COM AND WALMART.COM

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

RENT SHARED OFFICE SPACE AT 500 OFFICE CENTER DRIVE, SUITE 400, FORT WASHINGTON, PA 19034.
ALL EMPLOYEES WORK FROM THEIR HOME AT THIS TIME.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
<u>CAPITAL PRESERVATION SOLUTIONS, LLC</u>	<u>DIRECTOR/5% OR MORE OWNER</u>	<u>PENN VALLEY, PA</u>	<u>967,702</u>	<u>CLASS A COMMON STOCK</u>	<u>100</u>	<u>BRENT FUNSTON AS MANAGING MEMBER</u>
<u>ESTATE OF LANCE FUNSTON</u>	<u>DIRECTOR/5% OR MORE OWNER</u>	<u>PENN VALLEY, PA</u>	<u>49,958</u>	<u>COMMON STOCK</u>	<u>.8%</u>	<u>BRENT FUNSTON AS EXECUTOR</u>
<u>CHRISTOPHER DOMINELLO</u>	<u>CHIEF EXECUTIVE OFFICER</u>	<u>HUNTINGDON VALLEY, PA</u>	<u>0</u>	<u>---</u>	<u>0</u>	<u>---</u>
<u>STEPHEN HEIT</u>	<u>CHIEF FINANCIAL OFFICER</u>	<u>LEWES, DE</u>	<u>31,805</u>	<u>COMMON STOCK</u>	<u>.5%</u>	<u>---</u>
<u>BRIAN HAVESON</u> <u>---</u>	<u>DIRECTOR</u>	<u>WILMINGTON, DE</u>	<u>0</u>	<u>---</u>	<u>0</u>	<u>---</u>
<u>BRENT FUNSTON</u>	<u>CHAIRMAN OF THE BOARD</u>	<u>PENN VALEY, PA</u>	<u>0</u>		<u>0</u>	
<u>S. DAVID FINEMAN</u>	<u>DIRECTOR</u>	<u>PHILADELPHIA, PA</u>	<u>0</u>		<u>0</u>	
<u>CAPITAL PRESERVATION SOLUTIONS, LLC</u>	<u>DIRECTOR/5% OR MORE OWNER</u>	<u>PENN VALLEY, PA</u>	<u>450,000</u>	<u>COMMON STOCK</u>	<u>6.9%</u>	<u>BRENT FUNSTON AS MANAGING MEMBER</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NONE AS OF MAY 31, 2025

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

NONE AS OF MAY 31, 2025

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NONE AS OF MAY 31, 2025

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NONE AS OF MAY 31, 2025

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NONE AS OF MAY 31, 2025

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NONE AS OF MAY 31, 2025

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE AS OF MAY 31, 2025

8) **Third Party Service Providers**

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: ALAN LIEBLICH, ESQ.
Address 1: BLANK ROME, LLP
Address 2: ONE LOGAN SQUARE, 130 NORTH 18TH ST., PHILADELPHIA, PA 19103
Phone: 215-569-5693
Email: _____

Accountant or Auditor

Name: MATTHEW MCNAMARA, CPA
Firm: ASSURANCE DIMENSIONS
Address 1: 4920 WEST CYPRESS STREET, SUITE 102
Address 2: TAMPA, FL 33607

Phone: 813-443-5048
Email: _____

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other]: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **STEPHEN HEIT**
Title: **CHIEF FINANCIAL OFFICER**
Relationship to Issuer: **CHIEF FINANCIAL OFFICER**

B. The following financial statements were prepared in accordance with:

IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **STEPHEN HEIT**
Title: **CHIEF FINANCIAL OFFICER**
Relationship to Issuer: **CHIEF FINANCIAL OFFICER**

Describe the qualifications of the person or persons who prepared the financial statements:⁶ **B.S. DEGREE IN BUSINESS ADMINISTRATION, MBA WITH A CONCENTRATION IN ACCOUNTING, ADDITIONAL GRADUATE WORK PROFESSIONAL ACCOUNTING, DOCTORAL STUDENT FOR DOCTOR OF BUSINESS ADMINISTRATION**

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

FINANCIAL STATEMENTS AS OF AND FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2025, AND 2024, FILED WITH THE OTC ON JULY 15, 2025, ARE INCORPORATED BY REFERENCE.

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, CHRISTOPHER DOMINELLO certify that:

1. I have reviewed this Disclosure Statement for CCA INDUSTRIES, INC.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

07/15/2025 [Date]

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

/s/ CHRISTOPHER DOMINELLO [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, STEPHEN HEIT certify that:

1. I have reviewed this Disclosure Statement for CCA INDUSTRIES, INC.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

07/15/2025 [Date]

/s/ STEPHEN HEIT [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")



CCA Industries, Inc.

Financial Statements (Unaudited)

**As of and For the Three and Six Months
Ended May 31, 2025 and 2024**

CCA INDUSTRIES, INC.
FINANCIAL STATEMENTS

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CCA INDUSTRIES, INC.
BALANCE SHEETS

	May 31, 2025	November 30, 2024
ASSETS	(Unaudited)	
Current Assets:		
Cash	\$ 138,163	\$ 30,104
Accounts receivable, net of allowances for credit losses of \$2,318 and \$2,649, respectively	536,854	567,715
Inventories	1,562,585	1,682,209
Prepaid expenses and sundry receivables	380,329	423,141
Prepaid and refundable income taxes	3,559	5,193
Total Current Assets	2,621,490	2,708,362
Property and equipment, net of accumulated depreciation	3,895	5,766
Intangible assets, net of accumulated amortization	1,204,348	1,204,348
Deferred financing fees, net of accumulated amortization	13,143	23,002
Deferred income taxes	1,660,282	1,685,215
Total Assets	\$ 5,503,158	\$ 5,626,693
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 1,146,220	\$ 1,440,806
Line of credit	829,725	721,885
Total Current Liabilities	1,975,945	2,162,691
Total Liabilities	1,975,945	2,162,691
Commitments and Contingencies - See Note 11		

CCA INDUSTRIES, INC.
BALANCE SHEETS

	May 31, 2025	November 30, 2024
	(Unaudited)	
Shareholders' Equity:		
Preferred stock, \$1.00 par, authorized 20,000,000 shares, Senior Redeemable Series B, 175,000 and 170,000 shares designated, 175,000 and 170,000 shares issued and outstanding, respectively	175,000	170,000
Common stock, \$0.01 par, authorized 15,000,000 shares, issued and outstanding 6,593,982 and 6,593,982 shares, respectively	65,940	65,940
Class A common stock, \$0.01 par, authorized 5,000,000 shares, issued and outstanding 967,702 and 967,702 shares, respectively	9,677	9,677
Additional paid-in capital	7,898,033	7,856,553
Retained (deficit) earnings	(4,621,437)	(4,638,168)
Total Shareholders' Equity	3,527,213	3,464,002
Total Liabilities and Shareholders' Equity	\$ 5,503,158	\$ 5,626,693

See Notes to Financial Statements.

