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22nd Century Comments on Frivolous Lawsuit Filed by Crede

CLARENCE, N.Y.--(BUSINESS WIRE)-- 22nd Century Group, Inc. (NYSE MKT: [XXII](#)), a plant biotechnology company that is a leader in tobacco harm reduction, has learned that Crede CG III, Ltd. filed a lawsuit in the wake of the Company's decision to terminate its China joint venture arrangement with Crede and its principal, Terren Peizer. As previously disclosed, on June 22, 2015, the Company terminated its joint venture with Crede and a third-party due to non-performance and other breaches by Crede and its principals.

The Company considers the Crede lawsuit to be frivolous and completely without merit. The Company welcomes the opportunity to present to the court and to make appropriate public disclosures of the true facts in this matter.

The Company is confident that the evidence will clearly show that it properly terminated the joint venture with Crede and Peizer. After the Company engaged Crede to assist with the Company's expansion into China, it was Crede and Peizer – not the Company – who failed to perform under the joint venture agreements and who impeded the Company's efforts to expand into China. The Company plans to continue its efforts to conduct business in China without Crede and Peizer.

The Company also believes that Crede's lawsuit represents an attempt by Crede to drive the Company's stock price down in order for Crede to try to take advantage of the terminated feature in its warrant agreement that previously gave Crede the ability to obtain more shares in the Company as the stock price decreased.

The Company looks forward to presenting the true facts to the court, and plans to file substantial counterclaims against both Crede and Peizer, should the case progress. The Company has not yet been served with the complaint in this lawsuit. Management will continue to keep stockholders apprised of material developments in the lawsuit.

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 cannabis plants through genetic engineering and plant breeding. The Company's primary mission is to reduce the harm caused by smoking. 22nd Century currently owns or exclusively controls more than 200 issued patents and more than 50 pending patent applications around the world. 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, 2015, filed on February 18, 2016, 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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