



October 19, 2016

## 22nd Century Group Announces Closing of \$11.4 Million Above-Market Registered Direct Offering

CLARENCE, N.Y.--(BUSINESS WIRE)-- 22nd Century Group, Inc. (NYSE MKT:[XXII](#)), a plant biotechnology company that is a leader in tobacco harm reduction, announced that the Company closed today a registered direct stock offering with one existing institutional investor and one new institutional investor and received approximately \$11.4 million in gross proceeds through the sale of units priced at \$1.3425 per unit, which is \$0.0625 per share above the closing price of the Company's common stock on the NYSE MKT on October 13, 2016, the date immediately prior to the signing of the stock purchase agreement. The transaction included a total of 8,500,000 shares of the Company's common stock and 66-month warrants to purchase 4,250,000 shares of common stock at an exercise price of \$1.45 per share (exercisable after six months). The net proceeds of the financing will be used for general corporate purposes, including working capital.

Chardan Capital Markets, LLC acted as the sole placement agent for this transaction.

### 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](http://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.*

View source version on businesswire.com: <http://www.businesswire.com/news/home/20161019006071/en/>

Investor Relations:  
IRTH Communications  
Andrew Haag, 866-976-4784  
[xxii@irthcommunications.com](mailto:xxii@irthcommunications.com)  
or  
Redington, Inc.  
Tom Redington, 203-222-7399

Source: 22nd Century Group, Inc.