CCA INDUSTRIES, INC.
STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended May 31,		Six Months Ended May 31,	
	2025	2024	2025	2024
Revenues:				
Sales of health and beauty aid products - net	\$ 1,585,567	\$ 2,210,566	\$ 3,251,535	\$ 4,345,147
less: cost of sales	545,768	692,453	1,062,447	1,384,200
Gross Profit:	\$ 1,039,799	\$ 1,518,113	\$ 2,189,088	\$ 2,960,947
Costs and Expenses:				
Selling, general and administrative expenses	946,323	1,403,429	1,983,624	2,977,825
Advertising, cooperative and promotional expenses	24,181	110,201	88,156	249,388
Research and development	1,762	4,182	10,272	23,412
Total Costs and Expenses	972,266	1,517,812	2,082,052	3,250,625
Interest expense	33,933	28,630	63,737	57,581
Income (Loss) before provision for (benefit from) income taxes	33,600	(28,329)	43,299	(347,259)
Provision for (benefit from) income taxes	30,671	(3,908)	26,617	(77,428)
Net Income (Loss)	\$ 2,929	\$ (24,421)	\$ 16,682	\$ (269,831)
Income (Loss) per Share:				
Basic	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.04)
Diluted	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.04)
Weighted Average Common Shares Outstanding:				
Basic	7,561,684	7,561,684	7,561,684	7,561,684
Diluted	7,665,355	7,580,949	7,622,095	7,561,684

See Notes to Financial Statements.

CCA INDUSTRIES, INC.
STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED MAY 31, 2025

	<u>PREFERRED STOCK</u>		<u>CLASS A COMMON STOCK</u>		<u>COMMON STOCK</u>		<u>ADDITIONAL PAID-IN CAPITAL</u>	<u>RETAINED (DEFICIT) EARNINGS</u>	<u>TOTAL SHAREHOLDERS' EQUITY</u>
	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>			
Balance - November 30, 2024	170,000	\$ 170,000	967,702	\$ 9,677	6,593,982	\$ 65,940	\$ 7,856,553	\$ (4,638,168)	\$ 3,464,002
Net income for the three months ended February 28, 2025	-	-	-	-	-	-	-	13,802	13,802
Stock-based compensation	-	-	-	-	-	-	23,865	-	23,865
Issuance of preferred stock	5,000	-	-	-	-	-	12,500	-	17,500
Balance -February 28, 2025	175,000	170,000	967,702	9,677	6,593,982	65,940	7,892,918	(4,624,366)	3,519,169
Net income for the three months ended May 31, 2025	-	-	-	-	-	-	-	2,929	2,929
Stock-based compensation	-	-	-	-	-	-	5,115	-	5,115
Balance - May 31, 2025	175,000	\$ 170,000	967,702	\$ 9,677	6,593,982	\$ 65,940	\$ 7,898,033	\$ (4,621,437)	\$ 3,527,213

See Notes to Financial Statements.

CCA INDUSTRIES, INC.
STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended May 31,	
	2025	2024
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 16,682	\$ (269,831)
Adjustments to reconcile net income (loss) to net cash (used in) operating activities:		
Depreciation and amortization	1,870	3,011
Provision for credit losses	(331)	(1,086)
Deferred financing fees amortization	9,859	9,857
Stock-based compensation	28,980	30,963
Deferred income taxes	24,983	(79,264)
Change in Operating Assets & Liabilities:		
Decrease in accounts receivable	31,191	282,781
Decrease (increase) in inventory	119,625	(438,971)
Decrease (increase) in prepaid expenses and other receivables	42,812	(478,655)
Decrease in prepaid income and refundable income tax	1,634	836
(Decrease) increase in accounts payable and accrued liabilities	(294,586)	7,622
Net Cash (Used in) Operating Activities:	(17,281)	(932,737)
Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	-	(3,172)
Refund of security deposits	-	101,018
Net Cash Provided by Investing Activities	-	97,846
Cash Flows from Financing Activities:		
Proceeds from current line of credit, net	107,840	174,802
Issuance of preferred stock in payment of litigation expense	17,500	-
Net Cash Provided by Financing Activities	125,340	174,802
Net Increase (Decrease) in Cash	108,059	(660,089)
Cash at Beginning of Year	30,104	765,189
Cash at End of Period	\$138,163	\$ 105,100
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 63,737	\$ 57,581
Income Taxes	\$ -	\$ 1,000
Non-cash financing activities during the year:		
Issuance of preferred stock in payment of litigation expense	\$ 17,500	\$ 17,500

See Notes to Financial Statements.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

CCA Industries, Inc. (“CCA” or the “Company”) was incorporated in the State of Delaware on March 25, 1983. CCA conducts business as Core Care America.

CCA manufactures and distributes health and beauty aid products.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates and Assumptions:

The financial statements include the use of estimates which management believes are reasonable. The process of preparing financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accounting estimates and assumptions are those that management considers to be most critical to the financial statements because they inherently involve significant judgment and uncertainties. All of these estimates and assumptions reflect management’s best judgment about current economic and market conditions and their effects on the information available as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

An accounting estimate is deemed to be critical if it is reasonably possible that a subsequent correction could have a material effect on future operating results or financial condition. The following are estimates that management has deemed to be critical:

1 - Allowance for Credit Losses - The Company recognizes an allowance for credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the balance sheet date. Such allowance is based on the credit losses expected to arise over the life of the asset (contractual term) which includes consideration of prepayments and based on the Company’s expectations as of the balance sheet date. Assets are written off when the Company determines that such financial assets are deemed uncollectible or based on regulatory requirements, whichever is earlier. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the balance sheet date. The Company has tracked historical loss information for its trade receivables and compiled historical credit loss percentages for different aging categories (current, 1–30 days past due, 31–60 days past due, 61–90 days past due, and more than 90 days past due). Based on the historical information, the Company has reserved 0.35% for invoices currently due and 1-30 days past due, 0.50% for invoices 31-60 past due, 1.00% for invoices 61-90 days past due and 2.00% for invoices more than 90 days past due.

2 - Inventory Obsolescence Reserve – Management reviews the inventory records monthly. Management deems to be obsolete finished good items that are no longer being sold and have no possibility of sale within the ensuing twelve months. Components and raw materials are deemed to be obsolete if management has no planned usage of those items within the ensuing twelve months. In addition, management conducts periodic testing of inventory to make sure that the value reflects the lower of cost or net realizable value. If the value is below market, a provision is

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates and Assumptions: (Continued)

made within the inventory obsolescence reserve. This reserve is adjusted monthly, with changes recorded as part of cost of sales in the results of operations.

3 – Intangible assets are trademarks and patents that the Company acquires. The Company follows the guidance of Accounting Standards Codification (“ASC”) 360-10 and ASC 350 to determine when impairment indicators exist for its intangible assets. When impairment indicators exist, the Company at least annually makes a qualitative and quantitative estimate of the fair value of its intangible assets as compared to its carrying value. This determination requires significant judgment. In making this judgment, management evaluates external and internal factors, such as significant positive or adverse changes in the market environment in which the Company operates as well as projected cash flows pertaining to specific intangible assets.

4 - The deferred taxes are an estimate of the future tax consequences attributable to the temporary differences between the carrying amounts of assets and liabilities as recorded on the Company’s financial statements and the carrying amounts as reflected on the Company’s income tax return. In addition, the portion of charitable contributions that cannot be deducted in the current period and are carried forward to future periods is also reflected in the deferred tax assets. A substantial portion of the deferred tax asset is due to the loss incurred in fiscal 2015 and prior years, the benefit of which will be carried forward into future tax years. Deferred tax assets and liabilities are valued using the tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all, of the deferred tax asset will not be realized. As of May 31, 2025, management has estimated that it will utilize the entire deferred tax asset in future years based on its belief that the Company will continue to be profitable and generate taxable income. However, profits can be impacted in the future if the Company’s sales decrease.

