

Sativa Wellness Group Inc. Announces Closing of \$4.6 Million Private Placement

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VANCOUVER, British Columbia / May 20, 2021 / Sativa Wellness Group Inc. (CSE and AQSE: SWEL) ("**Sativa Wellness**" or the "**Company**") is pleased to announce, further to its news releases dated February 24, 2021 and April 8, 2021, it has closed the second and final tranche of the Company's non-brokered private placement (the "**Offering**") of units (the "**Units**"). Together with the first tranche closing of the Offering announced by the Company on April 8, 2021, the Company issued an aggregate 58,590,287 Units at a price of \$0.07875 per Unit, for aggregate gross proceeds of \$4,613,985.10.

In this second tranche, the Company issued an aggregate of 12,701,557 Units at a price of \$0.07875 per Unit, for aggregate gross proceeds of \$1,000,247.61.

Each Unit consists of one common share in the capital of the Company (a "**Share**") and one-half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder to purchase one common share in the capital of the Company (a "**Warrant Share**") at a price of \$0.105 per Warrant Share until May 20, 2023.

In connection with this final tranche of the Offering, the Company issued and paid 901,587 finder's units (each a "**Finder's Unit**") and 901,587 finder's warrants (each a "**Finder's Warrant**") to Canaccord Genuity Corp. Each Finder's Unit consists of one common share (a "**Finder's Share**") and one-half of one Finder's Warrant. Each whole Finder's Warrant entitles the holder thereof to purchase one additional finder's share (a "**Finder's Warrant Share**") at an exercise price of \$0.105 per Finder's Warrant Share, until May 20, 2023.

All securities issued in connection with the final tranche of the Offering will be subject to a statutory hold period expiring on September 21, 2021, in accordance with applicable Canadian securities laws.

The Company intends to use the net proceeds from the Offering for working capital and investment across the whole wellness business.

One insider, Clive Standish, a Director of the Company was issued, directly or indirectly, a total of 181,717 Units for gross proceeds of \$14,310.21. Such participation is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of any securities issued to insiders nor the consideration paid by such persons exceeded by 25% of the Company's market capitalization. Following the issue of the Units, Clive Standish will be interested in 13,265,485 Common Shares and 7,495,35 warrants of the Company.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration on applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any state in which such offer,

solicitation or sale would be unlawful.

In accordance with the Financial Conduct Authority's Disclosure and Transparency Rules, Sativa Wellness hereby announces that it has 364,15,913 common shares of nil par value ("Common Shares") in issue, each share carrying the right to one vote.

The above figure of 364,615,913 Common Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

All references to currency in this news release are to Canadian currency.

For further information regarding Sativa Wellness, see Sativa Wellness' disclosure documents on SEDAR at www.sedar.com.

On behalf of the Board of Directors,

Jeremy Thomas
Executive Chairman
Sativa Wellness Group Inc.
+44 (0) 20 7971 1255
enquiries@sativawellnessgroup.com
www.sativawellnessgroup.com

Anne Tew
Chief Financial Officer
Sativa Wellness Group Inc.
+44 (0) 20 7971 1255
enquiries@sativawellnessgroup.com
www.sativawellnessgroup.com

The Canadian Securities Exchange has neither approved nor disapproved the information contained herein and does not accept responsibility for the adequacy or accuracy of this news release.

This news release contains forward-looking statements relating to the completion of the Offering and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the failure to satisfy the conditions of the Exchange and other risks detailed from time to time in the filings made by the Company with securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ

materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by applicable law.

SOURCE: Sativa Wellness Group Inc.

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.

1 Details of the person discharging managerial responsibilities / person closely associated

a) Name Clive Standish

2 Reason for the notification

a) Position/status non-executive director

b) Initial notification /Amendment Initial notification

3 Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor

a) Name Sativa Wellness Group Inc,

b) LEI 213800V7NVQZF5G8VS50

4 Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted

a) Description of the financial instrument, type of instrument
 Identification code (ISIN) for Sativa Wellness Group Inc. common shares: CA80403E1043

b) Nature of the transaction Disclosure of Common Shares and warrants

| | | |
|---------------------------|-----------------|------------------|
| c) Price(s) and volume(s) | Price(s) | Volume(s) |
| | C\$0.07875 | 181,717 shares |
| | C\$0.105 | 90,858 warrants |

d) Aggregated information N/A
 - Aggregated volume
 - Price

e) Date of the transaction 20 May 2021

f) Place of the transaction AQSE Growth Market