

“Going Beyond”: Seasoned Ex-Philip Morris Commercialization Executive Tim Corkum Appointed Chief Revenue Officer of Taat

To lead commercialization efforts for Beyond Tobacco™ cigarettes, Taat has appointed Tim Corkum as its Chief Revenue Officer. Corkum, who spent more than 20 years working for Philip Morris in the Caribbean and in Canada, is a recognized industry leader in the commercialization of cigarette products as well as Reduced Risk Products. In addition to his executive positions at Philip Morris, Corkum has also held several account manager roles to include National Manager of Key Accounts, in which Corkum created a contracting and trade marketing strategy that was adapted by Philip Morris at a global level and recognized as an emerging best practice.

LAS VEGAS and VANCOUVER, AUGUST 21, 2020 - TAAT LIFESTYLE & WELLNESS LTD. (CSE: TAAT) (OTC: TOBAF) (FRANKFURT: 2TP2) (the “Company” or “Taat”) is pleased to announce that it has added another alumnus of Philip Morris International (“Philip Morris”) to its top management team by appointing Tim Corkum to the Company’s Chief Revenue Officer role, in which Corkum plans to apply his extensive knowledge of commercialization to form and navigate the route to market for Beyond Tobacco™ cigarettes. From 1998 to 2019, Mr. Corkum held various positions in sales, trade marketing, corporate affairs, and business development at Philip Morris affiliates in Canada (Rothmans, Benson & Hedges) and the Caribbean. Beginning in 2016, Corkum was a Director for Philip Morris’ *Reduced Risk Products* (“RRP”) category with its Caribbean affiliates and in the Dominican Republic, transitioning back to the Canadian market in 2018. Corkum joins the Company’s CEO Setti Coscarella, who was recently a lead strategist for Philip Morris, in Taat’s executive ranks. Corkum was also instrumental to the introduction and commercialization of Philip Morris’ RRP products such as IQOS in markets in the Caribbean and Canada. Mr. Corkum intends to apply his well-rounded knowledge of building and maintaining market share for cigarette products and RRP to create and execute strategies for bringing Beyond Tobacco™ to market as a unique replacement for tobacco cigarettes.

The Company has developed Beyond Tobacco™ cigarettes to help combat the global tobacco epidemic by providing a combustible stick product with no nicotine or tobacco that is designed to closely mimic the experience of smoking a tobacco cigarette. While many of the world’s 1.3 billion¹ tobacco users actively seek alternatives to tobacco cigarettes, virtually all mass-market alternatives contain nicotine. As a result, users of such alternatives often revert to tobacco cigarettes to satisfy their desire for the various sensory elements of the cigarette-smoking “ritual”. Beyond Tobacco™ cigarettes contain a proprietary blend of tobacco flavouring which imparts the taste and scent of tobacco, and have been meticulously engineered to imitate various aspects of the cigarette-smoking experience. Beyond Tobacco™ cigarettes also contain cannabidiol (“CBD”, a non-psychoactive derivative of hemp), which has been shown to mitigate tobacco withdrawals and reduce dependency upon tobacco. By delivering a molecule that is superior to nicotine, the Company anticipates Beyond Tobacco™ cigarettes could be attractive to tobacco cigarette smokers whose objective is to discontinue smoking tobacco. In the Company’s initial retail market

testing in California and Nevada, Beyond Tobacco™ cigarettes received excellent reception among smokers, with users indicating that Beyond Tobacco™ had no significant experiential differences from a tobacco cigarette. Taat believes this similarity, along with the absence of tobacco and nicotine, can result in strong user retention for long-term positive change.

Mr. Corkum joined Philip Morris in 1998 as a Territory Sales Representative and was immediately recognized for his strategic thinking and leadership qualities which enabled him to ascend rapidly through the sales, trade marketing, and key account departments. In 2009 as a member of the senior commercial team, Mr. Corkum oversaw sales in Atlantic Canada, which further developed his sales execution leadership. With these capabilities, Corkum's efforts contributed to Philip Morris achieving a dominant market share across the Maritime provinces. Shortly thereafter, Corkum was promoted to the central region of Canada, in which the majority of Philip Morris' premium products are sold, where he utilized his sales leadership experience to manage a team of 90 and further grow the firm's presence in Canada's most profitable market.

When Philip Morris' Canadian supply chain migrated to direct-to-store delivery ("DSD"), Corkum was selected to lead the cross-functional implementation team on all commercial aspects of this transition. Corkum led the development of a dynamic order-handling program that processed 8,000 orders per week with a cumulative value of CAD \$21 million, underpinned by an online ordering portal, and a third-party inbound and outbound call centre procured and supervised by Corkum. As a result of collaboration between Corkum's implementation team and Philip Morris' distribution and technology teams, this DSD transition was among the most expedient and seamless such transitions in the firm's history.