Revenue Related Reserves:

Consideration promised in the Company's contracts with customers is variable due to anticipated reductions such as sales returns, discounts and miscellaneous claims from customers. The Company estimates the most likely amount it will be entitled to receive and records an anticipated reduction against revenues, with an offsetting increase to accrued liabilities, at the time revenues are recognized.

1 - Returns reserve – The estimated return rate was 2.12% and 1.55% of the prior twelve months of gross sales as of May 31, 2025 and 2024, respectively. Management estimates that any returns of product received from customers are not placed back into inventory and are subsequently destroyed. Any changes in this accrued liability are recorded as a debit or credit to sales of health and beauty aid products - net, in the statement of operations. The Company may increase the reserve for returns in excess of the current estimated return rate for specific return circumstances. Please see Note 8 – Revenue Recognition for further information.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 - Cooperative advertising reserve – The cooperative advertising reserve is an estimate of the amount of the liability for the cooperative advertising agreements with the Company’s customers. The reserve is recorded as an accrued expense. Management reviews the cooperative advertising agreements for the current fiscal year with its customers on a monthly basis and adjusts this reserve based on actual cooperative advertising events. The Company maintains an open liability for cooperative advertising contracts for which a customer has not claimed a deduction for the three years prior to the current fiscal year. Management evaluates the open liability for the prior three years on a monthly basis to determine if the liability continues to exist. Changes to the reserve are charged as a current period expense. Please see Note 8 – Revenue Recognition for further information.

Cash and Cash Equivalents:

For purposes of the statements of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less at the purchase date and money market accounts to be cash equivalents. As of May 31, 2025 and November 30, 2024, the Company did not have any cash equivalents.

Accounts Receivable:

Accounts receivable are carried at the original amount less an estimate for credit losses. The Company maintains an allowance for credit losses which represents management's estimate of expected credit losses over the remaining expected life of the Company’s financial assets measured at amortized cost and comprised of three main components: (i) historical collection performance, (ii) specific collection issues, (iii) current conditions, and reasonable and supportable forecasts about the future. If actual provision for credit losses differs from the reserves calculated based on historical trends and known customer issues and current conditions, an adjustment to the provision for credit losses is recorded in the period in which the difference occurs. Such adjustment could result in additional expenses or a reduction of expenses. The Company writes off accounts to the allowance when it has determined that collection is unlikely. Some of the factors considered in reaching this determination are (i) the apparent financial condition of the customer, (ii) the success the Company has in contacting and negotiating with the customer, (iii) the current state of the industry and (iv) the number of days the account has been outstanding. When the Company’s collections does not correspond with historical performance, additional charges may be required. As of May 31, 2025, and November 30, 2024, the Company had \$2,318 and \$2,649, respectively, recorded as an allowance for credit losses. The income statement effect of all changes in the allowance for credit losses are recognized as provision for credit losses.

The Company manufactures and sells its products to a broad range of customers, primarily retail stores and direct to consumer through third party on-line marketplaces. Customers typically are provided with payment terms of 60 days. The Company has tracked historical loss information for its trade receivables and compiled historical credit loss percentages for different aging categories (current, 1–30 days past due, 31–60 days past due, 61–90 days past due, and more than 90 days past due). Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables held at May 31, 2025 because the composition of the trade receivables at that date is consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time).

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable: (Continued)

Accounts receivable totaled \$538,607, less the allowance for expected credit losses of \$2,318 related to accounts receivable on May 31, 2025.

Inventories:

Inventories are stated at the lower of cost (weighted average) or net realizable value. Product returns deemed saleable are recorded in inventory when they are received at the lower of their original cost or net realizable value, as appropriate. Obsolete inventory is written off and its value is removed from inventory at the time its obsolescence is determined.

Property and Equipment and Depreciation and Amortization:

Property and equipment are stated at cost. The Company charges to expense repairs and maintenance items, while major improvements and betterments are capitalized.

When the Company sells or otherwise disposes of property and equipment items, the cost and related accumulated depreciation are removed from the respective accounts and any gain or loss is included in earnings.

Depreciation and amortization are provided utilizing the straight-line method over the following estimated useful lives or lease terms of the assets, whichever is shorter:

Computer equipment	5 -7 Years
Furniture and fixtures	3-10 Years
Tools, dies and masters	3 Years

Intangible Assets:

Intangible assets, which consist of patents and trademarks, are stated at cost. Patents are amortized on the straight-line method over a period of 17 years. Patents are reviewed for impairment annually or more frequently when events or changes in business indicate that the carrying amount may not be recoverable. Trademarks are indefinite-lived intangible assets and are reviewed for impairment annually or more frequently if impairment conditions occur.

Long-Lived Assets:

Long-lived assets are assets in which the Company has an economic benefit for longer than 12 months from the date of the financial statements. Long-lived assets include property and equipment, intangible assets, deferred financing fees, deferred income taxes and other assets. The Company evaluates impairment losses on long-lived assets used in operations when events and circumstances indicate that the asset might be impaired. If the review indicates that the carrying value of an asset will not be recoverable, based on a comparison of the carrying value of the asset to the undiscounted future cash flows, the impairment will be measured by comparing the carrying value of the asset to its fair value. Fair value will be determined based on projected future cash flows or appraisals. Impairments are recorded in the statement of operations as part of selling, general and administrative expenses.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue:

The Company records deposits received from customers for orders that have not been shipped to the customers as deferred revenue. Orders that will ship less than twelve months from the date of the financial statements are recorded as a current liability. As of May 31, 2025 and November 30, 2024, the Company had a current liability from deferred revenues of \$0 and \$0, respectively.

Revenue Recognition:

The Company recognizes sales in accordance with ASC Topic 606 “Revenue Recognition”. Revenue is recognized at a point in time when control of the product transfers to the customer, typically upon shipment from the Company’s third-party logistics facility or directly from a supplier. Net sales comprise gross revenues less expected returns, trade discounts, customer allowances and various sales incentives. Included in sales incentives are coupons that the Company issues that are redeemed by its customers. Redemptions are handled by a coupon national clearing house. The Company also has estimated that there is an approximate six-week lag in coupon redemptions, with the estimated cost recorded as an accrued liability. Although no legal right of return exists between the customer and the Company, returns, including the return of unsold products, are accepted if it is in the best interests of the Company's relationship with the customer. The Company, therefore, records a reserve for returns based on the historical returns as a percentage of sales in the three preceding months, adjusting for returns that can be put back into inventory, and a specific reserve based on customer circumstances. Those returns which are anticipated to be taken as credits against the balances as of May 31, 2025 or are anticipated to be deducted from future invoices are included in accrued liabilities. Changes in the estimated coupon reserve and sales return reserve are recorded to sales of health and beauty aid products - net, in the statements of operations.

Cooperative advertising is accrued based on a combination of new contracts given to the customers in the current fiscal year, along with liabilities open from prior years. Specific new contracts in the current fiscal year are identified as sales incentives and those contracts reduce revenues for the current period. The balances for all years open are reduced throughout the year by either the customer advertising and submitting the proof according to the contract or by customer post audit adjustments that finalize any amount due. Any item open more than three years is closed unless management believes that a deduction may still be taken by the customer. The balance of the remaining open cooperative advertising is recorded as an accrued liability. The portion of cooperative advertising recorded as sales incentives was reduced by \$0 for the three and six months ended May 31, 2025, to reduce open cooperative advertising contracts prior periods. The portion of cooperative advertising recorded as sales incentives was reduced by \$285 and \$684, respectively, for the three and six months ended May 31, 2024, to reduce open cooperative advertising contracts for prior periods.

