

Taat Lifestyle & Wellness Ltd. Closes Non-Brokered Private Placement

LAS VEGAS and VANCOUVER, SEPTEMBER 11, 2020 - TAAT LIFESTYLE & WELLNESS LTD. (CSE: TAAT) (OTC: TOBAF) (FRANKFURT: 2TP2) (the “Company” or “Taat”) is pleased to announce that further to its news release dated August 28, 2020, the Company has closed the second and final tranche of its non-brokered private placement (the “**Second Tranche**”). In connection with the Second Tranche, the Company issued 2,385,272 units (the “**Units**”) at a price of \$0.70 per Unit for gross proceeds of \$1,669,690. Each Unit consists of one (1) common share (each, a “**Share**”) and one-half (1/2) of one (1) transferable Share purchase warrant (each whole warrant being a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one (1) additional Share of the Company for a period of one year from closing at a price of \$1.00 per Share. In the event that the Shares have a closing price on the Canadian Securities Exchange (or such other exchange on which the Shares may be traded at such time) of \$1.25 or greater per Share for a period of five (5) consecutive trading days at any time from the Closing Date, the Issuer may accelerate the expiry date of the Warrants by giving notice to the holders thereof (by disseminating a news release advising of the acceleration of the expiry date of the Warrants) and, in such case, the Warrants will expire on the thirtieth day after the date of such notice. Gross total proceeds raised from the first and Second Tranche of the private placement amount to \$4,272,994.

Finder’s fees of an aggregate total of \$115,296.31 cash, 69,299 Shares and 95,410 Warrants (“**Finder’s Warrants**”) with an exercise price of \$1.00 to purchase one additional Share per Finder’s Warrant for a period of 12 months from closing have been paid as finder’s fees to arm’s length third parties connection with the closing of the Second Tranche.

The net proceeds from the Second Tranche will be used for marketing, development and launch of its product, investor relations activity, and for general working capital purposes. Pursuant to applicable securities laws, all securities issued under the Second Tranche are subject to a statutory hold period of four months and a day from the date of issuance.

The Company also wishes to correct the finders fees for the first tranche of the Private Placement (the “**First Tranche**”) disclosed in its August 28, 2020 news release. In connection with the First Tranche, the Company paid finder’s fees equal to \$130,381.02 in cash 121,000 Shares and 12,002 Finders Warrants. The terms of the Finder’s Warrants issued pursuant to the First Tranche remain unchanged.

Update Regarding Redwood Reserves Ltd.

In a July 13, 2020 press release, the Company announced it had entered into a letter of intent to acquire Redwood Reserves Ltd. (“Redwood”), an Oregon-based producer of non-tobacco cigarettes that are carried in more than 1,600 retail stores in the United States. The Company’s management has ultimately decided not to proceed with the planned acquisition of Redwood at this time, to allow for Taat’s internal resources to be devoted to the launch of Beyond

Tobacco™ cigarettes. Following Mr. Coscarella's appointment as Taat's Chief Executive Officer, it was determined that Redwood's product offerings appealed to a different market segment than the anticipated customer base for Beyond Tobacco™ cigarettes. Upon completion of due diligence and an internal review of the contemplated acquisition, Taat's intent to acquire Redwood was withdrawn on amicable terms.

Regarding the Company's decision to discontinue its proposed acquisition of Redwood, Taat Chief Executive Officer Setti Coscarella commented, "As is the case for any business, it is a given that building a robust sales pipeline is a top objective of ours. Back when Beyond Tobacco™ was still being developed and tested, it absolutely made sense to acquire an established cigarette brand like Redwood, whose products were already being sold in more than 1,600 stores across the United States. Not only would their existing sales volumes stand to translate into revenue for the Company, their marketing reach could have been effective in driving growth and visibility for Beyond Tobacco™ as well. When I was brought on as Taat's CEO, it was a foremost priority to position the Company as a competitor to 'Big Tobacco', because we plan to market our tobacco-free and nicotine-free cigarettes directly to existing customers of theirs. While I certainly recognized that Redwood's cigarette product could potentially play a similar role under our umbrella, I concluded that our early-stage focus needs to be completely dedicated to building out the Beyond Tobacco™ brand. In fact, I believe this decision is beneficial for Redwood, because our decision to focus strictly on Beyond Tobacco™ may have stood to prevent us from giving their product the attention it deserves."

Coscarella added, "Acquisitions of other non-tobacco cigarette brands could be in the cards for Taat in the future. Anybody who is familiar with the tobacco industry is abundantly aware of how common it is for cigarette brands to be acquired and consolidated into large-scale players such as the 'Big Tobacco' firms that exist today. In fact, I have seen that very approach to consolidation used as a point of reference in both investment banking and private equity... it is something the tobacco industry is famous for. As we get closer to Q4 2020, our current goal is to create a recognizable and trusted brand that can gain market share as a novel combustible alternative to tobacco cigarettes without any tobacco or nicotine. For that reason, we are taking a strategic and disciplined approach to our focus on commercializing Beyond Tobacco™ to set ourselves up for long-term scalability. We wish Redwood the very best in its future endeavours, as it continues to build upon the popularity and recognition it has earned to date."

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™ cigarettes, which contain 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™ cigarettes, which are to be offered in "Original" and "Menthol" varieties, are 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 to the amount of smoke exhaled, Beyond Tobacco™ cigarettes have been meticulously engineered to enable smokers to continue enjoying the ritual of smoking, while discontinuing nicotine intake. Taat plans to launch Beyond Tobacco™ cigarettes in 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](#)

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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™ cigarettes, in addition to the following: and any potential acquisition of other non-tobacco cigarette firms in the future, as speculatively discussed in relation to the Company's withdrawal

from the intended acquisition of Redwood. 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.

This news release may contain trademarked names of third-party entities (or their respective offerings with trademarked names) typically in reference to (i) relationships had by the Company with such third-party entities as referred to in this release and/or (ii) client/vendor/service provider parties whose relationship with the Company is/are referred to in this release. All rights to such trademarks are reserved by their respective owners or licensees.

Statement Regarding Third-Party Investor Relations Firms

Disclosures relating to investor relations firms retained by Taat Lifestyle & Wellness Ltd. can be found under the Company's profile on <http://sedar.com>.