Taat Chief Revenue Officer Tim Corkum holding an "Original" pack of Beyond Tobacco™

Returning to sales in 2014 as a National Manager of Key Accounts, Corkum created and led a centralized business unit for strategic accounts, which represented approximately 60% of the Canadian tobacco industry's volume. Corkum created and implemented a contracting and trade marketing strategy that leveraged a framework he previously enacted to capitalize on favourable regulations that had come into effect. The success of this strategy created by Mr. Corkum compelled Philip Morris' global key accounts division to adopt elements of this strategy around the world, recognizing it as an emerging best practice. As a result of Corkum's leadership and the diligence of his team in executing and implementing a strategic pricing matrix across all key convenience banners, Philip Morris' market share grew by 2% with its key accounts. Further, Corkum enhanced relationships with national retailers by developing a "B2B2C" (business to business to consumer) omni-channel program in partnership with some of Canada's best-known convenience chains to include 7-Eleven, Shell, Esso, and Couche-Tard (parent organization of Circle K).

Pivoting to the RRP category in 2016, Corkum led the introduction of IQOS in Curacao and the Dominican Republic, which were effectively "greenfield" projects that could not utilize any existing infrastructure and required the development of entirely new routes to market, staffing profiles, and distribution systems. In this capacity, Corkum executed sales and marketing strategies and established protocols for post-purchase consumer support to encourage sustained product use. Corkum re-entered the Canadian market in 2018 to take the reins in commercializing RRP across the country, directly reporting to Philip Morris' Canadian Managing Director. At the outset, Corkum quickly assembled a team of leading talent and harnessed their abilities to swiftly achieve impressive results. This included the introduction of a more robust omni-channel consumer journey, which caused adoption rates for Philip Morris' RRP in Canada to increase from 47% to 66% in just four months. This new consumer journey also contributed to reduced abandonment of IQOS by nearly one third from 22% to 15%.

Tim Corkum commented, "Having personally witnessed and analyzed exactly what prevents smokers from sticking with alternatives to traditional tobacco cigarettes, I firmly believe that Beyond Tobacco™ cigarettes can be an exception to that trend. Beyond Tobacco™ cigarettes are unique because of their combustible 'stick' format, which I anticipate will be very attractive to smokers who desire the familiar user experience of a combustible cigarette, but without any nicotine or tobacco. After spending more than two decades learning about adult tobacco consumer behaviour, it has become clear to me that while nicotine is inherently addictive, the 'ritual' of smoking a cigarette is a source of comfort for many smokers, which is something that most other tobacco alternatives have been struggling to replicate. Beyond Tobacco™ cigarettes allow prospective tobacco quitters to have it both ways; keep the ritual, while reducing dependency upon addictive substances. I look forward to leading the planning and execution of the product launch for Beyond Tobacco™ cigarettes and capitalizing upon their compelling value proposition."

“We are thrilled to have Mr. Corkum’s commercialization expertise on our side as we prepare to launch Beyond Tobacco™ cigarettes”, said Taat CEO Setti Coscarella. “Commercializing cigarettes and RRP can be very tricky, partially because smokers tend to become attached to what they are familiar with, and they are not always receptive to change. The ‘Big Tobacco’ methodology of mapping a new product’s route to market goes far beyond putting inventory on shelves, it also requires an evocative in-store presence and an attentive post-purchase support infrastructure to prompt trials and prevent abandonment. Mr. Corkum has come to gain an incredible understanding of how cigarette products move, both from the perspective of retailers and consumers, and from the perspective of the supply chain. Corkum has also proven his ability to work effectively from scratch in commercializing cigarette alternatives such as IQOS in multiple markets, which is a capability that I believe he can leverage with Beyond Tobacco™, especially with their appeal as a cigarette without tobacco or nicotine. I look forward to working with Mr. Corkum in building a playbook for our product launch.”

References

1 - <https://www.who.int/news-room/fact-sheets/detail/tobacco>

On behalf of the Board of Directors of the Company,

TAAT LIFESTYLE & WELLNESS LTD.

“Setti Coscarella”

Setti Coscarella, CEO

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About Taat Lifestyle & Wellness Ltd.

Taat Herb Co., the flagship brand of Taat Lifestyle & Wellness Ltd., is an early-stage life sciences company based in Las Vegas, Nevada innovating nicotine-free and tobacco-free alternatives to traditional cigarettes. With a unique proprietary blend of all-natural ingredients and meticulous engineering of the user experience, Taat Beyond Tobacco™ cigarettes are designed to emulate every aspect of legacy tobacco products with no significant difference to the user. Taat Beyond Tobacco™ cigarettes provide benefits that include mitigation of tobacco withdrawals, and reduction of tobacco dependency. With an expert-led go-to-market strategy, the Company's objective is to position itself in the US \$814 billion (2018)¹ global tobacco industry to capitalize on the growing worldwide demand for better-for-you alternatives to traditional cigarettes.

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

References

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

Statement Regarding Effects of CBD on Smoking Cessation

The Beckley/Exeter research program (University of Exeter) carried out a pilot study that found after several weeks following cannabidiol ("CBD") treatment, CBD helped tobacco smokers to reduce the amount of cigarettes smoked by as much as 40%. A follow-on study is planned, which will include a brain imaging component to examine the brain activity patterns underlying the probable therapeutic effects of CBD.

Source: <https://beckleyfoundation.org/cbd-for-smoking-cessation/>

Link to Study: <https://www.sciencedirect.com/science/article/abs/pii/S030646031300083X>

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 potential launch of Taat hemp cigarettes, in addition to the following: Potential outcomes from the appointment of Tim Corkum as Chief Revenue Officer. 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 and CBD 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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