

TAAT™ Launches in Major New U.S. Market

With a smoking incidence rate of 15.5% among adults and a total population of 12.67 million, Illinois represents a significant opportunity for the Company to expand its presence in the midwest region of the United States. To date, TAAT™ has been placed in 19 tobacco retailers in Illinois, bringing its nationwide store count to over 300. At an MSRP of USD \$4.59 per pack in Illinois, TAAT™ can realize a significant advantage over incumbent tobacco cigarette brands with the average price of a tobacco cigarette pack being USD \$9.72, or nearly 112% higher.

Moreover, Cook County (largest county in Illinois) imposes a USD \$3.00 tax per pack of cigarettes in addition to taxes at the state and locality level, making tobacco cigarettes sold in Cook County the most taxed anywhere in the United States.

LAS VEGAS and VANCOUVER, JULY 9, 2021 - TAAT™ GLOBAL ALTERNATIVES INC. (CSE: TAAT) (OTCQX: TOBAF) (FRANKFURT: 2TP) (the “Company” or “TAAT™”) is pleased to announce that TAAT™ *Original*, *Smooth*, and *Menthol* are now carried by 19 tobacco retailers across the state of Illinois (population 12.67 million, approximately 77.8% adult), complementing new launch initiatives on the east coast for Georgia, North Carolina, South Carolina, and Alabama as announced in a [June 25, 2021 press release](#), as well as ongoing launch efforts in the state of Ohio which began in Q4 2020. As of this writing, the Company’s products are sold in a total of more than 300 stores across the United States in addition to being sold online through e-commerce, with orders having been shipped to smokers aged 21+ in over 35 states since mid-February 2021.

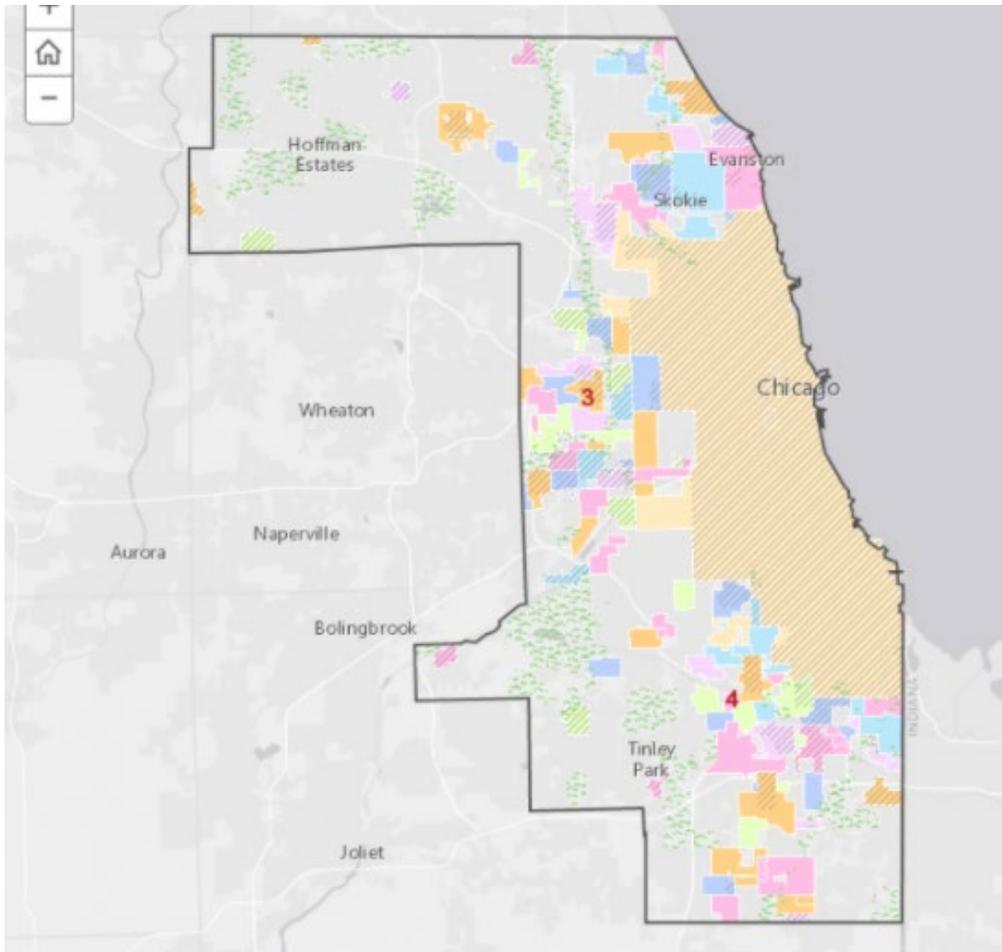
Illinois was selected as the next market in which to launch TAAT™ for several strategic regions. In addition to a smoking incidence rate among adults of 15.5%¹ which is above the national average of 14%², Illinois borders on Indiana (population 6.7 million, adult smoking incidence rate of 21.1%¹) which also borders on Ohio, thus potentially allowing TAAT™ to build an initial presence in this state from its availability at retail in Ohio and Illinois. Moreover, as of May 2021, there were approximately 150% more sample pack requests on *TryTAAT* from smokers aged 21+ in Illinois than in Nevada, where the Company’s operations are based. The Company has onboarded a local sales manager to cover Illinois who has several years of experience in tobacco sales with industry-leading firms to include Altria (manufacturer) and Eby-Brown (major tobacco wholesaler).



