

TAAT™ Finalizes First Commercial Order for Austria

LAS VEGAS and VANCOUVER, NOVEMBER 5, 2021 - TAAT™ GLOBAL ALTERNATIVES INC. (CSE: TAAT) (OTCQX: TOBAF) (FRANKFURT: 2TP) (the “Company” or “TAAT™”) is pleased to announce that it has received a purchase order valued at €60,000 (approximately CAD \$86,400) as initial inventory for launching all three TAAT™ varieties in Austria beginning in Q1 2022. In a press release dated [October 22, 2021](#), the Company announced the most recent developments with respect to its first international expansion into the United Kingdom, which included enthusiastic reception of TAAT™ by tobacco wholesalers from across the country. Furthermore, in the Company’s [September 7, 2021](#) press release it was announced that tobacco wholesalers in several other European countries including Poland, Germany, France, and Switzerland provided very positive feedback on the advanced formulation of Beyond Tobacco™ using reconstituted material. With this purchase order for Austria, TAAT™ is beginning its second launch in the European Union, as the Company simultaneously executes TAAT™ launches in Ireland, the United Kingdom, and Australia, while continuing to grow its footprint at retail and online in the United States where the Company now has more than 1,200 points of sale carrying TAAT™.



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In preparation for the launch of TAAT™ in Austria in Q1 2022, the Company has prepared pack designs for TAAT™ “Original”, “Smooth”, and “Menthol”, including German-language disclaimers as mandated under Austrian law

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Compared to other other global markets, the Company believes TAAT™ products can perform especially well in Austria based on several unique modern-era developments (listed below) which have influenced the tobacco market across the country. Austria has a total population of approximately 8.9 million, with a smoking incidence rate of approximately 25% in 2019, compared to an average of 18% in other European Union nations¹.

Relatively New Privatization in Austria's Tobacco Industry

The tobacco industry in Austria has only been privatized for approximately 24 years, following a public offering of Austria's state-owned cigarette manufacturer (who had leading, non-monopoly market share) resulting in Japan Tobacco International ("JTI") and Gallaher Group (ultimately acquired by JTI in 2007 for USD \$15 billion²) taking over the state's cigarette-manufacturing operations as of 1997³. Accordingly, it can be concluded that smokers of legal age in Austria have not had the same opportunities to form preferences for a given tobacco cigarette brand compared to other countries. TAAT™ therefore intends to capitalize on any such weaknesses in brand loyalty as part of its initiatives to convert smokers of legal age in Austria to TAAT™ as an alternative to regular cigarettes with no nicotine or tobacco.

Rapid Decline in Austria's Smoking Incidence Rate

In 2008 a staggering 43% of Austrian adults smoked cigarettes⁵, dropping dramatically to an incidence rate of approximately 25% in 2019¹. The Company anticipates it can capitalize on this momentum and convert Austrian smokers of legal age to TAAT™ products as a better alternative to tobacco cigarettes, particularly with the advent of measures intended to discourage nicotine consumption such as a recent smoking ban in public indoor spaces such as restaurants and bars.

Discontinuation of Menthol Cigarettes in Austria as of 2020

On May 20, 2020, a ban across the European Union was put into effect against menthol cigarettes⁶, a tobacco market segment that was valued at USD \$11 billion across the continent that same year⁷. As menthol tobacco cigarettes can no longer be purchased anywhere in the European Union including Austria, TAAT™ *Menthol* is expected to offer smokers of legal age who once preferred menthol cigarettes a desirable alternative, which has already proven especially popular in the United States since launching in December 2020.

The Company has preemptively filed for Austrian trademarks on the terms TAAT™ and *Beyond Tobacco*™, which can provide crucial protection of the Company's brand and intellectual property as sales of TAAT™ are set to begin in Austria next quarter. Through its distribution partners, the Company has arranged for TAAT™ to be sold to smokers of legal age at retail

points of sale in several of Austria's nine states (e.g., convenience stores, smoke shops), as well as online through a "geo-fenced" e-commerce portal.

TAAT™ Chief Executive Officer Setti Coscarella commented, "The global tobacco market has undergone significant changes in recent years, and with many shifts occurring rapidly in Austria where smoking rates remain relatively high (*i.e.*, three-quarters more than the U.S. national average), I believe it is a very promising market for our next launch of TAAT™. Thirteen years ago nearly half of all Austrian adults were smokers, a number that has declined considerably due in part to factors such as the recent indoor smoking prohibition, which in combination with other events to include the EU-wide menthol ban has created attractive opportunities for better alternatives such as TAAT™ to gain market share. It would appear that incumbent players in the tobacco industry have taken note of these market circumstances; as an example, Philip Morris International only launched an IQOS boutique in Austria last spring, despite having already opened 226 outlets elsewhere in the world⁸. I am therefore very confident that this initial commercial order of TAAT™ will perform well in Austria, laying the groundwork for a large-scale launch as we continue to build out TAAT™'s global market footprint."

Sources

- 1 - <https://www.dw.com/en/austria-smoking-ban-in-effect-after-decade-long-debate/a-51080604>
- 2 - <https://www.nytimes.com/2007/04/18/business/worldbusiness/18iht-tobacco.1.5332040.html>
- 3 - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3225958/>
- 4 - <https://www.bbc.com/news/world-europe-55341779>
- 5 - <https://link.springer.com/article/10.1007/s00508-017-1254-3>
- 6 - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7549510/>
- 7 - <https://www.bloombergquint.com/business/eu-menthol-ban-tobacco-firms-offer-alternatives-to-cigarettes>
- 8 - <https://www.colliers.com/en-at/news/20201015-pa-philipmorris>

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: Planned Q1 2022 launch of TAAT™ in Austria following the purchase order detailed in the press release. 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

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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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