TURNING POINT BRANDS PROVIDES UPDATE ON PMTA PROCESS AND BUSINESS TRENDS

NYSE **TPB**
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LOUISVILLE, Ky.--(BUSINESS WIRE)-- On March 30, 2020, the U.S. Food and Drug Administration (FDA) requested a modification to a July 2019 Maryland Court Order governing the compliance policy for implementation of the premarket review requirements of the Federal Food, Drug, and Cosmetic Act for deemed tobacco products, such as cigars and vapor products. The effect of this modification, if granted, would be to move the filing deadline for these products from May 12, 2020, to September 9, 2020. The plaintiffs indicated they do not intend to oppose the modification; however, they intend to respond to express their misgivings on the record.

Because several parties' appeals to the July 2019 Maryland Court Order remain pending before the U.S. Court of Appeals for the Fourth Circuit, making the extension official would require several procedural steps, even assuming the district court agrees to FDA's proposal. This process could take several weeks.

"We applaud the swift move by FDA to address the concerns of responsible manufacturers during these unprecedented and extraordinary times. We remain deeply committed to working within the regulatory framework for these products, which includes continuing to deliver quality products to adult consumers while also preventing youth access to and uptake of these products," said Larry Wexler, President and CEO.

Assuming the modification is granted, TPB will work during this additional time period to bolster its premarket filings. TPB had planned to submit its applications by the original deadline.

TPB does not expect the delay of the PMTA process to impact full year guidance provided on February 26, 2020. As noted in that guidance, 2020 projections assume no upside from the PMTA process in 2020. The company continues to expect to spend a total of $15-$18 million on the PMTA process, with expenses heavily weighted towards the first and second quarter of 2020. This announcement may impact the timing but not materially impact the total amount of spending.

Based on preliminary financial data, TPB expects net sales for the first quarter 2020 to be slightly above the previously guided range of $82 to $86 million. Per historical practice, TPB will update full year guidance at the first quarter earnings release on April 28.

About Turning Point Brands, Inc.

Louisville, Kentucky-based Turning Point Brands, Inc. (NYSE: TPB) is a leading U.S. provider of Other Tobacco Products. TPB, through its focus brands, Stoker's® in Smokeless products, Zig-Zag® in Smoking products and the growing NewGen products space, 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 come up 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;
- our business may be damaged by events outside of our suppliers' control, such as the impact of epidemics (e.g., coronavirus), political upheavals, or natural disasters;
- 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;
- our products are subject to developing and unpredictable regulation, for example, current court action moving forward certain substantial Pre Market Tobacco Application obligations;
- some of our products contain nicotine which is considered to be a highly addictive substance;
- uncertainty related to the regulation and taxation of our NewGen products;
- possible significant increases in federal, state and local municipal tobacco- and vapor-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 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 certain substances contained in some of our products;
- 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.