

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Poda Lifestyle and Wellness Ltd. (the “Company”)
666 Burrard Street
2800 Park Place
Vancouver, BC, V6C 2Z7

Item 2 **Date of Material Change**

August 5, 2021

Item 3 **News Release**

The news release was disseminated by Cision on August 5, 2021.

Item 4 **Summary of Material Change**

The Company announce that it has closed its previously announced private placement of subordinate voting shares (“**Common Shares**”) and warrants to purchase Common Shares (“**Warrants**”) to a private U.S. institutional investor for aggregate gross proceeds to the Company of Cdn\$15 million (settled in US dollars using the Bank of Canada exchange rate for July 29, 2021 of Cdn\$1 = US\$0.8032) (the “**Private Placement**”). Pursuant to the Private Placement, the Company issued 7,500,000 Common Shares and Warrants to purchase up to 7,500,000 Common Shares at a purchase price of Cdn\$2.00 per Common Share and associated Warrant. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of Cdn\$2.50 per Common Share at any time on or before August 5, 2024.

Item 5 **Full Description of Material Change****5.1** **Full Description of Material Change**

The Company announced that it has closed its previously announced private placement of subordinate voting shares (“**Common Shares**”) and warrants to purchase Common Shares (“**Warrants**”) to a private U.S. institutional investor for aggregate gross proceeds to the Company of Cdn\$15 million (settled in US dollars using the Bank of Canada exchange rate for July 29, 2021 of Cdn\$1 = US\$0.8032) (the “**Private Placement**”). Pursuant to the Private Placement, the Company issued 7,500,000 Common Shares and Warrants to purchase up to 7,500,000 Common Shares at a purchase price of Cdn\$2.00 per Common Share and associated Warrant. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of Cdn\$2.50 per Common Share at any time on or before August 5, 2024.

H.C. Wainwright & Co. acted as the exclusive placement agent for the Private Placement and received (i) a cash commission of Cdn\$1,050,000 (equal to 7.0% of the gross proceeds of the Private Placement and settled in US dollars using the Bank of Canada exchange rate for July 29, 2021 of Cdn\$1 = US\$0.8032) and (ii) 525,000 compensation warrants (the “**Agent Warrants**”). Each Agent Warrant entitles the holder thereof to purchase one Common Share at an exercise price of Cdn\$2.50 per Common Share at any time on or before August 5, 2024.

The net proceeds of the Private Placement will be used by the Company for general working capital expenses and capital expenditure investments. The Common Shares and Warrants were offered and sold in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and all applicable state securities laws. No securities were offered or sold to Canadian purchasers.

The securities issued under the Private Placement are subject to resale restrictions in the United States under applicable U.S. federal and state securities laws and subject to a four-month and one day hold period under applicable Canadian securities legislation. The Private Placement is subject to customary notices and deliveries to the Canadian Securities Exchange.

This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in Canada in connection with the offering.

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

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8

Officer

Ryan Selby, President- Director

Item 9

Date of Report

August 11, 2021



Poda Closes CDN\$15 Million Private Placement With US Institutional Investor

VANCOUVER, BC, August 5, 2021 - PODA LIFESTYLE AND WELLNESS LTD. ("Poda" or the "Company") (CSE: PODA) (FSE: 99L) (OTC PINK: PODAF) is pleased to announce that it has closed its previously announced private placement of subordinate voting shares ("**Common Shares**") and warrants to purchase Common Shares ("**Warrants**") to a private U.S. institutional investor for aggregate gross proceeds to the Company of Cdn\$15 million (settled in US dollars using the Bank of Canada exchange rate for July 29, 2021 of Cdn\$1 = US\$0.8032) (the "**Private Placement**"). Pursuant to the Private Placement, the Company issued 7,500,000 Common Shares and Warrants to purchase up to 7,500,000 Common Shares at a purchase price of Cdn\$2.00 per Common Share and associated Warrant. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of Cdn\$2.50 per Common Share at any time on or before August 5, 2024.

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This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in Canada in connection with the offering.

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

On Behalf of the Board,
Ryan Selby
CEO, Director, and Chairman of the Board

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ABOUT PODA LIFESTYLE

Poda Lifestyle is actively engaged in the global commercialization of HNB smoking products, which have the potential to reduce the risks associated with combustible smoking products. The Company has developed a patented HNB system that uses proprietary biodegradable single-use pods, which are both consumer and environmentally friendly. The innovative design of the Company's HNB platform prevents cross-contamination between the heating devices and the pods, eliminating all cleaning requirements and providing users with the most convenient and enjoyable potentially-reduced-risk smoking experience. Poda Lifestyle's HNB system is fully patented in Canada and is patent pending in 65 additional countries, covering over 70% of the global population. The Company's Poda Pods are the first and only cigarettes to have a completely closed end. This exclusive design entirely eliminates all cleaning requirements and provides a truly ashless HNB cigarette. Poda Lifestyle's fully patented system is truly one of a kind and solves the major pain-point that ALL other HNB products suffer from: daily cleaning requirements. The Company's flagship **Beyond Burn™** Poda Pods contain a unique tobacco-free blend of pelletized tea leaves infused with synthetic nicotine, which provides adult smokers with a smoke-free alternative to their regular habit without sacrificing satisfaction. **Beyond Burn™** Poda Pods have been expertly crafted to mimic the sensorial experience of traditional cigarettes without the smoke, without the smell, and without the tobacco.

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements and information include, but are not limited to, the use of the net proceeds of the Private Placement; and the receipt of all necessary regulatory and stock exchange approvals for the Private Placement including, but not limited to, the final acceptance of the Canadian Securities Exchange. Although Poda Lifestyle believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because Poda Lifestyle can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The statements in this press release are made as of the date of this release. Poda Lifestyle undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of Poda Lifestyle, its securities, or financial or operating results (as applicable). Poda Lifestyle disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

The Canadian Securities Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

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