

Taat Publishes Gallery of Commercial-Scale Production by Contract Tobacco Manufacturer in Preparation for Ohio Launch

The inaugural commercial-scale production run of Taat in its updated product packaging is currently underway with the Company's contract manufacturer, who also makes cigarettes for global and regional tobacco brands. In this press release and its corresponding media gallery, images and video footage of the Taat production process are shown to provide visibility into Taat's manufacturing steps in advance of its launch in Ohio later this quarter.

LAS VEGAS and VANCOUVER, OCTOBER 26, 2020 - TAAT LIFESTYLE & WELLNESS LTD. (CSE: TAAT) (OTCQB: TOBAF) (FRANKFURT: 2TP2) (the "Company" or "Taat") is pleased to announce its contract manufacturing partner (the "Manufacturer"), has begun the inaugural commercial-scale production batch of Taat after receiving a supply of Beyond Tobacco™ base material from the Company. This batch will be packaged using an updated Taat pack design, substantially similar to the provisional pack designs published in the Company's September 29, 2020 press release. Beginning in November 2020, when initial production of Taat is expected to be completed, inventory of Taat is to be shipped from the Manufacturer's warehouse to tobacco wholesalers in Ohio, who will then be able to fulfill orders for Taat from tobacco retailer accounts in the convenience channel.

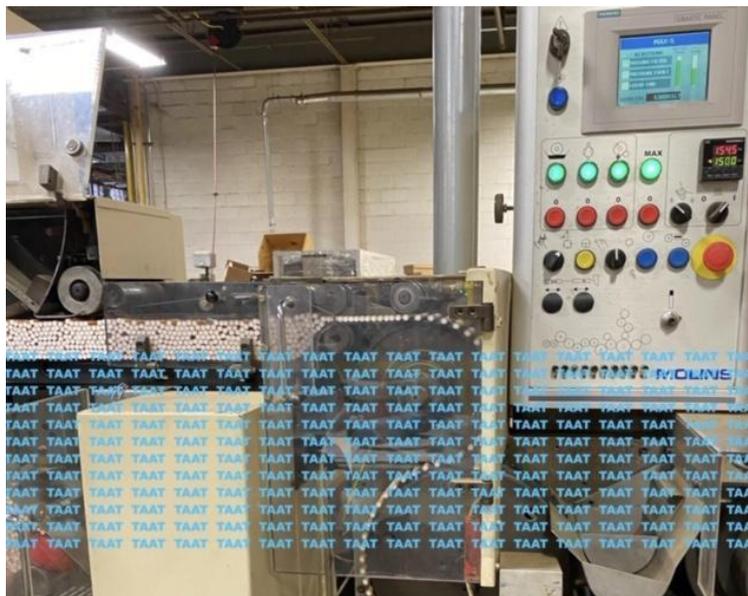
The Company has developed Beyond Tobacco™, which is the nicotine-free and tobacco-free base material of Taat, an alternative to traditional cigarettes. Other alternatives such as vaping and nicotine patches are frequently abandoned by current tobacco smokers in favour of tobacco cigarettes, which can often be attributed to the lack of sensorimotor stimulation derived from the physical act of smoking a cigarette. Taat has been meticulously engineered to closely replicate each and every aspect of the cigarette-smoking experience, including a combustible "stick" format, cigarette-style packaging, an enhanced volume of smoke exhaled, and a taste and smell similar to tobacco attained by way of a patent-pending refinement technique. The Company expects that Taat could appeal to current tobacco smokers of legal age who wish to keep the experience of smoking, while leaving nicotine behind.

The Company has published a gallery of media showing various steps in the inaugural production run being undertaken by the Manufacturer. This gallery can be accessed on Taat's website and social media channels, with select still images and an embedded video provided in this press release. At the request of the Manufacturer, certain items in this gallery may be cropped or redacted to conceal the Manufacturer's proprietary practices as well as the identities of the global and regional tobacco brands for whom the Manufacturer also provides services.



First commercial-scale batch of Taat in production at the Manufacturer's facility

Readers using news aggregation services may be unable to view the media above. Please access the *Investor Relations* section of the Company's website for a version of this press release containing all published media.



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Assembly of new Taat “Original” packaging at the Manufacturer’s facility. Please click the thumbnail above or [click here](#) to access this video clip.

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The Company has elected to publish this gallery to provide an exclusive firsthand glimpse into Taat’s manufacturing process. The current commercial-scale production run represents an important milestone in the Company’s journey as it brings Taat, a novel tobacco-free and nicotine-free alternative to traditional cigarettes, into mainstream tobacco retail channels in the United States with sufficient manufacturing capacity to satisfy potential demand. Following the completion of all Taat production scheduled to occur until approximately the end of November 2020, finished inventory of Taat is to be shipped from the Manufacturer’s warehouse to wholesalers in Ohio who can then fill orders placed by tobacco retailers upon Taat’s launch later this quarter.

Taat Chief Executive Officer Setti Coscarella commented, “Obtaining commercial-scale production with a service provider such as the Manufacturer was one of my top priorities when I became Taat’s CEO at the end of July 2020. Because our business objective is to position Taat to compete with incumbent tobacco products which sell millions of packs per day in the United States alone, I knew that there were several prerequisites to being able to execute such a vision, including the ability to manufacture at a consistently high volume. Last month, we struck a deal with the Manufacturer that had very favourable pricing terms for them to produce Taat at a rate of up to 2,000 sticks per minute. Since then, we have received shipments of raw biomass which are being processed in-house to make the Beyond Tobacco™ base material, and we have procured an updated pack design which enables Taat’s shelf appearance to align with those of competing tobacco category products. The inaugural commercial-scale production run with the Manufacturer represents the culmination of these developments, which is a pivotal event leading up to the launch of Taat in Ohio.”

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 relating to the commercial-scale production of Taat by the Manufacturer. 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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