Shipping Costs:

The Company has elected to account for shipping and handling activities as fulfillment costs, which are included in selling, general and administrative expenses as incurred. For the three months ended May 31, 2025 and 2024, included in selling, general and administrative expenses are fulfillment costs of \$56,141 and \$139,926, respectively. For the six months ended May 31, 2025 and 2024, included in selling, general and administrative expenses are fulfillment costs of \$96,799 and \$255,917, respectively.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs:

The Company's policy for financial reporting is to charge advertising costs to expense as incurred. Advertising, cooperative and promotional expenses for the three months ended May 31, 2025 and 2024 were \$24,181 and \$110,201, respectively, and for the six months ended May 31, 2025 and 2024 were \$88,156 and \$249,388, respectively.

Research and Development Costs:

The Company's policy for financial reporting is to charge research and development costs to expense as incurred. Research and development costs for the three months ended May 31, 2025 and 2024 were \$1,762 and \$4,182, respectively, and for the six months ended May 31, 2025 and 2024 were \$10,272 and \$23,412, respectively.

Income Taxes:

Income taxes are accounted for under ASC Topic 740 "Income Taxes", which utilizes the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to the temporary differences between the carrying amounts of assets and liabilities as recorded on the Company's financial statements and the carrying amounts as reflected on the Company's income tax return. In addition, the portion of charitable contributions that cannot be deducted in the current period and are carried forward to future periods is also reflected in the deferred tax assets. A substantial portion of the deferred tax assets is due to the losses incurred in fiscal 2015 and prior years, the benefit of which will be carried forward into future tax years. Deferred tax assets and liabilities are valued using the tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of the deferred tax asset will not be realized. Management has estimated that it will utilize the entire deferred tax asset in future years based on projections of future profits and generating taxable income. However, profits can be affected if the Company's sales decrease.

The Company previously adopted the provisions of ASC Subtopic 740-10-25, "Uncertain Tax Positions." Management believes that there were no unrecognized tax benefits, or tax positions that would result in uncertainty regarding the deductions taken, as of May 31, 2025 and November 30, 2024. ASC Subtopic 740-10-25 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities.

Tax Credits:

Tax credits, when present, are accounted for using the flow-through method as a reduction of income taxes in the years utilized.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings (Loss) Per Common Share:

Basic earnings per share are calculated in accordance with ASC Topic 260, “Earnings Per Share”, which is computed by dividing income available to common shareholders by the number of weighted average number of shares of common stock outstanding during the year. Diluted earnings per share is computed on the basis of the average number of common shares plus the potentially dilutive effect of any common stock equivalents using the “treasury stock method”. Common stock equivalents consist of stock options. The Company’s Senior Redeemable Series B Preferred Stock participates in dividends declared and paid by the Company as well as earnings of the Company but does not participate in the event of a loss, and therefore, the Company is not required to report (loss) earnings per share under the two-class method.

Stock Options:

ASC Topic 718, “Stock Compensation,” requires stock grants to employees to be recognized in the statements of operations as noncash stock-based compensation based on their fair values. Please see Note 14 – Stock-Based Compensation for further information.

Risks and Uncertainties:

The Company maintains its cash in bank and financial institution deposits that at times may exceed federally insured limits. As of May 31, 2025 and November 30, 2024, the Company’s cash balance was in excess of FDIC insured levels by approximately \$0 and \$0, respectively. The Company has not experienced any losses in such accounts through May 31, 2025.

In March 2025, the United States imposed tariffs on imports into the United States. The Company’s products are manufactured in the United States, however glass and certain jar components are imported, which will subject the Company to higher cost of goods for two of its product lines, and possible supply chain disruptions in the future. The Company is actively working to source its components domestically, however that will likely result in higher cost of goods as well. The Company will likely have to increase prices in response.

The United States had been experiencing a period of high inflation. This resulted in the United States Federal Reserve increasing interest rates. The higher interest rates impact the Company as borrowing costs under the line of credit increase. In addition, high inflation has been reflected in higher manufacturing costs passed on to the Company by its contract manufacturers, which in turn increases the cost of goods. The Federal Reserve lowered interest rates in 2024 but has not announced plans for further decreases at this time.

In late February 2022, the Russian Federation commenced an invasion of the country of Ukraine. The United States Government and other western European nations responded by imposing economic sanctions on Russia. The Company cannot predict nor reasonably estimate the impact of the Russian invasion of Ukraine and any heightened geopolitical instability or results that may follow, including cyber disruptions or attacks, higher fuel costs, higher manufacturing costs and higher supply chain costs, or other effects. The Company does not have any customers in the Russian Federation.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements:

In November 2024, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2024-03, “Income Statement – Expense Disaggregation Disclosures” (Subtopic 220-40), which requires additional disclosures of purchases of inventory, employee compensation, total selling expenses, and an entity’s definition of selling expenses. ASU No. 2024-03 will be effective public business entities in the first annual reporting period beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The adoption of this update will not have an impact on the Company’s financial statements.

In November 2023, the FASB issued ASU No. 2023-07, “Segment Reporting” (Topic 280), which requires enhancements to segment reporting for public entities. ASU No. 2023-07 is effective for fiscal years beginning after December 15, 2023. The Company has reviewed the disclosure requirements and determined that no additional disclosures will be required as the Company has only one reportable segment.

Management does not believe that any recently issued but not yet effective accounting standards, if adopted, would have a material effect on the accompanying financial statements.

NOTE 3 - INVENTORIES

The components of inventory consist of the following:

	May 31, 2025	November 30, 2024
Raw materials	\$ 365,981	\$ 336,915
Finished goods	1,196,604	1,345,294
	<u>\$ 1,562,585</u>	<u>\$ 1,682,209</u>

NOTE 4 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	May 31, 2025	November 30, 2024
Furniture and equipment	\$ 104,966	\$ 104,966
Tools, dies and masters	21,415	21,415
	<u>126,381</u>	<u>126,381</u>
Less: Accumulated depreciation	122,486	120,615
Property and Equipment - Net	<u>\$ 3,895</u>	<u>\$ 5,766</u>

Depreciation expense for the three months ended May 31, 2025 and 2024 amounted to \$1,143 and \$1,530, respectively. Depreciation expense for the six months ended May 31, 2025 and 2024 amounted to \$1,871 and \$3,011, respectively.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 5 - INTANGIBLE ASSETS

Intangible assets consist of owned trademarks and patents for seven product lines.

	May 31, 2025	November 30, 2024
Patents and Trademarks	\$ 1,237,437	\$ 1,237,437
Less: Accumulated amortization	33,089	33,089
Intangible assets - net	<u>\$ 1,204,348</u>	<u>\$ 1,204,348</u>

Patents are amortized on a straight-line basis over their legal life of 17 years. Trademarks have an indefinite life and are reviewed annually for impairment or more frequently if impairment indicators occur. There was no amortization expense for the three and six months ended May 31, 2025, and 2024. Estimated amortization expenses for the years ending November 30, 2026, 2027, 2028, 2029 and 2030 are \$0 for each year.

