

"Four Reasons for Ohio": Despite Nearly 66,000 Taat Units Sold Pre-Launch in Other Markets, Taat CEO Gives Video Statement Regarding Decision to Launch Taat in Ohio

In its October 6, 2020 press release, the Company announced the U.S. launch of Taat would occur in the state of Ohio in mid-Q4 2020. Despite stellar performance of small-scale test batches of Taat in other states, including a 72-hour sell-out in Nevada in August 2020 and total unit turnover of nearly 66,000 units, the Company's decision to launch specifically in Ohio was based on several strategic factors which are detailed by CEO Setti Coscarella in a video statement dated October 30, 2020.

LAS VEGAS and VANCOUVER, OCTOBER 30, 2020 - TAAT LIFESTYLE & WELLNESS LTD. (CSE: TAAT) (OTCQB: TOBAF) (FRANKFURT: 2TP2) (the "Company" or "Taat") has issued a video statement by its Chief Executive Officer Setti Coscarella detailing the Company's rationale for selecting Ohio as the launch market in the United States for Taat, a tobacco-free and nicotine-free alternative to tobacco cigarettes. To date, Taat and the Beyond Tobacco™ base material have enjoyed substantial popularity among current tobacco smokers of legal age in Nevada, California, Georgia, and Texas, who sampled a limited supply of early iterations of the product beginning in 2019, with many purchasing Taat at retail in place of their routine tobacco cigarette purchases. Although a large quantity of Taat has been sold at retail with no advertising, marketing, or in-store promotion of any kind in these markets, the Company announced in its October 6, 2020 press release that it would be launching Taat in Ohio, with a launch date of November 27, 2020 announced shortly thereafter. To clarify the basis of the Company's decision to launch Taat in Ohio as opposed to the markets in which it has already been successful, Mr. Coscarella has issued a video statement outlining the Company's rationale, which is provided in this release.

Taat has developed Beyond Tobacco™, the nicotine-free and tobacco-free base material of Taat, an alternative to cigarettes designed to be experientially similar to smoking tobacco. Offered in *Original*, *Smooth*, and *Menthol* varieties, Taat is designed to be attractive to current tobacco smokers of legal age who wish to keep the experience of smoking cigarettes, while leaving nicotine behind. The Company's executive management team, formerly of the tobacco industry, is creating commercialization strategies to build Taat's market share in the USD \$814 billion global tobacco industry.

Prior to its acquisition by the Company, Taat Herb Co. began to carry out retail market research of the Taat product and the Beyond Tobacco™ base material formulation in early 2019, which included R&D samples under the Taat brand name as well as private label production. This research, which was initially conducted in the U.S. states of Texas and Georgia, was continued in May 2020 with retail market testing undertaken by the Company in California and Nevada.

Among more than 50 participating tobacco retailers in California and Nevada, over 75% placed reorders after their inventory of Taat sold out, with a general consensus from trial users that the “test” version of Taat at the time had no significant experiential differences when compared to a tobacco cigarette. In Taat’s August 13, 2020 press release, it was announced that a subsequent iteration of retail market testing with Nevada-based tobacco retailers resulted in a complete sell-out in less than 72 hours. Based on sustained demand for Taat in this August 2020 retail market testing iteration, selected retail stores’ management indicated they would increase their next orders of Taat by a minimum of 200%. To date, a total of 65,797 units of Taat have been sold at retail in Texas, Georgia, Nevada, and California since March 2019, between full packs and loose units.



Taat CEO Setti Coscarella’s October 30, 2020 statement regarding the Company’s decision to launch Taat in Ohio. To access this video clip, please click the thumbnail above or [click here](#).

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In the video statement published October 30, 2020, Taat CEO Setti Coscarella explained the four principal reasons supporting the Company’s decision to launch Taat in Ohio. These reasons include a sufficiently large population and high incidence rate of smoking, balanced by favourable geographical factors such as a containable footprint and Ohio’s shared borders with five other states which have a combined population of more than 35 million people in addition to Ohio’s population of 11.69 million. The Company intends to leverage insights from its pre-launch success in other markets to establish a profitable market position in Ohio, and potentially expand commercialization activities across the United States.

Taat Chief Executive Officer Setti Coscarella commented, “Part of why I am so confident in Taat’s ability to sell consistently is because of its proven track record in retail market testing, in which the test inventory of the product sold very well. What I believe is most impressive about these results is that they were achieved with no marketing or advertising of any kind. In 2018 the tobacco industry spent USD \$9.06 billion on marketing in the United States alone². With 216.9 billion cigarettes sold domestically in that same year³, or approximately 10.8 billion 20-stick packs, that theoretically works out to an average marketing cost of more than USD \$0.83 per pack, which is 13.47% of the USD \$6.16⁴ national average price of a pack of cigarettes. While we certainly did not sell 216.9 billion sticks of Taat, we did sell over 65,000 units of test product in the form of both packs and loose units in no time with a marketing cost of zero dollars. While we do intend to carry out some marketing activities when we launch in Ohio, we now know Taat is capable of getting steady sell-through with no marketing at all. As such, I am very excited to see what effect marketing can have as we introduce Taat to current smokers of legal age in Ohio as part of our push to gain market share in the tobacco industry.”

Sources

- 1 - <https://www.who.int/news-room/fact-sheets/detail/tobacco>
- 2 - https://www.cdc.gov/tobacco/data_statistics/fact_sheets/economics/econ_facts/index.htm
- 3 - <https://www.ftc.gov/system/files/documents/reports/federal-trade-commission-cigarette-report-2018-smokeless-tobacco-report-2018/p114508cigarettereport2018.pdf>
- 4 - <https://money.com/smoking-costs-cigarette-taxes-expensive/>

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

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