Building Out Global IP Assets: Taat Seeks to Expand Intellectual Property Portfolio with 17 Trademark Applications Filed in 15 Jurisdictions

In its first phase of building a global portfolio of intellectual property, the Company has filed a total of 17 trademark applications for both the Beyond Tobacco™ and Taat brand names. These applications have been filed in the United States as well as 14 other jurisdictions across North America, Europe, Asia, and Oceania. Following the Company's Q3 2020 filing for a United States patent on its proprietary base material refinement technique, the Company has aligned its strategies with those of incumbent tobacco firms in forming a robust intellectual property portfolio to protect the market position Taat can gain as it enters the USD \$814 billion global tobacco industry.

LAS VEGAS and VANCOUVER, OCTOBER 21, 2020 - TAAT LIFESTYLE & WELLNESS LTD. (CSE: TAAT) (OTCQB: TOBAF) (FRANKFURT: 2TP2) (the "Company" or "Taat") is pleased to announce that it has recently filed several trademark applications for the *Taat* brand name both in the United States and internationally. Inclusive of a trademark application in the United States for the *Beyond Tobacco™* brand name, the Company has now filed for a total of 17 trademark registrations in 15 jurisdictions across four continents. In its September 4, 2020 press release, Taat announced it had filed its first patent application for a proprietary refinement technique of the Beyond Tobacco™ base material which creates a tobacco-like taste and smell, despite no actual tobacco content. With a near-term objective of potentially launching Taat in new markets internationally, Taat's management has elected to proactively apply for trademark registrations in jurisdictions to which it may later expand. This batch of trademark applications represents the first phase of an ongoing plan for the Company to form a global intellectual property portfolio.

Taat has developed Beyond Tobacco™, which is the tobacco-free and nicotine-free base material of Taat, an analogue to tobacco cigarettes offered in *Original*, *Smooth*, and *Menthol* varieties. With approximately 1.3 billion users of tobacco worldwide¹, there is a substantial segment of current tobacco smokers of legal age who could potentially desire switching to Taat to keep the experience of smoking while leaving nicotine behind.

At the time of this press release's issuance, the Company has a trademark application pending for *Beyond Tobacco*™ in the United States under the *International Class* ("IC") codes of IC 003, IC 005, IC 029, IC 030, IC 034, IC 035, and IC 044. Applications for trademark protection of the term *TAAT* have now been filed in the United States as well as each of the following international jurisdictions:

Asia/Middle East

- Hong Kong
- China

- South Korea
- Pakistan
- India
- Japan
- Israel
- Singapore

Europe

- European Union
- United Kingdom

North America

- Canada
- Mexico

Oceania

- Australia
- New Zealand



TESS record on the USPTO trademark search engine for the Company's Beyond Tobacco™ trademark application in the United States (88956478)

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In the Company's September 4, 2020 press release announcing its recent patent filing, the role of patents in the tobacco industry was detailed to highlight the significance of this development in the Company's efforts to align itself with incumbent tobacco firms. In 2016 and 2019 respectively, Philip Morris International ("PMI")² and Japan Tobacco International ("JTI")³ were

each listed in the 100 Top Patent Filers by the European Patent Office, demonstrating the importance of patents in the business of tobacco companies. The competitive advantages that are generally afforded by trademark protection appear to be of significant importance to the tobacco industry as well. Based on a search using the Trademark Electronic Search System ("TESS") resource from the United States Patent and Trademark Office ("USPTO"), the five "Big Tobacco" firms appear to have a considerable interest in trademarks. In total, more than 2,000 records were returned for trademark applications from search terms for names of each of the five "Big Tobacco" firms including "Philip Morris", "British American Tobacco", "Altria", "Imperial Tobacco", and "Japan Tobacco"⁴. The Company intends to file additional trademark applications in the future based on current and anticipated commercial and strategic activities both in the United States and internationally.

Taat CEO Setti Coscarella commented, "Laying the groundwork for building a global brand is an immensely complex and demanding task, because it requires making plans a matter of months or years ahead of intended action. Between Q3 and Q4 2020, our focus has primarily been on creating a playbook for launching Taat in Ohio, as well as potentially in other markets in the United States. Naturally, we are contemplating international expansions in the near term as well, including expansions into Asian markets such as China, where the population of current tobacco smokers is close to the total population of the United States. There are many prerequisites for entering new international markets, and intellectual property rights such as trademarks are crucial in order to legally be able to use a brand name in a new market, when you have worked hard to build and grow that brand in other markets. Just as 'Big Tobacco' firms are very diligent about patent protection of innovative technologies and methods, they are similarly diligent about trademark protection of the intellectual property that underpins brand names that can be worth billions of dollars. Now that the ball is rolling with launching Taat in the United States and we are planning out our next steps to potentially expand internationally, it is exciting to be working on these preliminary tasks that could foreshadow the next steps to entering markets across North America, Europe, Asia, and Oceania."

Sources

- 1 https://www.who.int/news-room/fact-sheets/detail/tobacco
- 2 https://www.pmi.com/media-center/press-releases/press-release-details/?newsId=12091
- **3** https://www.jti.com/sites/default/files/default/files/press-releases/documents/2020/jti-ranks-among-top-100-for-european-patent-applications.pdf
- 4 http://tmsearch.uspto.gov/bin/gate.exe?f=tess&state=4806:wpqmrk.1.1 Through a "structured" search of the TESS database, a total of more than 2,000 records were returned, with inquiries and records as follows: "Philip Morris" 1,376 records, "British American Tobacco" 256 records, "Altria" 72 records, "Imperial Tobacco" 165 records, "Japan Tobacco" 159 records.

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 experience 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 outcomes from the Company's submission of trademark applications for the Taat and Beyond Tobacco™ brand names as described in the release, and potential international expansions described in same. 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.

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