NOTE 6 – CONTRACT LIABILITIES AND ACCRUED EXPENSES

The following are liabilities of the Company, recorded as an accrued expense as a result of the sale of products to its customers:

	May 31, 2025	November 30, 2024
Co-operative advertising contract liabilities	\$ 99,600	\$ 126,145
Returns and allowances accrual	63,685	65,408

NOTE 7 - DEBT AGREEMENT

On February 15, 2023, the Company entered into a Loan and Security Agreement (“Loan Agreement”) with Austin Financial Services, Inc., which provides for a revolving line of credit up to \$2,500,000. The line of credit bears interest at the greater of 7.0% or the prime rate plus 2.0%. The Loan Agreement has a maturity date of February 14, 2026, and requires an annual facility fee of 1.0% of the total commitment for the first year of the agreement and 0.9% for subsequent years, payable at the beginning of each year. In addition, there is a collateral management fee of .35% of the outstanding line of credit borrowed. Amounts available to be borrowed under the Loan Agreement equal the borrowing base, consisting of 80% of eligible accounts receivable and 50% of eligible inventory. There is a limit on the amount borrowed based on eligible inventory of \$1,225,000. The Loan Agreement contains customary representations, warranties, and covenants on the part of the Company. There are no financial covenants required of the Company by the Loan Agreement. The Loan Agreement is secured by a first priority perfected security interest in, and lien on, substantially all of the assets of the Company. On the closing date of February 15, 2023, the Company borrowed \$1,717,645 which was used to pay off the principal amounts due to M&T Bank under the Credit Agreement for the balance of the Term Note and the Revolving Line Note, plus accrued interest, and \$25,000 for the facility due to Austin Financial Services, Inc. As of May 31, 2025, there were borrowings of \$829,725 under the Loan Agreement which are due at maturity in February 2026 and are noted as a current liability on the accompanying balance sheets. Austin Financial Services, Inc. has informally notified the Company that it plans on renewing the Loan Agreement upon maturity.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 8 – REVENUE RECOGNITION

The Company's net sales comprise gross revenues less expected returns, trade discounts, customer allowances, coupon expense and various sales incentives. The following are the components of net sales that the Company recorded:

	Three months ended		Six months ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Gross Sales	\$ 1,695,507	\$ 2,335,619	\$ 3,469,722	\$ 4,554,727
Less:				
Sales returns	29,796	34,473	62,251	(25,144)
Sales allowances	46,334	58,508	93,192	107,930
Coupon expense	1,575	1,590	1,765	15,525
Sales incentives, net	20,676	10,041	34,849	73,023
Other deductions	(65)	(471)	(218)	(1,314)
Cash discounts	11,624	20,912	26,348	39,560
Total	109,940	125,053	218,187	209,580
Net Sales	\$ 1,585,567	\$ 2,210,566	\$ 3,251,535	\$ 4,345,147

NOTE 9 - 401(K) PLAN

The Company has a 401(K) Profit Sharing Plan for its employees. The plan requires six months of service in order to be eligible to participate. Employees must be 21 years or older to participate. Employees may make salary reduction contributions up to 25% of compensation not to exceed the federal government limits. The Plan allows for the Company to make discretionary contributions to match employee contributions up to 3% of compensation. The Company's matching contributions vest immediately at 100% with the employee. The Company made the following matching contributions:

	Three months ended May 31,		Six months ended May 31,	
	2025	2024	2025	2024
Company contributions	\$ 4,663	\$ 3,659	\$ 6,049	\$ 7,156

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 10 - INCOME TAXES

The Company previously adopted the provisions of ASC Subtopic 740-10-25, “Uncertain Tax Positions”. Management believes that there were no unrecognized tax benefits, or tax positions that would result in uncertainty regarding the deductions taken, as of May 31, 2025 and November 30, 2024. ASC Subtopic 740-10-25 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities.

Federal and state income tax returns for the years ended November 30, 2024, 2023, 2022, and 2021 remain open to assessment by the relevant tax jurisdictions. The Company has not received any notice that its tax returns are being reviewed by any federal or state tax authorities.

The Company values its deferred tax assets and liabilities using the tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. The Company has valued its deferred tax assets and liabilities based on an estimated future tax rate of 23.56% for the six months ended May 31, 2025. In November 2024, the Company recorded a valuation allowance of \$4,560,949 against the net operating loss carry forward to recognize the amount of loss that the Company estimates would not be used by November 30, 2033. This resulted in recording a provision for income tax of \$4,302,626 for the year ended November 30, 2024. As of November 30, 2024, the Company had federal and state net operating loss carry forwards of approximately \$26,242,103. The net operating loss carry forwards generated before 2017 of approximately \$22,900,000 will expire between 2033 and 2035. The balance of the federal net operating loss is available to the Company indefinitely to offset up to 80% of future taxable income each year.

The deferred compensation amount in the table below is from the issuance of stock options (see Note 14 - Stock-Based Compensation) and will be realized in future years if the options are exercised.

At May 31, 2025 and November 30, 2024, respectively, the Company had temporary differences arising from the following:

<u>Type</u>	<u>May 31, 2025</u>	<u>November 30, 2024</u>
	<u>Deferred Tax</u>	<u>Deferred Tax</u>
Depreciation	\$ (160,567)	\$ (151,944)
Reserve for bad debts	546	629
Reserve for obsolete inventory	44,846	57,758
Vacation accrual	3,005	6,393
Section 174 costs	18,800	16,499
Research and development credit carry forward	65,175	65,175
Deferred compensation	133,852	130,378
Charitable contributions	3,850	3,878
Section 263A costs	9,316	10,102
Operating loss carry forward	6,102,409	6,107,296
Gross deferred tax assets	6,221,231	6,246,164
less: valuation allowance	(4,560,949)	(4,560,949)
Net deferred tax assets	\$ 1,660,282	\$ 1,685,215

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 10 - INCOME TAXES (CONTINUED)

Income tax provision (benefit) is made up of the following components:

	Three months ended May 31,		Six months ended May 31,	
	2025	2024	2025	2024
Current tax - federal	\$ -	\$ -	\$ -	\$ -
Current tax - state & local	817	880	1,634	1,836
Deferred tax	29,853	(4,788)	24,983	(79,264)
Total income tax provision (benefit)	<u>\$ 30,670</u>	<u>\$ (3,908)</u>	<u>\$ 26,617</u>	<u>\$ (77,428)</u>

Prepaid and refundable income taxes are made up of the following components:

Prepaid and refundable income taxes	Federal	State & Local	Total
May 31, 2025	<u>\$ -</u>	<u>\$ 3,559</u>	<u>\$ 3,559</u>
November 30, 2024	<u>\$ -</u>	<u>\$ 5,193</u>	<u>\$ 5,193</u>

A reconciliation of the provision for (benefit from) income taxes computed at the statutory rate to the effective rate for the three months ended May 31, 2025 and 2024 is as follows:

	Three months ended May 31, 2025		Three months ended May 31, 2024	
	Amount	Percent of Pretax Income	Amount	Percent of Pretax Income
Provision for (Benefit from) income taxes at federal statutory rate	\$ 7,056	21.00%	\$ (5,949)	21.00%
Changes in provision for (benefit from) income taxes resulting from:				
State income taxes, net of federal income tax benefit	860	2.56%	(717)	2.53%
Non-deductible expenses and other adjustments	<u>22,755</u>	<u>67.72%</u>	<u>2,758</u>	<u>-9.73%</u>
Provision for (benefit from) income taxes at effective rate	<u>\$ 30,671</u>	<u>91.28%</u>	<u>\$ (3,908)</u>	<u>13.80%</u>

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 10 - INCOME TAXES (CONTINUED)

A reconciliation of the provision for (benefit from) income taxes computed at the statutory rate to the effective rate for the six months ended May 31, 2025 and 2024 is as follows:

	Six months ended		Six months ended	
	May 31, 2025		May 31, 2025	
	Amount	Percent of Pretax Income	Amount	Percent of Pretax
Provision for (Benefit from) income taxes at federal statutory rate	\$ 9,093	21.00%	\$ (72,924)	21.00%
Changes in provision for (benefit from) income taxes resulting from:				
State income taxes, net of federal income tax benefit	1,108	2.56%	(8,786)	2.53%
Non-deductible expenses and other adjustments	16,416	38.9%	4,282	-1.23%
Provision for (benefit from) income taxes at effective rate	<u>\$ 26,617</u>	<u>61.5%</u>	<u>\$ (77,428)</u>	<u>22.30%</u>

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Leases:

The Company had no long-term leases as of May 31, 2025 and November 30, 2024.

