

TAAT™ Prepares to Expand into Canada by Partnering with a British Columbia Life Sciences Firm to Develop and Distribute TAAT™ Products

LAS VEGAS and VANCOUVER, FEBRUARY 26, 2021 - TAAT™ LIFESTYLE & WELLNESS LTD. (CSE: TAAT) (OTCQB: TOBAF) (FRANKFURT: 2TP2) (the “Company” or “TAAT™”) has entered into a memorandum of understanding (“MOU”) dated February 24, 2021 with Christina Lake Cannabis Corp. (“CLC”) (CSE: CLC) to develop and distribute TAAT™ for the Canadian market. The MOU grants CLC exclusive rights to develop and distribute TAAT™ in Canada for a two-year renewable term, and provides for budgets, schedules, and contributions of both parties for each stage of product development to be agreed upon by way of written agreements to set out specific stipulations for each stage. After launching TAAT™ in Ohio in Q4 2020 as well as its U.S. online store on February 17, 2021, the Company has captured the interest of numerous smokers aged 21+ in the United States who are now smoking TAAT™ as opposed to traditional tobacco cigarettes. The Company selected Ohio as its initial market for several strategic reasons, with a principal criterion being the state’s ideal population size for an early-stage product launch (*i.e.*, large enough to build meaningful market share, small enough to contain). Beginning this week, a major CPG sales agency is rolling TAAT™ out to wholesaler, distributor, and retailer accounts in an effort to expand the current footprint of TAAT™. Based on the sustained success of TAAT™ in Ohio and online, the Company has elected to pursue a potential expansion into the Canadian tobacco industry, which is valued at approximately CAD \$19.1 billion¹.

As a Licensed Producer under the *Cannabis Act* in Canada, CLC is permitted to procure hemp biomass from third-party growers, produce the Beyond Tobacco™ base material, manufacture TAAT™ as a finished product, and distribute TAAT™ through authorized wholesale and retail channels across Canada. The Canadian population has a nearly identical smoking incidence rate to the United States at approximately 15%², which suggests that a sizeable segment of legal-aged smokers exists who could prefer TAAT™ over their regular brand of tobacco cigarettes. Additionally, the lower price point of TAAT™ could prove appealing to legal-aged Canadian smokers due to the relatively high price of tobacco cigarettes in Canada (as high as CAD \$139.83 / USD \$110.82 for a 200-stick carton in Manitoba³). Moreover, when the Company launched its U.S. online store earlier this month, more than 16% of users who visited were from Canada, despite no marketing of the product having been conducted outside of the United States.



The Company has partnered with CLC on an exclusive basis to develop and distribute TAAT™ in Canada (population 37.59 million), where considerable interest from smokers aged 21+ already exists for TAAT™ despite no product marketing having been conducted outside of the United States

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To develop TAAT™ for the Company in Canada, CLC intends to source high quality and toxin-free biomass which is suited to the ideal composition of the Beyond Tobacco™ base material. CLC has already identified multiple local growers who can supply these raw materials for this purpose.

TAAT™ Chief Executive Officer Setti Coscarella commented, "We are very pleased to have partnered with CLC, giving us the opportunity to bring TAAT™ to legal-aged smokers in Canada, many of whom have shown great enthusiasm about the product. During my time in the tobacco industry, it was widely known that Canada was an exceptionally complex region in which to do business because of challenging regulations. Likewise, for products such as TAAT™ which utilize hemp, the licensing requirements frequently represent a barrier to entry, often requiring products to be made or distributed through a Licensed Producer such as CLC. We have contemplated several international markets to which TAAT™ could expand first, and I believe that Canada is the ideal play based on the existing interest we already have from legal-aged smokers across Canada, a positive relationship with CLC to develop and distribute the

product on our behalf, and a marketplace where the affordable price point of TAAT™ adds to its value proposition as a better choice.”

Sources

- 1 - <https://www.statista.com/statistics/488752/forecasted-market-value-of-the-tobacco-industry-canada/>
- 2 - <https://www.lung.ca/lung-health/lung-info/lung-statistics/smoking-and-tobacco-statistics>
- 3 - <https://www.statista.com/statistics/449041/price-of-200-cigarettes-by-region-canada/>

On behalf of the Board of Directors of the Company,

TAAT™ LIFESTYLE & WELLNESS LTD.

“Setti Coscarella”

Setti Coscarella, CEO and Director

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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™ was launched first 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://taatglobal.com>.

References

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 planned expansion into Canada through its partnership with CLC. 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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