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22nd Century Advances Initiatives to Strengthen and Maximize Revenue Opportunities in Hemp/Cannabis Franchise

- *Close Partnership With Aurora Cannabis Inc. to Enforce Shared Global Biosynthesis IP Rights Against Infringement and Actively Explore Commercial Development Opportunities; Monetization of Key Patented Technology Expected in Second Half of 2021*
- *Secures Strategic Partnerships With Two Leading Alkaloid Specialist Plant Breeders to Complete Full Scope of Upstream Capabilities*
- *Leads in Upstream Cannabinoid Value Chain to Accelerate the Development of New, Valuable Commercial Plant Lines in Two Years*
- *Creates Canadian Subsidiary to Open Tremendous Revenue Opportunities and Expand Global Footprint in All Three Franchises*
- *Proceeds from \$40 Million Registered Direct Offering to Accelerate Opportunistic Growth Initiative*

BUFFALO, N.Y., June 07, 2021 (GLOBE NEWSWIRE) -- 22nd Century Group, Inc. (NYSE American: [XXII](#)), a leading plant-based biotechnology company focused on tobacco harm reduction, reduced nicotine tobacco, and hemp/cannabis research, today announced new initiatives to strengthen and maximize revenue opportunities in its hemp/cannabis franchise. Included in these developments is the announcement of strategic partnerships with two plant breeders in the northern and southern hemispheres providing the Company with year-round growing capabilities, close partnership activities being conducted with Aurora Cannabis, and the establishment of a newly created Canadian subsidiary. These newest developments further support 22nd Century's plans for multiple avenues of hemp/cannabis revenue that will begin to be realized in late 2021.

"The addition of breeders who specialize in alkaloid-based plant cultivation to our network of strategic partnerships provides us with the competitive edge to commercialize our second-generation IP and technologies," said James A. Mish, chief executive officer of 22nd Century Group. "As cannabis regulation evolves, we believe that companies able to control the traits and consistency of the plants will command a premium price and margin in the marketplace. 22nd Century is well-positioned to capitalize on the tremendous potential in the global legal cannabis space by creating hemp/cannabis plants that have stable, specific cannabinoid levels at commercial scale for various end-use markets.

"As a matter of preparedness, earlier we announced a \$40 million registered direct offering through Cowen and Company, LLC," Mish continued. "Cowen is well-known as a pioneer in the cannabis institutional markets, and with this registered direct placement, 22nd Century is now squarely positioned in the mainstream of the cannabis equity space. Proceeds from this offering will be used as needed for future strategic growth opportunities as our hemp/cannabis market activity continues to increase. With the Special Equities Group as our financial advisor on this transaction to the Company, we now have ample financial flexibility for this franchise as we advance our revenue-generating initiatives later this year."

Strategic Plant Breeding Partnerships

With its breeding partnerships in place, 22nd Century Group has now secured all key partnerships needed to maximize and support each of the five components in the upstream segment of the cannabinoid value chain including: plant profiling (CannaMetrix); plant biotechnology (KeyGene); commercial-scale plant breeding; plant cultivation (Needle Rock Farms and breeder network); and ingredient extraction/purification (Panacea). In doing so, 22nd Century has built a unique ability to accelerate the delivery of valuable, commercial-scale plant lines and intellectual property for the life science, consumer product, and pharmaceutical end-use markets in just two years.

The Company will provide details regarding the breeding strategic partnerships later this month and will present its go forth commercialization strategy for its hemp/cannabis franchise on its second quarter 2021 earnings call in early August.

The Company is actively pursuing multiple hemp/cannabis revenue streams targeted in 2021. These include monetization of a portion of the Company's valuable hemp/cannabis intellectual property and offtake commitments for the Company's high CBD and CBG plant lines currently growing in Needle Rock Farms of Crawford, Colorado for commercialization in the forms of flower, distillate, or isolate.

Valuable Biosynthesis IP License and Aurora Partnership

22nd Century has been at the forefront of hemp/cannabis research since 2014 when the Company entered into a global research and license agreement with Anandia Laboratories in Canada through which 22nd Century was granted an exclusive sublicense for global IP rights to commercialize key aspects of cannabinoid biosynthesis in the hemp/cannabis plant and microorganisms. These licenses were transferred to Aurora Cannabis when it acquired Anandia in 2018. 22nd Century and Aurora are working closely together to enforce their IP against infringing parties and are exploring collaborative commercial development opportunities. The Company expects licensing and revenue from the IP shared with Aurora to commence in the second half of 2021.

22nd Century Canada, Inc. - New Canadian Subsidiary

22nd Century's Canadian subsidiary, 22nd Century Canada, Inc., incorporated in April 2021, will serve as a base for the Company's expanded activities in tobacco, hemp/cannabis and its yet-to-be announced third franchise. The establishment of a Canadian subsidiary will provide structure for the Company to seek licenses that will enable further research and development in Canada and enable the Company to operate in both the recreational and medical cannabis space without restrictions.

22nd Century Canada, Inc. will also serve as a hub for expanded reduced nicotine tobacco activities in Canada, to include a possible future launch of VLN® and the potential expansion of its reduced nicotine tobacco growing programs. A nicotine cap in combustibles in Canada remains a possibility given [Health Canada's interest](#) in reduced nicotine content cigarettes. Furthermore, the establishment of a subsidiary will potentially provide the Company with greater operational efficiencies.

About 22nd Century Group, Inc.

22nd Century Group, Inc. (NYSE American: [XXII](#)) is a leading plant biotechnology company focused on technologies that alter the level of nicotine in tobacco plants and the level of cannabinoids in hemp/cannabis plants through genetic engineering, gene-editing, and modern plant breeding. 22nd Century's primary mission in tobacco is to reduce the harm caused by smoking through the Company's reduced nicotine content tobacco cigarettes – containing 95% less nicotine than conventional cigarettes. The Company's primary mission in hemp/cannabis is to develop and commercialize proprietary hemp/cannabis plants with valuable cannabinoid profiles and desirable agronomic traits.

Learn more at [xxiicentury.com](#), on Twitter [@_xxiicentury](#), and on [LinkedIn](#).

Cautionary Note Regarding Forward-Looking Statements

Except for historical information, all of the statements, expectations, and assumptions contained in this press release are forward-looking statements. Forward-looking statements typically contain terms such as "anticipate," "believe," "consider," "continue," "could," "estimate," "expect," "explore," "foresee," "goal," "guidance," "intend," "likely," "may," "plan," "potential," "predict," "preliminary," "probable," "project," "promising," "seek," "should," "will," "would," and similar expressions. Actual results might differ materially from those explicit or implicit in forward-looking statements. Important factors that could cause actual results to differ materially are set forth in "Risk Factors" in the Company's Annual Report on Form 10-K filed on March 11, 2021. All information provided in this release is as of the date hereof, and the Company assumes no obligation to and does not intend to update these forward-looking statements, except as required by law.

This press release shall not constitute an offer to sell or the solicitation of any offer to buy the securities discussed herein, nor shall there be any offer, solicitation, or sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

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