



September 24, 2020

## 22nd Century Group Provides Strategy Update Letter from CEO

WILLIAMSVILLE, N.Y., Sept. 24, 2020 (GLOBE NEWSWIRE) -- 22nd Century Group, Inc. (NYSE American: XXII) ("22nd Century" or "the Company"), a leading plant-based, life science company driven by next generation biotechnology, today provided a strategy update letter from Chief Executive Officer, James A. Mish.

Dear Fellow Shareholders,

When I first spoke with you during our 2020 second quarter earnings call, I had been CEO of 22nd Century for only three weeks and was still evaluating the strategic ambition, opportunities, and direction of our Company. Now, as my 100-day milepost approaches, I am writing to provide you with an update on how the 22nd Century leadership team is working very hard to capitalize on near-term milestones as well as on exciting medium and long-term opportunities to increase shareholder value.

On top of everyone's mind is the Company's historic Modified Risk Tobacco Product (MRTP) application with the U.S. Food and Drug Administration (FDA) and the tremendous commercial and public health opportunities it represents. I have spent a great deal of time studying and thinking about our MRTP candidate and am more excited today than when I joined the Company: VLN<sup>®</sup> is a remarkable product and addresses a very large market opportunity.

With 95% less nicotine than any leading brand – *or any other cigarette in the U.S.* – FDA authorization of our VLN<sup>®</sup> MRTP application would give 22nd Century the first *and only* Modified Risk Tobacco Product designation for a combustible cigarette. VLN<sup>®</sup> would also be the only FDA-authorized MRTP product not developed to create or sustain addiction. After interacting with shareholders, public health officials, and clinicians over the last ten weeks, I have come to recognize how critical VLN<sup>®</sup> and our Company's primary mission really are. *Reducing the harm caused by smoking* is not only what defines 22nd Century, it is also a mission of which we can all be incredibly proud. According to the Centers for Disease Control and Prevention (CDC), there are still 1,300 people in the U.S. and 22,000 people around the world who die *each and every day* due to smoking. VLN<sup>®</sup> is 22nd Century's solution – supported by independent studies that were largely funded by the FDA, the National Institutes of Health (NIH), and other federal government agencies – to help drive these terrible statistics down. It is my pledge to you that we will do everything in our power to bring VLN<sup>®</sup> to market. **That is why securing an FDA marketing authorization for our MRTP reduced nicotine content cigarettes is my #1 priority.**

To this end, we have increased the Company's proactive efforts with the FDA to authorize our MRTP application, as we believe that there is an urgent public health need for a reduced nicotine content combustible alternative like VLN<sup>®</sup>. We now believe it is not a matter of if but *when* our application will be granted, and we believe we are months, not years, away from securing our MRTP designation. I am also proud to report that **we have plans in place to commercialize VLN<sup>®</sup> in the U.S. 90 days after we receive our MRTP authorization**. These plans include all aspects of supply, manufacturing, sales, and a marketing campaign that has been designed to introduce adult U.S. smokers to the world's lowest nicotine content cigarette.

What does all of this mean to 22nd Century shareholders?

Our consumer market research indicates that **60% of smokers have an interest in using VLN<sup>®</sup> cigarettes**. There are 34 million smokers in the US and more than 1 billion worldwide. Indeed, having the only combustible cigarette with a modified exposure claim authorized by the FDA, the world's preeminent life-sciences regulatory body, could serve as a catalyst for 22nd Century's commercial sales as even achieving just one-quarter of one percent (0.25%) market share of the U.S. tobacco market could result in revenues that may over time, based on current market multiples, drive the Company's market capitalization more than 5 to 10 times higher than it is today. In addition, FDA authorizing the marketing of 22nd Century's modified risk tobacco products with modified exposure claims would open multiple licensing opportunities for 22nd Century's proprietary reduced nicotine

content *tobacco to accelerate the commercial and public health potential*. These opportunities could significantly drive increases to 22nd Century's market value.

