

# TAAT® Provides Year-End Update

*In lieu of the previously scheduled investor call on December 15, 2022, the Company provides a comprehensive year-end update on its business operations with a special emphasis on the six months following the appointment of Michael Saxon as its Chief Executive Officer.*

**LAS VEGAS and VANCOUVER, DECEMBER 22, 2022 - TAAT® GLOBAL ALTERNATIVES INC. (CSE: TAAT) (OTCQX: TOBAF) (FRANKFURT: 2TP)** (the “Company” or “TAAT®”) is pleased to provide a consolidated update of key developments for the Company with a focus on the six-month period since Michael Saxon became Chief Executive Officer (“CEO”) of TAAT® on June 20, 2022. Following a 25-year global career in the tobacco industry for major players to include Philip Morris International and Altria, Mr. Saxon was added to the Company’s Board of Advisors in 2020. To facilitate post-launch growth of TAAT® both within the United States and internationally, the Company later entered into negotiations with Mr. Saxon and appointed him to the CEO position.

- **Distribution Company:** In May of 2022, TAAT® acquired the profitable distribution business ADCO Distributors Inc. (“ADCO”) in Canton, Ohio. ADCO’s independent retail-focused business model has grown substantially over recent years to approximately CAD \$90 million in revenues. In the months following the acquisition of ADCO, the Company has reviewed its business plans and intends to emphasize new and emerging categories that have higher margins than traditional tobacco products. For instance, ADCO recently partnered with a local Ohio jerky brand known as [White Horn Meats](#) to distribute its product in the Central Ohio market. TAAT® is actively looking to expand ADCO’s distribution footprint both organically and through M&A.
- **International:** The United Kingdom has been both a success and a struggle. On the product front, TAAT® has had three reorders from its London-based distributor, with the most recent reorder being the largest. TAAT® also sponsored the “Boundary” music festival in Brighton with an attendance of approximately 20,000, and all shipped product has been sold. The Company continues to face issues with customs for the importation of TAAT®, which has been an impediment to growth in the United Kingdom. Although the Company forecasted the customs issues would be resolved before the end of 2022, TAAT® presently anticipates a resolution in Q1 of calendar 2023, and expects to be able to resume shipments in even higher quantities as a result of the same. TAAT® is also in advanced conversations with distributors in three other European markets where the Company believes TAAT® will begin selling in 2023.
- **Las Vegas and San Diego:** Starting in June 2022 the Company placed an enhanced focus on its “home” market of Las Vegas, Nevada, as well as San Diego, California where it has robust distribution infrastructure. As of December 2022, TAAT® products are sold in over 800 stores in Las Vegas and 500 in San Diego, which represents approximately 40% and 30% of convenience retailers in each respective market. Within

these markets, the Company invested in both radio and experiential marketing to gain awareness and trial among adult smokers. To date, the Company's anchor chain account in Las Vegas (Speedee Mart) has generated solid month-over-month growth of TAAT®, which now represents a meaningful share of their smokable product category sales.

- **Texas:** In September 2022, the Company expanded its focus markets to include the state of Texas with its initial placement in all 34 Buc-ee's locations in Texas. The iconic Texas retailer owns the world's largest convenience store in New Braunfels, Texas and is actively supporting the TAAT® product line with in-store promotions. In December, one of the largest cooperatives in Central Texas, the Greater Austin Merchants Cooperative Association ("GAMA"), began to distribute TAAT®. The TAAT® rollout throughout the GAMA network (combined total of approximately 1,800 stores) is expected to take a few months to complete. The Company also has open dialogues with other major chains and cooperatives in Texas which are expected to begin selling TAAT® in 2023.
- **Beyond Alternatives:** In Q4 2022, the Company created a new subsidiary called *Beyond Alternatives*. In addition to commercializing TAAT®, Beyond Alternatives will also begin to distribute other alternative products in growing categories. These new revenue streams are expected to drive short-term incremental revenue so that the Company can continue to invest in TAAT® as a category creator. The initial product will be launched at the February CHAMPS trade show in Las Vegas in 2023.
- **Financials:** The Company's financial statements for Fiscal 2022 are set to be published on SEDAR ([www.sedar.com](http://www.sedar.com)) on schedule, with a deadline of February 28, 2023.

TAAT® Chief Executive Officer Michael Saxon commented, "These are exciting times for TAAT® in the global tobacco industry and I am very proud of what our team has achieved over the past six months; particularly the results we are seeing in our home market of Las Vegas. I've launched many tobacco brands in many markets for some of the largest players in the industry, and I am actively applying this experience to the commercialization of TAAT® as a novel alternative to cigarettes for adult smokers who want to move on from tobacco and nicotine. We have also sought to establish a presence in settings where adult smokers tend to use tobacco products (e.g., smoking areas of performance venues, outdoor events such as festivals) so that we can engage consumers directly to gain trial. There are many exciting developments on the horizon for the year 2023, which I look forward to sharing as they occur."

On behalf of the Board of Directors of the Company,

**TAAT® GLOBAL ALTERNATIVES INC.**

"Michael Saxon"

Michael Saxon, CEO and Director

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#### **About TAAT® Global Alternatives Inc.**

TAAT® develops, manufactures, and distributes alternative products in categories such as tobacco, hemp, kratom, and other emerging CPG segments. Its flagship product is a nicotine-free/tobacco-free combustible with a patent-pending base material formulation, sold in several thousand U.S. stores. With over CAD \$80 million in overall gross revenue annually, TAAT®’s facilities include an operations centre in Nevada, as well as a distribution centre and multiple convenience stores in Ohio.

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

#### **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: Anticipated near-term performance of TAAT® and its subsidiaries under the administration of CEO Michael Saxon based on accomplishments made since June 2022. 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

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