

“Looking the Part”: Beyond Tobacco™ Pack Re-Designed to Align with Tobacco Industry Offerings

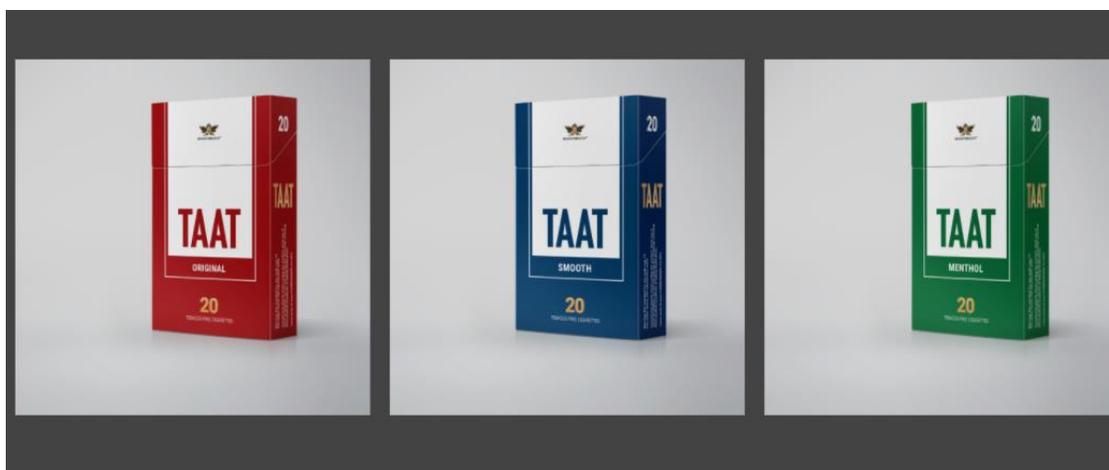
The Company has released provisional new pack designs for Beyond Tobacco™ for each of its Original, Smooth, and Menthol varieties. This new pack design, which is to be used for a batch of Beyond Tobacco™ commercial samples, was designed to appeal to legal-aged current smokers of tobacco products by identifying packaging attributes that are most recognized and desired by consumers, as well as to align the appearance of Beyond Tobacco™ among the packaging styles of leading and well-known products of incumbent tobacco companies. Consumer feedback regarding this provisional pack design will be incorporated in the market-ready iteration of Beyond Tobacco™ to be sold at retail in its mid-Q4 2020 launch in the United States.

LAS VEGAS and VANCOUVER, SEPTEMBER 29, 2020 - TAAT LIFESTYLE & WELLNESS LTD. (CSE: TAAT) (OTC: TOBAF) (FRANKFURT: 2TP2) (the “Company” or “Taat”) is pleased to release provisional new pack designs for Beyond Tobacco™, which were designed to align the product’s appearance with the packaging styles of leading and well-known products of incumbent tobacco companies. The Company is currently preparing to launch Beyond Tobacco™ in the United States in mid-Q4 2020. To date, the Company has successfully recruited executive management members who recently held strategist and executive-level commercialization roles in a “Big Tobacco” firm, in addition to filing a patent application for a key part of its base material refinement process, and procuring commercial-scale manufacturing for Beyond Tobacco™ with favourable pricing terms. Under the administration of Chief Executive Officer Setti Coscarella, the Company has made revisions to its business model, go-to-market plan, and various aspects of the Beyond Tobacco™ product in line with the standards of the tobacco industry. Such revisions include utilizing strategies that are common among large tobacco firms to facilitate unencumbered scalability of the Beyond Tobacco™ product in the United States and potentially internationally, as well as to protect its supply chain, intellectual property portfolio, and market share. In less than two calendar months as CEO, Mr. Coscarella has been responsible for several key developments that the Company believes can improve Taat’s near-term and long-term prospects following the launch of Beyond Tobacco™. In an effort to optimize the initial visual impression of Beyond Tobacco™ for legal-aged current tobacco smokers who are exposed to the product for the first time, the Company has elected to revise the Beyond Tobacco™ pack design to achieve effects that include intuitive recognition of Beyond Tobacco™ as an analogue to legacy combustible tobacco products, as well as memorability of the Beyond Tobacco™ brand name and trade dress. Consumer feedback regarding this provisional design will be factored into the final iteration to be used in the mid-Q4 2020 launch of Beyond Tobacco™ in the United States.