Royalty Agreements:

On September 1, 2022, the Company entered into an Endorsement Agreement with Michael Singletary (“Singletary”) for the Company’s Neutein brand. Mike Singletary had a profound impact on the sport of football, drafted by the Chicago Bears in 1981 and was the Bears’ first or second leading tackler each of his last 11 seasons. Selected to play in a team record of 10 Pro Bowls, Singletary was All-Pro eight times and All-NFC every year from 1983 until 1991. He entered the NFL Hall of Fame in 1998 and was a head coach of the San Francisco 49ers. Singletary is now a motivational speaker, author, grandfather, and ordained minister. He was also a contestant on the CBS reality series, Beyond the Edge. The Company agreed to pay Singletary \$1.00 for each bottle of Neutein sold. In addition, the Company agreed to make a donation to Changing Our Perspectives, Inc., a charity founded by Singletary. The agreement is for a term of five years and expires on September 1, 2027. Singletary and the Company each have the right to terminate the Endorsement Agreement early if certain events occur. The Endorsement Agreement provides for Singletary to make a certain amount of time available to the Company for media or publicity events as well as posting on social media regarding the Neutein brand. Singletary has an ownership interest in Para Bellum Partners, LLC, which licensed the Neutein brand to the Company. The Company incurred royalties of \$1,509 and \$8,725, respectively, for the three months ended May 31, 2025, and 2024. The Company incurred royalties of \$2,820 and \$9,344, respectively, for the six months ended May 31, 2025, and 2024. The Company had unpaid royalties of \$979 and \$271, respectively, as of May 31, 2025 and November 30, 2024.

On March 23, 2017, the Company entered into a License Agreement (the “Agreement”) with Ultimark Products, Inc. (“Ultimark”) for the exclusive right to manufacture, market and sell the Porcelana brand of skin care products. The Company’s director and Chairman of the Board, Brent Funston, is also the Chairman of the Board of Ultimark. Porcelana is designed to reduce dark spots and brighten the skin. Under the Agreement, the Company acquired the exclusive right and license to use the Porcelana brand, formulas, packaging designs and trademarks (collectively, the “Porcelana Brand”) in connection with the design, development, manufacture, advertising, marketing, promotion, offering, sale and distribution of Porcelana products worldwide. The Company entered into a new License Agreement with Ultimark on July 17, 2020 for a term of ten years ending on June 30, 2030, which provided for a royalty rate of 10% on the gross sales of Porcelana. On May 25, 2022, The Company entered into a new License Agreement (“New Agreement”) with Ultimark that replaced the agreement entered into on July 17, 2020. The New Agreement provides for a royalty rate of 10% on the net sales of Porcelana and has a term of three years. Net sales was defined as gross sales, less returns, discounts and allowances. The Company incurred royalties of \$20,684 and \$20,657, respectively, for the three months ended May 31, 2025, and 2024. The Company incurred royalties of \$33,780 and \$40,070, respectively, for the six months ended May 31, 2025, and 2024. The Company had unpaid royalties of \$20,684 and \$15,353, respectively, as of May 31, 2025 and November 30, 2024.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 11 - COMMITMENTS AND CONTINGENCIES (Continued)

Royalty Agreements: (Continued)

On January 4, 2022, the Company entered into a License Agreement with Para Bellum Partners, LLC (“Para Bellum”) for the exclusive right to manufacture, market and sell the Neutein brand of brain health supplements. Christopher Dominello, the Company’s Chief Executive Officer, has an ownership interest in Para Bellum. Under the License Agreement, the Company acquired the exclusive right and license to use the Neutein brand, formulas, packaging designs and trademarks (collectively, the “Neutein Brand”) in connection with the design, development, manufacture, advertising, marketing, promotion, offering, sale and distribution of Neutein products in the United States and Canada. In addition, the Company agreed to purchase all good and saleable inventory of Neutein products in Para Bellum’s possession or control as of January 4, 2022 at Para Bellum’s cost without markup. The License Agreement has a term of three years ending December 31, 2024. The License Agreement may be renewed, at the Company’s option, for one additional three-year term. The Company exercised its option to renew the License Agreement. The License Agreement requires the Company to pay Para Bellum a royalty of 10% on the gross sales less returns (“Net Sales”) of Neutein products manufactured and sold under the License Agreement. Royalties are payable quarterly, commencing the first fiscal quarter in which Neutein products are sold pursuant to the License Agreement. There is no minimum royalty for any period under the Agreement. In addition, the Company had the option to purchase the Neutein Brand from Para Bellum during the term of the License Agreement for an amount equal to or greater than one and a half times the trailing twelve months Net Sales, but no less than \$2,000,000, subject to the negotiation of a definitive purchase agreement and sale agreement containing terms customary for transactions of such nature. The Company incurred royalties of \$2,580 and \$14,380, respectively, for the three months ended May 31, 2025, and 2024. The Company incurred royalties of \$4,655 and \$16,026, respectively, for the six months ended May 31, 2025, and 2024. The Company had unpaid royalties of \$3,117 and \$3,520, respectively, as of May 31, 2025 and November 30, 2024.

The Company is not a party to any other license agreement that is currently material to its operations.

Employment Agreements:

On December 15, 2021, Christopher Dominello was appointed Chief Executive Officer by the Board of Directors. The Company entered into an Employment Agreement (“2021 Employment Agreement”) with Mr. Dominello on the same date which superseded the Employment Agreement dated April 1, 2020. The 2021 Employment Agreement provides for Mr. Dominello to be engaged as the Company’s Chief Executive Officer for a term continuing until December 31, 2023, with successive one-year terms unless notice is provided either by the Company or Mr. Dominello. Under the terms of the 2021 Employment Agreement, Mr. Dominello’s base salary is \$300,000 per annum, with a performance bonus of 5% of the Company’s EBITDA (earnings before interest, taxes, depreciation and amortization) to be paid after the end of each fiscal year. Mr. Dominello is eligible to participate in the Company’s equity compensation plans and other benefits as available to all employees of the Company. In the event of death, the 2021 Employment Agreement terminates. In the event of a disability that last more than ninety (90) days, the Company has the right to terminate the 2021 Employment Agreement. If the Company terminates Mr. Dominello for Cause (as defined in the 2021 Employment Agreement), or the Mr. Dominello terminates his employment in a manner not considered to be for Good Reason (as defined in the 2021 Employment Agreement), Mr. Dominello shall be entitled to receive all base salary and other benefits earned and accrued prior to the date of termination. If the Company terminates Mr. Dominello in a manner that is not for Cause or due to Mr. Dominello’s

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Employment Agreements: (Continued)

death or disability, Mr. Dominello terminates his employment for Good Reason, or the Company does not renew the Employment Agreement after its expiration, the Executive shall be entitled to receive a single-sum payment equal to his unpaid base salary and other benefits earned and accrued prior to the date of termination and a single-sum payment of an amount equal to one and half times (a) the highest annual base salary amounts paid to Executive over the three calendar years prior to the date of termination, (b) if less than twelve months have elapsed from the date of this 2021 Employment Agreement and the date of termination, the highest base salary paid in any month times twelve, or (c) if less than twelve months have elapsed between December 15, 2021 and the date of termination, the highest base salary received in any month times twelve. In addition, Mr. Dominello is entitled to the same benefits if he terminates his employment with the Company in connection with a Change of Control (as defined in the Employment Agreement). In the event that the Company is sold during Mr. Dominello's employment term, or within six months after the expiration of Mr. Dominello's 2021 Employment Agreement, Mr. Dominello shall receive a bonus equal to 3% of the purchase price in excess of fifteen million dollars. Under the 2021 Employment Agreement, Mr. Dominello has agreed to non-competition and non-solicitation restrictions for a period of one year following the end of the term of his 2021 Employment Agreement.

