

22nd Century Updates Strategic Growth Initiatives for VLN

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Low nicotine tobacco stock on hand can supply up to \$85.0 million worth of VLN® revenue and positive cash flow

Plans announced for VLN® targeted distribution and expansion to reach over 270,000 retail outlets, expanded international activity, and flanker VLN® brands with existing CMO private label customers

Mocksville, North Carolina--(Newsfile Corp. - September 11, 2024) - 22nd Century Group, Inc. (NASDAQ: XXII), a tobacco products company that is leading the fight against nicotine and believes smokers should have a choice about their nicotine consumption, today announced plans to expand distribution of its VLN® 95% reduced nicotine content smoking products.

Based on recent consumer point-of-sale data on VLN® sales, the Company is now moving to expand its sales and marketing operations to all available retail outlets in the US as well as growing its distributions worldwide. The Company's VLN® brand currently has a distribution of approximately 5,100 stores across 26 states, with a total available market of more than 270,000 retail outlets nationwide.

"Smokers are continuing to buy VLN® cigarettes, with greater sales than previously understood in many of the pilot locations established in 2023," said Larry Firestone, Chairman and CEO. "Our low nicotine message is being heard, and our newly hired sales and marketing team has formulated a comprehensive revitalization plan that we believe will activate VLN® in the market. We will incorporate consumer engagement strategies based on what we learned in the original launch and expand our distribution to help place VLN® within the reach of more smokers looking to take control of their nicotine consumption."

The Company's global distribution plans include sales of VLN® products internationally through partners handling all distribution, sales and marketing efforts, using the model of its renewed distribution agreement with a South Korean partner previously announced. In addition, the Company plans to launch flanker brands based on its proprietary 95% less nicotine tobacco through existing CMO private label relationships, both domestically and internationally, to build a harm reduction category and drive awareness of how reduced nicotine content cigarettes can help smokers to smoke less.

"To meet increased demand, we are poised to benefit from an immense financial advantage in the form of our raw material inventory," added Firestone. "In addition to finished goods on hand, we have sufficient fully paid-for low nicotine tobacco stock for the manufacture of up to 1.4 million cartons of VLN® and flanker brand cigarettes. Monetizing these assets, together with our planned flanker brand initiatives, gives us the potential to realize up to \$85 million in VLN® revenue alone and positive cash flow before future tobacco crops even need to be harvested and processed. Moving this existing inventory to the market is our number one priority and our team is laser focused on this objective."

About 22nd Century Group, Inc.

22nd Century Group is the pioneering nicotine harm reduction company in the tobacco industry enabling smokers to take control of their nicotine consumption.

We created our flagship product, the VLN® cigarette, to give traditional cigarette smokers an authentic and familiar alternative that helps them smoke less. VLN® is the world's first and only combustible cigarette to receive a Modified Risk Tobacco Product designation from the FDA, which the FDA has mandated be described as a product that Helps You Smoke Less®. VLN® cigarettes have 95% less nicotine than the traditional cigarette and have been proven to greatly reduce nicotine consumption. Instead of offering new ways of delivering nicotine to addicted smokers, we offer smokers the option to take control of their nicotine consumption and make informed and more productive choices, including the choice to avoid addictive levels of nicotine altogether.

Our wholly owned subsidiaries include a leading cigarette manufacturer that produces all VLN® products and provides turnkey contract manufacturing for other tobacco brands both domestically and internationally. The 60,000 square foot facility in Mocksville, North Carolina has the capacity to produce more than 45,000,000 cartons of combusted tobacco products annually with additional space for expansion.

Our proprietary reduced nicotine tobacco blends are made possible by comprehensive and patented technologies that regulate nicotine biosynthesis activities in the tobacco plant, resulting in full flavor and high yield with 95% less nicotine. Our extensive patent portfolio has been developed to ensure we have the only low nicotine combustible cigarette in the United States and critical international markets. Our mission is to sell the last cigarette before the

22nd Century.

VLN® and Helps You Smoke Less® are registered trademarks of 22nd Century Limited LLC.

Learn more at xxiicentury.com, on [X \(formerly Twitter\)](#), on [LinkedIn](#), and on [YouTube](#).

Learn more about VLN® at tryvln.com.

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, including but not limited to our full year business outlook. 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. Forward-looking statements include, but are not limited to, statements regarding (i) our cost reduction initiatives, (ii) our expectations regarding regulatory enforcement, including our ability to receive an exemption from new regulations, (iii) our financial and operating performance and (iv) our expectations for our business interruption insurance claim. 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 28, 2024, and in the Company's Quarterly Reports filed on May 15, 2024 and August 13, 2024. 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.

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