While our tobacco technology and regulatory progress are taking center stage, we will also grow beyond our current near-term primary mission by advancing our considerable hemp/cannabis technology to capitalize on both our proprietary plant lines and on what we believe is among the highest quality, hemp/cannabis reference genomes in the world. We plan to advance and gain market share in this massive franchise with both our in-house capabilities and strong strategic partnerships. 22nd Century's partnership with KeyGene has served as a key competitive advantage for us and we plan to review and refine our focus with KeyGene in the coming months to develop plant lines to serve pharmaceutical and consumer packaged goods, including stable, ultra-high THC lines; rare cannabinoids; and ultra-low terpene modulation to address mal odor and taste in certain consumer and other products. Please also understand that under my watch, 22nd Century will focus the Company's resources only on hemp/cannabis initiatives that have strong consumer or clinical/medical benefits and highly accretive commercial applications.

Ultimately, 22nd Century is **a plant-based, life science biotechnology company** that utilizes both its internal expertise and external strategic resources to create disruptive and proprietary technology with important commercial applications. We currently own or control the rights to commercialize over 200 issued and pending patents. To date, our primary focus has been on nicotine modulation in tobacco. Going forward, we plan to expand our efforts within the tobacco and hemp/cannabis franchises to penetrate additional global markets in pharmaceuticals and consumer products. And, finally, we have recently identified a third franchise that we plan to share with shareholders and the investment community in the coming months.

With all the science already undertaken and that which is in development for the future, the present is a remarkable time of *commercial opportunity* for 22nd Century. The world is set to witness the fruits of more than a decade of our research and development and more than \$100 million of independent clinical studies – that have shown that our proprietary VLN<sup>®</sup> cigarettes contain 95% less nicotine than the leading brands in the United States. *We believe that our MRTP application is in the very final stages of the FDA authorization process.*

It is an exciting time for 22nd Century, and it is my privilege to serve as the Company's CEO during this time in our Company's history. I hope this letter finds you well and that it reminds you of how special 22nd Century really is. Thank you for your support as a Company shareholder, and I look forward to sharing exciting Company developments in the weeks and months to come.

James A. Mish  
Chief Executive Officer, 22nd Century Group

#### **About 22nd Century Group, Inc.**

22nd Century Group, Inc. (NYSE American: XXII) is a leading, plant-based, life science company that develops and provides unique, commercial solutions to the life science, consumer products, and pharmaceutical markets. Using plant genetic engineering and modern plant breeding techniques to create new, proprietary plants and intellectual property, 22nd Century seeks to enhance and broaden the consumer experience by providing natural, plant-derived ingredients to product formulators and manufacturers. In the tobacco plant, 22nd Century is able to modulate the levels of nicotine that naturally occur in the plant. With this technology, 22nd Century is poised to disrupt the global tobacco market with its proprietary reduced nicotine content tobacco cigarettes containing 95% less nicotine than conventional tobacco and cigarettes. 22nd Century is applying its plant genetics expertise to the hemp/cannabis plant as well to develop new and proprietary varieties of hemp/cannabis with unique cannabinoid and terpene profiles and desirable agronomic traits. 22nd Century also owns or controls the rights to commercialize over 200 issued and pending patents related to the tobacco and hemp/cannabis plants.

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#### **Cautionary Note Regarding Forward Looking Statements**

This press release contains forward-looking statements concerning our business, operations and financial performance and condition as well as our plans, objectives and expectations for our business operations and financial performance and condition that are subject to risks and uncertainties. All statements other than statements of historical fact included in this press release are forward-looking statements. You can identify these statements by words such as "aim," "anticipate," "assume," "believe," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "potential," "positioned," "predict," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and our management's beliefs and assumptions. These statements are not

guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. All forward-looking statements are subject to risks and uncertainties and others that could cause actual results to differ materially from those contained in our forward-looking statements. Please refer to the "Risk Factors" in our Annual Report on Form 10-K filed on March 11, 2020 and in our subsequently filed Quarterly Report on Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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Source: 22nd Century Group, Inc