October 26, 2018

22nd Century Group Comments on Grossly Misleading “Short and Distort” Article

WILLIAMSVILLE, N.Y.--(BUSINESS WIRE)-- 22nd Century Group, Inc. (NYSE American: XXII), a plant biotechnology company that is a leader in tobacco harm reduction and Very Low Nicotine tobacco, today commented on a highly deceptive article published yesterday by a self-professed short seller of the Company’s stock who launched his smear campaign in an effort to dupe shareholders into selling their shares of 22nd Century Group stock.

After disparaging 22nd Century with misleading suppositions about an alleged Securities and Exchange Commission (SEC) enforcement proceeding against the Company, using innuendo in an attempt to diminish the strength of the positive press that 22nd Century has received, and attempting to link 22nd Century to stock promoters who have absolutely nothing to do with the Company, the author then disclosed that he is “short” the Company’s stock. This means that the short seller author stands to realize significant profit in the event that the share price of 22nd Century common stock declines.

“By publishing such a grossly misleading ‘hit piece,’ the unscrupulous short seller attempts to create a self-fulfilling prophecy – of a declining share price of a target company,” explained Henry Sicignano III, President and Chief Executive Officer of 22nd Century Group. “Though the author of the ‘short and distort’ article on 22nd Century failed to disclose his own name, the Company plans to notify the SEC of the article, of all persons associated with it, and of their intent to deceive 22nd Century’s shareholders.”

Although the Company does not normally respond to “hit pieces,” or to “short and distort” articles, 22nd Century’s management believes the degree of grossly misleading information contained in the subject article warranted a Company response. 22nd Century desires to make the following facts clear:

- **22nd Century has not received any notice of, and the Company has no knowledge of, any enforcement proceeding against 22nd Century by the SEC or any other regulator.**
- The “hit piece” in question contains a **partial** photocopy of an SEC response letter which denied a FOIA request by “Steve McGough.” In order to cast 22nd Century in the worst possible light, the “hit piece” intentionally **OMITTED** the following sentence from the SEC response letter: "Please be aware that my decision to affirm the FOIA Officer's assertion of Exemption 7(A) should **not** be construed as an indication by the Commission or its staff that any violations of law have occurred with respect to any person, entity, or security." (emphasis added)
- Though the “short and distort” article suggests that complimentary articles about 22nd Century have been the result of Company promotions, the Company’s website and a cursory Google search will show that there have been numerous independent scientific publications that accurately praise 22nd Century’s proprietary technology. 22nd Century has reported publicly that the Company has delivered more than 24 million SPECTRUM® research cigarettes to agencies of the federal government for studies that have been conducted at the Mayo Clinic, the MD Anderson Cancer Center at the University of Texas, the Johns Hopkins University, Duke University, the University of Minnesota, the University of Vermont, the University of Pittsburgh, the University of California – San Francisco, and many others. Further, the World Health Organization (WHO) Study Group on Tobacco Product Regulation has recommended “*a policy of limiting the sale of cigarettes to brands with a nicotine content that is not sufficient to lead to the development and/or maintenance of addiction*.” The WHO report states: “*No specific amount of nicotine has yet been identified as the absolute threshold for addiction; however, it is likely to be equal to or possibly less than 0.4 mg/g of dry cigarette tobacco filler*.” 22nd Century is the only company in the world capable of producing combustible tobacco cigarettes at this very low level of nicotine – without any artificial extraction or chemical processes.
- In July 2017 the U.S. Food and Drug Administration (FDA) announced a new policy to require that all

cigarettes sold in the U.S. contain only minimally or non-addictive levels of nicotine. The FDA's Advanced Notice of Proposed Rulemaking (ANPRM) *specifically mentions 22nd Century, by name*, in reference to the Company's proprietary Very Low Nicotine tobacco and the Company's continued provision of Very Low Nicotine cigarettes for use in independent scientific research funded by agencies of the U.S. federal government.

- On October 11, 2018, Dr. Lynn Hull, Lead Pharmacologist at the FDA's Center for Tobacco Products, held a public webcast highlighting and summarizing the published science supporting the FDA's efforts to dramatically reduce nicotine in all cigarettes sold in the United States. Entitled "Science to Inform a Tobacco Product Standard for the Level of Nicotine in Combusted Cigarettes," Dr. Hull's presentation featured prominently many independent clinical trials conducted with 22nd Century's Very Low Nicotine content SPECTRUM® research cigarettes.
- 22nd Century remains on schedule to file its highly-anticipated Modified Risk Tobacco Product (MRTP) application with the FDA before the end of this December for the Company's Very Low Nicotine content "BRAND A" product (the actual product name cannot be used until approved by the FDA). The Company believes that 22nd Century's Very Low Nicotine cigarettes could be the first – and quite possibly the only – combustible cigarettes to win an FDA marketing order under the MRTP program.

Mr. Sicignano concluded, "**22nd Century's proprietary technology portfolio, financial resources, regulatory prospects, and commercial opportunities have never been stronger.** We are supremely confident in our bright future… which is precisely why we believe that 'short and distort' articles are so insidious. **By persuading unsophisticated shareholders that something is amiss, unscrupulous short sellers are essentially stealing from ordinary investors.** We hope that the SEC will punish such wrongful behavior. In the meantime, we have a business to run and a mission to execute. We will not respond to any further short seller articles. We trust that anyone interested in 22nd Century will reference the large volume of public information – from credible, independent sources – that is available on 22nd Century. We are confident that investors who conduct their own due diligence will indeed conclude that 22nd Century is a truly remarkable company… well on its way to disrupting the entire tobacco industry."

About 22nd Century Group, Inc.

22nd Century is a plant biotechnology company focused on technology which allows it to increase or decrease the level of nicotine in tobacco plants and the level of cannabinoids in hemp/cannabis plants through genetic engineering and plant breeding. The Company's primary mission in tobacco is to reduce the harm caused by smoking. The Company's primary mission in hemp/cannabis is to develop proprietary hemp/cannabis strains for important new medicines and agricultural crops. Visit www.xxiicentury.com for more information.

Cautionary Note Regarding Forward-Looking Statements: This press release contains forward-looking information, including all statements that are not statements of historical fact regarding the intent, belief or current expectations of 22nd Century Group, Inc., its directors or its officers with respect to the contents of this press release, including but not limited to our future revenue expectations. The words "may," "would," "will," "expect," "estimate," "anticipate," "believe," "intend" and similar expressions and variations thereof are intended to identify forward-looking statements. We cannot guarantee future results, levels of activity or performance. You should not place undue reliance on these forward-looking statements, which speak only as of the date that they were made. These cautionary statements should be considered with any written or oral forward-looking statements that we may issue in the future. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to reflect actual results, later events or circumstances, or to reflect the occurrence of unanticipated events. You should carefully review and consider the various disclosures made by us in our annual report on Form 10-K for the fiscal year ended December 31, 2017, filed on March 7, 2018, including the section entitled "Risk Factors," and our other reports filed with the U.S. Securities and Exchange Commission which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected.

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Source: 22nd Century Group, Inc.