

“Sneak Peek”: Taat Reveals First Placements of In-Store Graphics in Select Locations of Ohio Tobacco Retailers

The Company has undertaken efforts to prepare its in-store presence in select tobacco points of sale in Ohio that will be carrying Taat upon its launch this quarter. In addition to determining shelf positioning for Taat relative to competing products in the tobacco category, the Company is also placing promotional graphics such as posters in conspicuous places in stores with an objective of capturing the attention of current tobacco smokers of legal age at the point of sale. The Company’s Key Accounts Manager in Ohio, who spent more than a decade in sales at a “Big Tobacco” firm, has also issued a video statement regarding her observations in pre-launch sales activities for Taat.

LAS VEGAS and VANCOUVER, NOVEMBER 20, 2020 - TAAT LIFESTYLE & WELLNESS LTD. (CSE: TAAT) (OTCQB: TOBAF) (FRANKFURT: 2TP2) (the “Company” or “Taat”) is pleased to announce that it has begun placing in-store promotional graphics for Taat in select Ohio points of sale, in preparation for the official launch of Taat set to take place later this quarter. In a press release dated October 6, 2020, the Company announced it would be launching Taat, its flagship product, in the state of Ohio where it has secured distributorship with ADCO Distributors, Inc. (“ADCO”), a large Ohio tobacco wholesaler who has access to more than 5,000 tobacco points of sale in the state through direct and indirect relationships. ADCO is a distributor of tobacco products for some of the world’s largest tobacco companies to include the following:

- Altria Group, Inc. (Parent company of several tobacco market leaders in the United States, including Philip Morris USA¹, whose brands such as Marlboro had a 49.7% cigarette market share in the United States in 2019²)
- ITG Brands, LLC (Third-largest tobacco company in the United States, part of Imperial Brands PLC, brand portfolio includes *Winston, Kool, Salem, and Maverick*³)
- RJ Reynolds Tobacco Company (Subsidiary of British American Tobacco, second-largest tobacco company in the United States with three of the top five cigarette brands in the United States including Newport, Camel, and Pall Mall, which in 2017 had a combined U.S. market share of 30%⁴)

In the Company’s October 30, 2020 press release, the rationale for choosing Ohio as Taat’s launch market was explained based on the unique merits of Ohio in comparison to other markets in the United States. Further detail was given in a video statement titled *Four Reasons for Ohio*, made by the Company’s Chief Executive Officer Setti Coscarella. To date, the Company has received an initial order for each of the *Original, Smooth, and Menthol* varieties of Taat from ADCO, its first distributor in Ohio. Further, an average of more than 100 Taat sample requests have been received per day through the Company’s *TryTaat* landing page (<http://trytaat.com>). As pre-launch interest in Taat continues to gain momentum, the Company

has commenced in-store initiatives which include placing promotional materials in conspicuous areas of a given point of sale, with an objective of attracting the attention of current tobacco smokers of legal age to trial the product.

The Company has developed Beyond Tobacco™, the nicotine-free and tobacco-free base material of Taat, which is its flagship product. Engineered to closely emulate the experience of smoking a tobacco cigarette, Taat's intended use case is to provide current tobacco smokers of legal age the choice of continuing to enjoy the experience of smoking, without consuming nicotine. Taat is being commercialized under the leadership of an executive team with considerable experience in the tobacco industry throughout North America. As of this writing, the Company is producing approximately 600 lb / 272 kg of Beyond Tobacco™ per day in its Las Vegas, NV processing facility, which is sufficient to manufacture a full pallet of 1,440 ten-pack cartons of Taat.



Promotional in-store graphics being placed in the window of one of Taat's retail points of sale in Ohio.

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Sales efforts for Taat in Ohio have been led by a Key Accounts Manager with more than a decade of sales experience for a "Big Tobacco" firm in the northeastern United States, in addition to a sales position for a well-known maker of vaping products. To provide insight regarding the Company's sales activities in the state of Ohio, the Key Accounts Manager made a video statement summarizing all sales-related progress to date in advance of Taat's launch. In

the video statement, in-store footage is also shown to provide an example of the retail settings in which Taat is to be sold initially.



Taat's Key Accounts Manager for the Ohio sales territory comments on efforts that have resulted in commitments from retailers to carry the Taat product when it launches this quarter. To view this video clip, please click the thumbnail above or [click here](#).

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Taat Chief Executive Officer Setti Coscarella commented, "It was less than two months ago that the provisional new pack designs for Taat were released, which brought us one step closer to being ready to sell Taat at retail. In just seven weeks since then, we secured distribution through a large tobacco wholesaler in Ohio who has already placed an initial order, made trademark filings in what is now a total of 15 jurisdictions, received and processed several tons of biomass for making Beyond Tobacco™, and launched our *TryTaat* landing page which has seen exceptional success so far. We are now at the point at which we are beginning to set up in-store promotional graphics as part of our awareness campaign, which began with our digital marketing efforts starting at the end of October 2020. With in-store promotional materials, our

objective is to make current tobacco smokers of legal age in Ohio aware of the Taat brand in a context in which they can trial the product by purchasing it on the spot. With expert tobacco category sales leadership on the ground in Ohio, I am very pleased with the progress we have made in laying the groundwork to establish a sales pipeline in our launch market. I look forward to getting into motion in Ohio as we work towards a successful launch, which I hope we can replicate in new markets both in the United States and globally.”

ADCO Chief Operating Officer Pat Bell commented, “We have been in the tobacco wholesale business in Ohio since 1960, and in my time here I have observed many trends in terms of what sells in the tobacco category in this market. Although alternatives to smoking tobacco such as vaping appear to be popular, sales volumes for tobacco cigarettes have not dropped off drastically, which suggests that current smokers of legal age ultimately continue to smoke combustible products in the long run. Taat has taken an innovative approach to closely replicating the experience of smoking a tobacco cigarette, right down to the product and packaging formats which are similar to those of existing brands of tobacco cigarettes. Our sales team has been actively securing pre-orders for Taat products. As I anticipated, reactions from retailers for this product have been overwhelmingly positive. In addition to providing distribution of Taat to tobacco retailers in Ohio, we have already established redistribution agreements with several other wholesalers who also predict Taat can sell successfully in this market. We have been working hard behind the scenes to prepare for Taat’s launch here in Ohio, and I am excited for the first batch of Taat to arrive at our warehouse so that we can get to work on processing and sending out orders.”

Sources

- 1 - <https://www.altria.com/about-altria?src=megaspotlight>
- 2 - <https://www.philipmorrisusa.com/company/about-pm-usa>
- 3 - <https://www.itqbrands.com/about-us/>
- 4 - <https://rjrt.com/transforming-tobacco/who-we-are/>

On behalf of the Board of Directors of the Company,

TAAT LIFESTYLE & WELLNESS LTD.

“Setti Coscarella”

Setti Coscarella, CEO and Director

For further information, please contact:

Taat Investor Relations
1-833-TAAT-USA (1-833-822-8872)
investor@taatusa.com

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About Taat Lifestyle & Wellness Ltd.

The Company has developed Taat, which is a tobacco-free and nicotine-free alternative to traditional cigarettes offered in "Original", "Smooth", and "Menthol" varieties. Taat's base material is Beyond Tobacco™, a proprietary blend which undergoes a patent-pending refinement technique causing its scent and taste to resemble tobacco. Under executive leadership with "Big Tobacco" pedigree, Taat is launching in the United States in Q4 2020 as the Company seeks to position itself in the \$814 billion¹ global tobacco industry.

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 effects of the Company's in-store promotional materials placed in tobacco retail stores in Ohio. 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,

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