An officer of the Company was terminated by the Company in October 2023. The Company and the officer mutually agreed to a severance of \$330,000, with \$90,000 paid in October 2023, and \$240,000 to be paid over a period of 52 payroll periods at the rate of \$4,615.39 per period. Payroll periods are every two weeks.

On March 21, 2011, the compensation committee of the Board of Directors, acting on behalf of the Company, entered into an Employment Agreement ("Employment Agreement") with Stephen A. Heit. Pursuant to his Employment Agreement, Mr. Heit has been engaged to continue to serve as the Company's Executive Vice President and Chief Financial Officer. The term of employment under Mr. Heit's Employment Agreement runs from March 21, 2011 through December 31, 2013 and has been continued thereafter for successive one-year periods unless the Company or the Executive chooses not to renew the respective Employment Agreement. Under the Employment Agreement, the base salary of Mr. Heit is \$250,000 per annum, and may be increased each year at the discretion of the Company's Board of Directors. Mr. Heit's base salary was increased to \$280,000, effective October 1, 2014, and was further increased to \$300,000, effective December 31, 2017. Effective July 21, 2024, Mr. Heit voluntarily reduced his compensation to \$180,000 per annum. Mr. Heit is eligible to receive an annual performance-based bonus under his Employment Agreement and entitled to participate in the Company equity compensation plans. In addition, Mr. Heit receives dental insurance and certain other benefits. In the event of termination of the Employment Agreement as a result of the disability or death of the Executive, the Executive (or his estate or beneficiaries) shall be entitled to receive all base salary and other benefits earned and accrued until such termination as well as a single-sum payment equal to the Executive's base salary and a single-sum payment equal to the value of the highest bonus earned by the Executive in the one-year period preceding the date of termination pro-rated for the number of days served in that fiscal year. If the Company terminates the Executive for Cause (as defined in the respective Employment Agreement), or the Executive terminates his employment in a manner not considered to be for Good Reason (as defined in the respective Employment Agreement), the Executive shall be entitled to receive all base salary and other benefits earned and accrued prior to the date of termination. If the Company terminates the Executive in a manner that is not for Cause or due to the Executive's death or disability, the Executive terminates his employment for Good Reason, or the

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Employment Agreements: (Continued)

Company does not renew the Employment Agreement after December 31, 2013, the Executive shall be entitled to receive a single-sum payment equal to his unpaid base salary and other benefits earned and accrued prior to the date of termination and a single-sum payment of an amount equal to three times (a) the average of the annual base salary amounts paid to Executive over the three calendar years prior to the date of termination, (b) if less than three years have elapsed between March 21, 2011 and the date of termination, the highest base salary paid to the Executive in any calendar year prior to the date of termination, or (c) if less than twelve months have elapsed between March 21, 2011 and the date of termination, the highest base salary received in any month times twelve. In addition, the Executive is entitled to the same benefits if the Executive terminates his employment with the Company in connection with a Change of Control (as defined in the Employment Agreement). Under the Employment Agreement, the Executive has agreed to non-competition restrictions for a period of six months following the end of the term of his Employment Agreement, during which period the Executive will be paid an amount equal to his base salary for a period of six months, and an amount equal to the pro rata share of any bonus attributable to the portion of the year completed prior to the date of termination. The Executive has also agreed to confidentiality and non-solicitation restrictions under the Employment Agreements. The foregoing summary of the Employment Agreement is qualified in its entirety by the full text of the Employment Agreement, copies of which may be found in Form 8-K that was filed by the Company on March 21, 2011, with the United States Securities and Exchange Commission.

NOTE 12 – SHAREHOLDERS’ EQUITY, DIVIDENDS AND CAPITAL TRANSACTIONS

Preferred Stock

As of May 31, 2025 and November 30, 2024, the Company was authorized to issue 20,000,000 shares of preferred stock, with a par value of \$1 per share. As of May 31, 2025 and November 30, 2024, the Company had designated 175,000 and 170,000 shares, respectively, as Series B convertible preferred stock. As of May 31, 2025 and November 30, 2024, there were 175,000 and 170,000 shares, respectively, issued and outstanding. In February 2025, the Company approved the issuance of 5,000 shares of preferred stock senior redeemable series B to K.E.L.K. Corp., formerly known as Solar Sense Corporation ("Solar"), in accordance with the settlement agreement entered into in January 2020. The preferred stock has a stated minimum value of \$3.50 per share upon a liquidity event and has no voting rights. The preferred stock would be entitled to the same dividend paid to common stockholders. The settlement agreement provides that in the event that a liquidity event does not occur within two years after the date of the settlement agreement, Solar is entitled to be issued an additional 5,000 shares of preferred stock per year until a liquidity event occurs. The Company has the right to redeem the preferred stock at any time for the stated minimum value.

Common Stock

As of May 31, 2025 and November 30, 2024, the Company was authorized to issue 15,000,000 shares of common stock with a par value of \$0.01 per share, of which 6,593,982 was issued and outstanding as of May 31, 2025 and November 30, 2024.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 12 – SHAREHOLDERS’ EQUITY, DIVIDENDS AND CAPITAL TRANSACTIONS (CONTINUED)

Class A Common Stock

As of May 31, 2025 and November 30, 2024, the Company was authorized to issue 5,000,000 shares of class A common stock with a par value of \$0.01 per share, of which 967,702 were issued and outstanding as of May 31, 2025 and November 30, 2024. The class A common stock has the right to elect a majority of the members of the board of directors and is convertible into common stock.

The Company issued stock options in fiscal 2024. See Note 14 – Stock-Based Compensation for further information.

There were no dividends issued by the Company in the fiscal years 2025 and 2024.

NOTE 13 - CONCENTRATION OF RISK

Most of the Company’s products are sold to major drug and food chain merchandisers, and wholesale beauty-aids distributors throughout the United States and Canada and direct to consumers through Amazon.com and Walmart.com.

During the three and six months ended May 31, 2025, and 2024, certain customers each accounted for more than 5% of the Company’s net sales, as follows:

Customer	Three months ended May 31,		Six months ended May 31,	
	2025	2024	2025	2024
Walmart	12.10%	16.70%	12.00%	17.50%
Greenhill Trading	8.10%	0.00%	4.50%	0.00%
CVS	7.50%	9.70%	6.50%	6.20%
Walgreens	5.10%	7.80%	4.60%	7.10%

The loss of any one of these customers could have a material adverse effect on the Company’s earnings and financial position.

