

# TAAT® Closes Acquisition of Ohio-Based Tobacco Distributor

*TAAT® has now officially acquired a tobacco distributor in Ohio in a strategic maneuver to align its operational practices with leading firms in the USD \$812 billion global tobacco industry. TAAT® was first sold in Ohio in December 2020, and following the closure of this acquisition the Company intends to leverage the distributor's network and capabilities to further strengthen its presence in Ohio and the north-central region of the United States. The details of this acquisition are further described in a video released by the Company on its YouTube channel.*

**LAS VEGAS and VANCOUVER, MAY 20, 2022 - TAAT® GLOBAL ALTERNATIVES INC. (CSE: TAAT) (OTCQX: TOBAF) (FRANKFURT: 2TP) (the "Company" or "TAAT®")** is pleased to announce that it has successfully closed its acquisition of HLND Holdings, Inc. ("HLND"), after the deal became definitive as announced in the Company's [April 21, 2022 press release](#). HLND is the parent entity of ADCO Distributors, Inc. ("ADCO"), a tobacco distributor based in Canton, Ohio that was established in 1960 and currently has access to a substantial network of retailers throughout the state through direct and indirect relationships. In a press release dated [October 6, 2020](#), the Company announced that ADCO made an initial purchase order of TAAT® after becoming its first U.S. distributor. After ADCO placed TAAT® in its first stores in the state of Ohio, TAAT® products were officially "on the market" in direct competition with cigarette products that contain tobacco. As of May 2022, the TAAT® retail presence in Ohio consists of hundreds of stores, which the Company plans to aggressively build upon through ADCO's distribution network and commercialization resources.

To provide greater detail regarding this acquisition and its significance for the Company, TAAT® has released an informational video featuring its Co-Founder Joe Deighan as well as Pat Bell and Barry Adelman of ADCO. This video can be viewed by clicking on the thumbnail below or by [clicking here](#).



*The acquisition of HLND by TAAT® can create numerous potential benefits for the Company, which are discussed by TAAT® Co-Founder Joe Deighan as well as Pat Bell and Barry Adelman of ADCO in a video recently released after the acquisition deal closed. The video can be viewed by clicking on the thumbnail above, or by [clicking here](#).*

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TAAT® Co-Founder Joe Deighan commented, "In less than two years, ADCO has generated wonderful results for us as a distributor, and has contributed to our growth from being a new competitor in the tobacco category to a brand sold nationwide as a better alternative to tobacco cigarettes. With a network of over 2,500 U.S. retailers of TAAT®, our business model has matured to the point that we can focus on creating strategic efficiencies by taking certain aspects of our operations in-house, such as distribution. The acquisition of ADCO can also fortify our financial position as ADCO will continue distributing its standard convenience product lines, which collectively generated over CAD \$87 million in net revenues in calendar 2021. With this integrated distribution part of the Company now that the acquisition has closed, we are an even stronger player in the USD \$812 billion global tobacco industry where we are just getting started."

The acquisition of ADCO was completed pursuant to a securities exchange agreement dated April 20, 2022, as amended April 27, 2022 and May 13, 2022 among the Company as purchaser, ADCO, HLND, and the shareholders of HLND, as vendors. As consideration the Company paid an aggregate of CAD \$6,159,500 in cash and equity (the "**Purchase Price**"),

comprised of CAD \$1,170,305 of the Purchase Price in cash and the remaining CAD \$4,989,195 of the Purchase Price in common shares in the capital of the Company (the "**Consideration Shares**"). A total of 3,786,572 Consideration Shares were issued at a deemed price of \$1.317602 per Consideration Share, representing the 45-day volume weighted average closing price of the Company's common shares. The vendors are arm's length to the Company. The Company relied on the Section 2.16 of National Instrument 45-106 (Take-Over) prospectus exemption to issue the Consideration Shares, which are subject to a contractual hold period of at least 12 months, with one-third (1/3) of the Consideration Shares being released every four (4) months from closing.

On behalf of the Board of Directors of the Company,

**TAAT® GLOBAL ALTERNATIVES INC.**

"Joe Deighan"

Joe Deighan, COO 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 \$812 billion<sup>1</sup> global tobacco industry.

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

References

<sup>1</sup> [Statista: Consumer Markets - Tobacco Products](#)

**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, and ADCO's continued performance in its distribution business. 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; (iii) changes to the regulatory landscape applicable to the Company's business; and (iv) 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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