Signage for TAAT™ is displayed in the front window of an Illinois tobacco retailer among signage for Marlboro and Newport, the two most popular tobacco cigarette brands in the United States

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Most uniquely, the Company has identified a significant opportunity to capitalize on the high taxation rate of tobacco cigarettes in Cook County, Illinois. This county-level tax of USD \$3.00 per pack is combined with Illinois' state-level tax of USD \$2.98 per pack, in addition to locality-level taxes in Chicago, Evanston, and Cicero (USD \$1.18, USD \$0.50, and USD \$0.16, respectively)³. As a result, the average tax-inclusive retail price of a pack of tobacco cigarettes in Illinois is USD \$9.72⁴, which is nearly 112% higher than the MSRP of TAAT™ in Illinois of USD \$4.59 per pack. In a study of over 1,200 smokers aged 21+ in Ohio, Michigan, Illinois, and Pennsylvania conducted by the Company earlier this year (announced in a press release dated [April 14, 2021](#)), over 65% of respondents who indicated a desire to discontinue or cut down on smoking cited the financial burden of purchasing tobacco cigarettes as a reason they disliked smoking cigarettes.



*With a population of 5.2 million residents, Cook County is the second most populous county in the United States, second to only Los Angeles County in California⁵. Combined with state-level and certain locality-level taxes, Cook County levies its own tax on tobacco cigarettes of USD \$3.00 per pack, making tobacco cigarettes sold in Cook County the most taxed in the nation³. With the average tobacco cigarette price per pack in Illinois being nearly 112% higher than the standard TAAT™ MSRP of USD \$4.59 per pack, the Company could realize a significant competitive advantage in this market. **Image Source:** [Cook County, Illinois](#)*

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TAAT™ Chief Executive Officer Setti Coscarella commented, "The opportunity for TAAT™ in Illinois is significant as there are well over one million smokers aged 21+ in the state; many of whom reside in Cook County and are subjected to the highest tax burden in the nation when it comes to buying tobacco cigarettes. Right from the beginning, we have placed TAAT™ in 19 tobacco retailers across the state, which we intend to leverage along with existing online demand in Illinois to further penetrate this market. We conducted consumer research earlier this year with smokers aged 21+ in markets to include Illinois, and nearly two thirds of respondents who stated their desire to leave nicotine behind specified that the cost of smoking tobacco cigarettes was a contributing factor to this desire. We are pleased to be making a better

alternative to tobacco cigarettes available at a price point that is less than half what the average pack of tobacco cigarettes costs in Ohio, as we broaden our initiatives to capture market share in the USD \$814 billion global tobacco industry.”

Sources

- 1 - <https://www.cdc.gov/statesystem/cigaretteuseadult.html>
- 2 - https://www.cdc.gov/tobacco/data_statistics/fact_sheets/adult_data/cig_smoking/index.htm
- 3 - <https://www.tobaccofreekids.org/assets/factsheets/0267.pdf>
- 4 - <https://www.tobaccofreekids.org/assets/factsheets/0202.pdf>
- 5 - <https://www.census.gov/library/stories/2017/10/big-and-small-counties.html>

On behalf of the Board of Directors of the Company,

TAAT™ GLOBAL ALTERNATIVES INC.

“Setti Coscarella”

Setti Coscarella, CEO and Director

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About TAAT™ Global Alternatives Inc.

The Company has developed TAAT™, which is a tobacco-free and nicotine-free alternative to traditional cigarettes offered in "Original", "Smooth", and "Menthol" varieties. TAAT™'s base material is Beyond Tobacco™, a proprietary blend which undergoes a patent-pending refinement technique causing its scent and taste to resemble tobacco. Under executive leadership with "Big Tobacco" pedigree, TAAT™ was launched first in the United States in Q4 2020 as the Company seeks to position itself in the \$814 billion¹ global tobacco industry.

For more information, please visit <http://taatglobal.com>.

References

¹ [British American Tobacco - The Global Market](#)

Forward-Looking Statements

This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Often, but not always, forward-looking information and information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur, or be achieved. Forward-looking information in this news release includes statements regarding the anticipated performance of TAAT™ in the tobacco industry, in addition to the following: Potential outcomes of TAAT™ launching in Illinois. The forward-looking information reflects management’s current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking information. Although the Company believes that the assumptions and factors used in preparing the forward-looking information are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed timeframes or at all. Factors that could cause actual results or events to differ materially from current expectations include: (i) adverse market conditions; (ii) changes to the growth and size of the tobacco markets; and (iii) other factors beyond the control of the Company. The Company operates in a rapidly evolving environment. New risk factors emerge from time to time, and it is impossible for the Company’s management to predict all risk factors, nor can the Company assess the impact of all factors on Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in any forward-looking information. The forward-looking information included in this news release are made as of the date of this news release and the Company expressly disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

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