The Company also sells its products online directly to consumers through Amazon.com, and other online outlets, which together comprise 49.3% of net sales for the three months ended May 31, 2025, and 55.0% for the six months ended May 31, 2025..

During the three and six months ended May 31, 2025, and 2024, certain products within the Company’s product lines accounted for more than 10% of the Company’s net sales as follows:

Category	Three months ended May 31,		Six months ended May 31,	
	2025	2024	2025	2024
Skin care	45.60%	40.40%	41.70%	40.10%
Oral care	26.70%	31.80%	28.60%	32.60%
Ear care	18.60%	13.70%	17.70%	14.20%

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 14 - STOCK-BASED COMPENSATION

On June 15, 2005, the shareholders approved an amended and Restated Stock Option Plan amending the 2003 Stock Option Plan (the "2005 Plan"). The 2005 Plan authorizes the issuance of up to one million shares of common stock (subject to customary adjustments set forth in the plan) pursuant to equity awards, which may take the form of incentive stock options, nonqualified stock options restricted shares, stock appreciation rights and/or performance shares. The 2005 Plan expired in April 2015, but awards made under the 2005 Plan prior to its expiration will remain in effect until such awards have been satisfied or terminated in accordance with the terms and provisions of the 2005 Plan. On August 13, 2015, the shareholders approved the 2015 CCA Industries, Inc. Incentive Plan (the "2015 Plan"). The 2015 Plan authorized the issuance of up to 700,000 shares of common stock (subject to customary adjustments set forth in the plan) pursuant to equity awards, which may take the form of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, performance shares and cash awards. On June 7, 2017, the shareholders approved the 2015 CCA Industries, Inc. Incentive Plan as Amended. The sole purpose of the amendment was to increase the shares available for issuance under the 2015 Plan from 700,000 to 1,400,000.

The Company adheres to the provisions of ASC Topic 718, "Stock Compensation," which requires an entity to recognize the grant-date fair value of stock options and other equity-based compensation issued to employees in the financial statements.

The Company recorded a charge against earnings in the amount of \$5,115 and \$27,609, respectively, for the three months ended May 31, 2025, and 2024 for all outstanding stock options granted. The Company recorded a charge against earnings in the amount of \$28,980 and \$30,963, respectively, for the six months ended May 31, 2025, and 2024 for all outstanding stock options granted.

As of May 31, 2025, there were 785,000 stock options outstanding, of which there were 521,000 stock options that were exercisable. The total compensation cost of stock option awards that have not yet been recognized was \$76,725 as of May 31, 2025. The weighted average period over which the unrecognized compensation is expected to be recognized is 45 months.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 14 - STOCK-BASED COMPENSATION (CONTINUED)

A summary of stock option activity for the Company is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Term (years)	Aggregate Intrinsic Value
Outstanding at November 30, 2023	347,500	\$ 2.85	4.0	—
Granted	655,000	—		—
Exercised	—	—		—
Canceled or Forfeited	80,000	—		—
Outstanding at November 30, 2024	922,500	\$ 1.35	5.7	—
Granted	-	—		—
Exercised	—	—		—
Canceled or Forfeited	137,500	—		—
Outstanding at February 28, 2025	785,000	\$ 1.13	5.8	—
Granted	—	—		—
Exercised	—	—		—
Canceled or Forfeited	—	—		—
Outstanding at May 31, 2025	785,000	\$ 1.38	5.6	—

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 14 - STOCK-BASED COMPENSATION (CONTINUED)

A summary of the amortization expense per year of stock options outstanding as of May 31, 2025 is as follows:

<u>For the years ending November 30,</u>				
<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
\$ 39,210	\$ 20,460	\$ 20,460	\$ 20,460	\$ 5,115

The following table summarizes information about currently outstanding and vested stock options at May 31, 2025:

Exercise Price	Number of Options Granted	Weighted Average Remaining Term (years)	Number of Option Shares Vested
\$0.66	330,000	8.78	66,000
\$0.66	300,000	3.78	300,000
\$2.00	15,000	4.01	15,000
\$2.85	50,000	3.05	50,000
\$3.30	45,000	2.05	45,000
\$3.35	45,000	1.06	45,000
Total	785,000		521,000

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 15 – INCOME (LOSS) PER SHARE

Basic income (loss) per share is calculated using the average number of common shares outstanding. Diluted income (loss) per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options and warrants using the “treasury stock method”.

	<u>Three months ended May 31,</u>		<u>Six months ended May 31,</u>	
	2025	2024	2025	2024
Net income (loss)	\$ 2,929	\$ (24,421)	\$ 16,682	\$ (269,831)
Net income available to preferred shareholders	66	-	372	-
Net income (loss) available to common shareholders	<u>\$ 2,863</u>	<u>\$ (24,421)</u>	<u>\$ 16,310</u>	<u>\$ (269,831)</u>
Weighted average preferred shares outstanding - Basic	<u>175,000</u>	<u>170,000</u>	<u>172,514</u>	<u>168,306</u>
Weighted average common and Class A shares outstanding - Basic	7,561,684	7,561,684	7,561,684	7,561,684
Net effect of dilutive stock options	<u>103,671</u>	<u>19,265</u>	<u>60,411</u>	<u>-</u>
Weighted average common shares and common shares equivalent - Diluted	<u>7,665,355</u>	<u>7,580,949</u>	<u>7,622,095</u>	<u>7,561,684</u>
Income (loss) per share - common shareholders:				
Basic	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.04)
Diluted	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.04)

455,000 shares underlying stock options for the three months ended May 31, 2025 and 297,500 shares underlying stock options for the three months ended May 31, 2024 were excluded from the diluted income (loss) per share because the effects of such shares were anti-dilutive. 455,000 shares underlying stock options for the six months ended May 31, 2025 and 952,500 shares underlying stock options for the six months ended May 31, 2024 were excluded from the diluted income (loss) per share because the effects of such shares were anti-dilutive. 165,000 shares of preferred stock for the three and six months ended May 31, 2024 were excluded as preferred stock does not participate in losses.

CCA INDUSTRIES, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 16 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On January 4, 2022, the Company entered into a License Agreement with Para Bellum Partners, LLC (“Para Bellum”) for the exclusive right to manufacture, market and sell the Neutein brand of brain health supplements. Christopher Dominello, the Company’s Chief Executive Officer, has an ownership interest in Para Bellum. Please see Note 11 – Commitments and Contingencies, Royalty Agreements for further information regarding the License Agreement.

On March 23, 2017, the Company entered into a License Agreement (the “Agreement”) with Ultimark Products, Inc. (“Ultimark”) for the exclusive right to manufacture, market and sell the Porcelana brand of skin care products. The Company’s Chairman of the Board, Brent Funston, is also the Chairman of the Board and Chief Executive Officer of Ultimark. Please see Note 11 – Commitments and Contingencies, Royalty Agreements for further information regarding the License Agreement.

NOTE 17 – LIQUIDITY

For the years ended November 30, 2024 and 2023, the Company has reported net losses of \$6,119,738 and \$422,866, respectively. The Company’s ability to achieve profitability is dependent on continued business plan execution and growing the business. During 2024 and into 2025, management has continued to implement its business plan, working on improving profitability and liquidity. Furthermore, the Company anticipates renewing the loan agreement with its lender in February 2026.

NOTE 18 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 15, 2025, the date of issuance of the financial statements for the three and six months ended May 31, 2025. There are no additional subsequent events to report.