

Captiva Verde Wellness Closes Previously Announced Acquisition and Private Placement

- Acquisition expands Captiva's health and wellness platform

Coquitlam, British Columbia--(Newsfile Corp. - August 31, 2023) - **Captiva Verde Wellness Corp.** (CSE: PWR) (OTC Pink: CPVIF) (the "**Company**" or "**Captiva**") is pleased to announce that, further to its announcement on August 2, 2023 of its intention to close, the Company closed (i) its acquisition (the "**Acquisition**") of all of the issued and outstanding securities of Sonny Sports Enterprises, Inc. (the "**Club**") and (ii) its previously announced non-brokered private (the "**Private Placement**" together with the Acquisition, the "**Transactions**") of units of the Company (the "**Units**") on August 31, 2023 (the "**Closing Date**").

The Acquisition

The Company entered into a definitive share purchase agreement with the Club's parent company and associated shareholders reflecting the terms of the binding letter agreement previously disclosed on August 2, 2023. As previously disclosed the Club is known as the Miami Padel Club of the Pro Padel League.

On the Closing Date, as consideration for the Acquisition, the Company issued and paid to the shareholders of the Club (the "**Selling Shareholders**") an aggregate of: (i) 60,000,000 common shares in the capital of the Company (the "**Consideration Shares**"), each at deemed issue price of \$0.032; and (ii) US\$1,500,000 cash.

The Consideration Shares were issued pursuant to Section 2.16 of National Instrument 45-106 — *Prospectus Exemptions* ("**NI 45-106**") and are accordingly not subject to any resale restrictions under applicable Canadian securities laws. Following completion of the Transactions, the former shareholders of the Club will hold approximately 17% of the Company common shares on a non-dilutive basis. Accordingly, the Acquisition is not expected to constitute a "Fundamental Change" or "Change of Business" under the policies of the Canadian Securities Exchange (the "**CSE**").

A CSE Form 9 — *Notice of Proposed Issuance of Securities* (a "**Form 9**") with respect to the Acquisition was posted on August 25, 2023 and a final Form 9 was posted on the Closing Date.

Detailed information about the Pro Padel League can be found at: <https://propadelleague.com>.

In connection with the closing of the Acquisition:

- Ronnie Strasser, a nominee of the Selling Shareholders, was appointed as a director of the Company effective as of the Closing Date; and
- the Company shall also adopt a restricted stock unit plan (the "**RSU Plan**") with up to 10,000,000 restricted stock units ("**RSUs**") under the RSU Plan to be granted to eligible participants pursuant to the policies of the CSE. The 10,000,000 RSUs will be administered by Strasser as a director of the Company.

The Private Placement

On the Closing Date, the Company issued to the subscribers under the Private Placement (the "**Subscribers**") an aggregate of up to 90,000,000 Units, at \$0.032 per Unit, with each Unit consisting of one common share in the capital of the Company (a "**Unit Share**"); and one common share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one additional common

share in the capital of the Company (a "**Warrant Share**") at a price of \$0.05 per Warrant Share for a period of 60 months from the Closing Date.

All securities issued in connection with the Private Placement are subject to a statutory hold period ending on the date which is four months and one day following the issue date in accordance with applicable securities legislation. Proceeds from the Private Placement will be used for general working capital purposes and as a reserve for possible future acquisitions, including the Acquisition.

A Form 9 with respect to the Private Placement was posted on August 25, 2023 and a final Form 9 was posted on the Closing Date.

No finder's fees are payable in connection with the Transactions. The Acquisition of the Club is an arm's length transaction.

MI 61-101 Disclosure

The Chief Executive Officer, Jeff Ciachurski, and the Chief Financial Officer, Anthony Balic, subscribed for an aggregate 15,000,000 Units of the Company under the Private Placement, representing approximately 10% of the total Common Shares to be issued upon closing of the Transactions. The participation by such insiders in the Private Placement is considered a "related-party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the placement as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the related parties, exceeded 25% of the Company's market capitalization (as determined under MI 61-101). The Company did not file a material change report more than 21 days before the expected closing of the Offering as the participation of the insiders was not settled until shortly before closing.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

On Behalf of the Board of Directors

"Jeff Ciachurski"

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Cautionary Note Regarding Forward-Looking Information

This news release includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities laws and United States securities laws (together, "forward-looking statements"). All statements included in this news release, other than statements of historical fact, are forward-looking statements including, without limitation, statements with respect to the expansion of the Company's health and wellness platform, closing of the Transactions, the appointment of a director of the Company, the payment of cash by the Company, the issuance of securities of the Company and the use of proceeds from the Private Placement. Forward-looking statements include predictions, projections and forecasts and are often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "estimate", "expect", "potential", "target", "budget", "propose" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be

achieved and other similar expressions and includes the negatives thereof. Forward-looking statements are based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which the Company operates, are inherently subject to significant operational, economic, and competitive uncertainties, risks and contingencies. These include assumptions regarding, among other things: general business and economic conditions. There can be no assurance that forward-looking 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 those described under the heading "Risks and Uncertainties" in the Company's most recently filed MD&A (a copy of which is available under the Company's SEDAR profile at www.sedar.com). The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable law.

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