Beyond Tobacco™ is a combustible tobacco-flavoured alternative to tobacco cigarettes containing no tobacco or nicotine. The Company has developed Beyond Tobacco™ to provide a

potentially attractive alternative to smoking tobacco for the segment of the world's 1.3 billion tobacco users¹ who aspire to leave nicotine behind. In the United States, 2018 data from the CDC indicated that 55.1% of adult smokers had attempted to quit in the past year, though only 7.5% successfully quit smoking in that timeframe². Numerous mass-market alternatives to tobacco cigarettes are available (e.g., gums, lozenges, patches, vaping), though they are frequently abandoned by tobacco smokers in favour of returning to combustible tobacco cigarettes. Because such alternatives still deliver nicotine, the Company believes that these abandonment rates can be attributed in part to the appeal of the sensorimotor components of smoking a tobacco cigarette, as opposed to just nicotine itself. The Company has sought to create an experience of using Beyond Tobacco™ that closely resembles the experience of smoking a tobacco cigarette. Attributes that are designed to contribute to this perceived similarity include a cigarette-style combustible “stick” format, an enhanced volume of smoke exhaled, and a tobacco-like taste and scent of the Beyond Tobacco™ base material resulting from a patent-pending refinement technique. An additional tactic for achieving greater experiential similarity to legacy tobacco products is packaging Beyond Tobacco™ in an industry-standard “pack and carton” format. To potentially maximize the effectiveness of this tactic, the Company’s management recently made the business decision to re-design the Beyond Tobacco™ pack in a similar style to leading combustible tobacco products sold in the United States.

Key elements of the revised design of the Beyond Tobacco™ pack included greater dominance of colours commonly associated with certain varieties of combustible products (e.g., green for menthol), centred placement of text and graphic elements for a more “balanced” appearance, and prominence of elements that define Taat’s brand to include “*Beyond Tobacco™*”. The provisional pack designs are shown below in each of the *Original*, *Smooth*, and *Menthol* versions of Beyond Tobacco™.



Provisional new pack designs for Beyond Tobacco™ “Original”, “Smooth”, and “Menthol” varieties

Upon receipt of final approvals of the revised Beyond Tobacco™ pack designs, the Company will transmit all relevant digital assets to its contracted manufacturing partner who will apply this

design to all packs in the batch of Beyond Tobacco™ commercial samples which is soon to be availed to prospective wholesale and distribution partners, as well as strategic partners. An updated iteration with adjustments made according to consumer feedback will then be transmitted for the distribution-scale batch to be produced for the mid-Q4 2020 launch of Beyond Tobacco™.

Taat CEO Setti Coscarella commented, “Packaging and trade dress are arguably the backbone of any consumer packaged good (“CPG”) when it comes to building preference and brand loyalty. This is something I have been very emphatic about in recent interviews, because a compelling high-quality product by itself can only take a brand so far. Continued purchase decisions of brand-name products such as soda, beer, snacks, and even bottled water are substantially driven by a preference for the way the product is packaged and the way the product looks. What underpins this is a combination of familiarity and conspicuousness. In the case of familiarity, your ability to recognize the design of the jug of laundry detergent you prefer to use is a crucial part of compelling you to choose that particular detergent out of a selection of many others. In the case of conspicuousness, the ability of others to recognize the design of the bottle of a beverage that you have purchased is often a factor in choosing a particular product because of what that choice says about you personally. This is especially common in liquor, where recognizable bottle designs and the associated prestige drives what is often virtually unconditional loyalty to a given brand as a status symbol. While I am entirely confident that Beyond Tobacco™ will make its mark among current legal-aged smokers of tobacco cigarettes on its merits as an actual product, cultivating long-term loyalty and preference through a visibly recognizable trade dress to include packaging is a fundamental component of the success of any CPG product. I believe that when it comes to aligning the way Beyond Tobacco™ looks among legacy tobacco products, the improvement from the original Beyond Tobacco™ pack design is dramatic. After we have received all required approvals, these designs will be transmitted to our manufacturing partner for use in the commercial samples of Beyond Tobacco™ that are to be distributed to partners in short order. After factoring feedback gathered in late Q3 2020 and early Q4 2020 from consumers regarding the new Beyond Tobacco™ pack design, a final revision is to be used in the upcoming distribution-scale batch of Beyond Tobacco™ for which we are currently refining 3.2 tons of base material in-house.”

Sources:

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

2 - https://www.cdc.gov/tobacco/data_statistics/fact_sheets/cessation/smoking-cessation-fast-facts/index.html

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.

Having developed Beyond Tobacco™, which contains no tobacco or nicotine, Taat’s objective is to introduce an innovative, experience-driven alternative to tobacco cigarettes for tobacco smokers who aspire to leave nicotine behind. Beyond Tobacco™, which is to be offered in “Original” and “Menthol” varieties, is designed to closely emulate every aspect of smoking a traditional cigarette. From the cigarette-style packaging and stick format, to the proprietary flavouring blend which imparts the flavour and scent of tobacco, to the draw sensation, and the amount of smoke exhaled, Beyond Tobacco™ has been meticulously engineered to enable smokers to continue enjoying the ritual of smoking, while discontinuing nicotine intake. Taat plans to launch Beyond Tobacco™ in mid-Q4 2020 and is seeking to position itself in the USD \$814 billion (2018)¹ global tobacco industry to capitalize on the growing worldwide demand for alternatives to traditional cigarettes.

For more information, please visit <http://taatusa.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 potential launch of Beyond Tobacco™, in addition to the following: Potential use of a new pack design for commercial samples or market-ready versions of Beyond Tobacco™, possible role of consumer feedback in finalizing a pack design, potential completion and distribution of a commercial sample batch of Beyond Tobacco™. 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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