TURNING POINT BRANDS

TURNING POINT BRANDS INVESTS IN DISTRIBUTION PARTNERSHIP IN CANADA

NYSE **TPB**

$31.62 $-0.17

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Price is delayed by 15 mins

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ReCreation Marketing to Lead TPB Efforts on RipTide and Nu-X in Canada

LOUISVILLE, Ky.--(BUSINESS WIRE)-- Turning Point Brands, Inc. (NYSE: TPB), a Kentucky-based industry leading marketer of Other Tobacco Products (OTP) and adult consumer alternatives, announced today it has invested $3 million for a 30% stake in ReCreation Marketing ("ReCreation"), a Canadian distribution entity.

ReCreation is a specialty marketing and distribution firm focused on building brands in the Canadian smoking, vaping and alternative products categories. ReCreation's management has significant expertise in marketing and distributing tobacco products throughout Canada, with over 50 years of combined experience building and managing a portfolio of premium brands. ReCreation's management is supported by a team of expert sales associates who serve up to 30,000 traditional retail outlets and newly-established cannabis dispensaries across Canada. ReCreation also supports RoseLife Science, a leading cannabis product innovator, producer, service provider and marketer located in Québec.

TPB will use the ReCreation platform to launch RipTide®, TPB's proprietary, groundbreaking non-tobacco e-liquid vape technology, into the Canadian market as well as a wide variety of Nu-X Ventures LLC ("Nu-X") products including a portfolio of CBD products as regulations permit. The Nu-X suite of products will be introduced with the innovative and proprietary NicTech™ 2.0 formula and the cutting-edge RipStick™ closed-system battery used exclusively for RipTide pods.

"We believe ReCreation will be an excellent business partner for us in Canada," stated Graham Purdy, President of Nu-X Ventures. "When coupled with the ReCreation distribution platform, our robust pipeline of innovative adult consumer products under the Nu-X banner - ranging from RipTide to CBD and other cannabinoids - should position both companies to capitalize on the growing Canadian marketplace."

Chris Riddoch, President of ReCreation Marketing added, "We are excited to work with TPB on development and distribution of RipTide and Nu-X products in Canada. Our existing partnership with RoseLife Science and new partnership with TPB should allow us to move rapidly in the Canadian market."

In connection with its investment, TPB will also receive options to increase its stake in ReCreation to a 50% ownership position and will receive customary rights to designate members to ReCreation's board of directors. TPB will make the investment in ReCreation through its newly-created subsidiary, Turning Point Brands (Canada) Inc.

About Turning Point Brands, Inc.

Louisville, Kentucky-based Turning Point Brands, Inc. (NYSE: TPB) is a leading U.S. provider of Other Tobacco Products and adult consumer alternatives. TPB, through its focus brands, Stoker's® in Smokeless products, Zig-Zag® in Smoking products and VaporBeast®, VaporFi® and Nu-X™ in NewGen products, generates solid cash flow which it uses to finance acquisitions, increase brand support and strengthen its capital structure. TPB does not sell cigarettes. More information about the company is available at its corporate website, www.turningpointbrands.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements may generally be identified by the use of words such as "anticipate," "believe," "expect," "intend," "plan" and "will" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. As a result, actual events may differ materially from those expressed in or suggested by the forward-looking statements. Any forward-looking statement made by TPB in this press release speaks only as of the date hereof. New risks and uncertainties arise from time to time, and it is impossible for TPB to predict these events or how they may affect it. TPB has no obligation, and does not intend, to update any forward-looking statements after the date hereof, except as required by federal securities laws. Factors that could cause these differences include, but are not limited to:

- declining sales of tobacco products, and expected continuing decline of sales, in the tobacco industry overall;
- our dependence on a small number of third-party suppliers and producers;
- the possibility that we will be unable to identify or contract with new suppliers or producers in the event of a supply or product disruption;
- the possibility that our licenses to use certain brands or trademarks will be terminated, challenged or restricted;
- failure to maintain consumer brand recognition and loyalty of our customers;

- substantial and increasing U.S. regulation;
- regulation of our products by the FDA, which has broad regulatory powers;
- uncertainty related to the regulation and taxation of our NewGen products;
- possible significant increases in federal, state and local municipal tobacco-related taxes;
- possible increasing international control and regulation;
- our reliance on relationships with several large retailers and national chains for distribution of our products;
- our significant amount of indebtedness;
- the terms of our credit facilities, which may restrict our current and future operations;
- intense competition and our ability to compete effectively;
- uncertainty and continued evolution of markets containing our NewGen products;
- significant product liability litigation;
- the scientific community's lack of information regarding the long-term health effects of electronic cigarettes, vaporizer and e-liquid use;
- requirement to maintain compliance with master settlement agreement escrow account;
- competition from illicit sources;
- our reliance on information technology;
- security and privacy breaches;
- contamination of our tobacco supply or products;
- infringement on our intellectual property;
- third-party claims that we infringe on their intellectual property;
- failure to manage our growth;
- failure to successfully integrate our acquisitions or otherwise be unable to benefit from pursuing acquisitions;
- fluctuations in our results;
- exchange rate fluctuations;
- adverse U.S. and global economic conditions;
- sensitivity of end-customers to increased sales taxes and economic conditions;
- failure to comply with certain regulations;
- departure of key management personnel or our inability to attract and retain talent;
- imposition of significant tariffs on imports into the U.S.;
- reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors, potentially decreasing our stock price;
- failure to maintain our status as an emerging growth company before the five-year maximum time period a company may retain such status;
- our principal stockholders will be able to exert significant influence over matters submitted to our stockholders and may take certain actions to prevent takeovers;
- our certificate of incorporation and bylaws, as well as Delaware law and certain regulations, could discourage or prohibit acquisition bids or merger proposals, which may adversely affect the market price of our common stock;
- our certificate of incorporation limits the ownership of our common stock by individuals and entities that are Restricted Investors. These restrictions may affect the liquidity of our common stock and may result in Restricted Investors being required to sell or redeem their shares at a loss or relinquish their voting, dividend and distribution rights;
- future sales of our common stock in the public market could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us;
- we may issue preferred stock whose terms could adversely affect the voting power or value of our common stock; and
- our status as a "controlled company" could make our common stock less attractive to some investors or otherwise harm our stock price.

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Source: Turning Point Brands, Inc.