

# TAAT™ Global Alternatives Inc. Reports Third Quarter 2021 Financial Results

LAS VEGAS and VANCOUVER, OCTOBER 5, 2021 - TAAT™ GLOBAL ALTERNATIVES INC. (CSE: TAAT) (OTCQX: TOBAF) (FRANKFURT: 2TP) (the “Company” or “TAAT™”) recently released its financial results for the three months ended July 31, 2021 (“Q3 2021”) and has provided an overview of the same in this press release, with all figures in Canadian dollars unless otherwise noted.

TAAT™ Chief Executive Officer Setti Coscarella commented, “Our growth has accelerated this quarter as we continued to build the popularity of TAAT™ among smokers aged 21+. We have undertaken aggressive strategies to market TAAT™ in this consumer segment in order to sustain and grow interest in the United States by continuing to add stores to expand our sales pipeline. Establishing a reputable and well-known brand comes with the long-term benefit of laying the groundwork to introduce TAAT™ to new global markets.”

## Key Financial Highlights of the Company’s Fiscal Q3 2021

- Gross revenue grew to an all-time high of \$1,305,358 in Q3 2021, an increase of 1,956% from the same period in the prior year, and an increase of 88.77% from the previous quarter
- Gross profit for Q3 2021 was \$781,226 with a gross profit margin of 59.84%, an increase from the gross profit margin of 52.58% in the previous quarter
- TAAT™ Common Shares remained part of the CSE Composite Index® and its CSE25™ subset of the 25 largest companies in *Composite* by market capitalization
- Healthy balance sheet with \$10,174,001 in working capital

During the three-month period ended July 31, 2021, the Company incurred a net loss of \$7.74 million versus \$3.75 million in 2020. The increase in net loss of \$3.99 million was mainly attributable to \$4.98 million in increased marketing efforts relating to the advertising of its product in sporting events and in Europe offset by a number of non-cash items, including a decrease in share-based payments of \$779,000.

For more information, please refer to the Company’s *Condensed Interim Consolidated Financial Statements for the Nine Months Ended July 31, 2021 and 2020 (Unaudited)*, which can be accessed on the Company’s profile on SEDAR (<http://sedar.com>).

Throughout Q3 2021 the Company continued the rollout of its flagship product TAAT™ in the United States as a nicotine-free and tobacco-free alternative to tobacco cigarettes for smokers aged 21+. Based on early-stage success at retail in Ohio and through e-commerce across the United States, the popularity of TAAT™ continued to grow among smokers aged 21+ as well as retailers of tobacco products and their respective wholesale/distribution partners. Through strategic marketing initiatives to consumer and wholesaler audiences, the Company has

established brand equity in the USD \$814 billion global tobacco industry. This credibility has proven instrumental to forming international distribution relationships for upcoming launches of TAAT™ in new markets such as Australia, as well as the United Kingdom and Ireland.

After reporting over 300% sequential revenue growth in Q2 2021 in a press release dated [June 30, 2021](#), in early July 2021 the Company launched TAAT™ in Illinois where it enjoys several competitive advantages to include a significantly lower retail price point in specific regions. The Company also began exhibiting at trade shows in the United States in late Q3 2021 and reported shortly thereafter in an [early Q4 2021](#) press release that it had already closed 68 new initial purchase orders from contacts established at trade shows, separately from sales made through its regular channels.

During the final week of September 2021, the first overseas shipment of TAAT™ arrived in London for distribution in the United Kingdom and Ireland. Management of TAAT™ anticipates that the existing brand presence will launch the commercialization of TAAT™ in these new markets, as the Company continues to grow its sales footprint in the United States where the Company has recently enjoyed yet another quarter of growth.

**TAAT Global Alternatives Inc. (formerly TAAT LIFESTYLE & WELLNESS LTD. )**  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
(Expressed in Canadian Dollars - unaudited)

	Three-months ended July 31, 2021 \$	Three-months ended July 31, 2020 \$	Nine-months ended July 31, 2021 \$	Nine-months ended July 31, 2020 \$
For the				
<b>REVENUE</b>				
Sales	1,305,358	63,481	2,162,628	72,488
Cost of goods sold	(524,132)	(28,818)	(917,925)	(41,288)
Gross profit	781,226	34,663	1,244,703	31,200
<b>EXPENSES</b>				
Accounting and legal	94,690	128,420	455,273	151,755
Amortization (Notes 6 and 7)	112,809	29,027	212,423	69,916
Filing and regulatory	20,112	52,744	95,248	67,581
Foreign exchange (gain) loss	(219,513)	34,788	13,886	(19,952)
Accretion and interest expense (Notes 4, 10 and 12)	14,477	-	33,004	8,109
Management and consulting (Note 14)	653,941	102,326	2,054,919	819,631
Office, rent and administrative (Note 14)	211,589	45,977	504,556	134,160
Other operating costs	143,652	-	307,928	-
Marketing and shareholder communication	4,982,992	603,203	8,981,181	615,244
Research and development (recoveries)	(35,971)	81,184	158,560	81,184
Share-based payments (Notes 13 and 14)	1,431,461	2,671,216	11,020,406	2,671,216
Share-based payments – RSU (Notes 13 and 14)	461,200	-	941,466	-
Travel	76,298	34,331	110,478	66,274
Transaction cost	-	-	-	222,180
Salaries and wages	574,983	5,427	1,299,546	7,557
	(8,522,720)	(3,788,643)	(26,188,874)	(4,894,855)
<b>Loss for the period</b>	<b>(7,741,494)</b>	<b>(3,753,980)</b>	<b>(24,944,171)</b>	<b>(4,863,655)</b>
<b>Other item</b>				
Interest income	570	-	671	-
<b>Net loss</b>	<b>(7,740,924)</b>	<b>(3,753,980)</b>	<b>(24,943,500)</b>	<b>(4,863,655)</b>

*An overview of the Company's revenue and expenses for Q3 2021 is shown above from its financial statements for the same period. To view these statements in full, please access the Company's profile on SEDAR.*

**Readers using news aggregation services may be unable to view the media above. Please access SEDAR or the Investor Relations section of the Company's website for a version of this press release containing all published media.**

On behalf of the Board of Directors of the Company,

**TAAT™ GLOBAL ALTERNATIVES INC.**

“Setti Coscarella”

Setti Coscarella, CEO and Director

For further information, please contact:

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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 billion<sup>1</sup> global tobacco industry.

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

References

<sup>1</sup> [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 from the Company’s performance in Q3 2021, potential performance of international launches. 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.

The statements in this news release have not been evaluated by Health Canada or the U.S. Food and Drug Administration. As each individual is different, the benefits, if any, of taking the Company's products will vary from person to person. No claims or guarantees can be made as to the effects of the Company's products on an individual's health and well-being. The Company's products are not intended to diagnose, treat, cure, or prevent any disease.

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### **Statement Regarding Third-Party Investor Relations Firms**

Disclosures relating to investor relations firms retained by TAAT™ Global Alternatives Inc. can be found under the Company's profile on <http://sedar.com>.