

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Yooma Wellness Inc. (“Yooma” or the “Company”)
135 Yorkville Avenue, Suite 900
Toronto, Ontario
M5R 0C7

Item 2 Date of Material Change

March 19, 2021.

Item 3 News Release

The press release attached as Schedule “A” was disseminated through Cision: Newswire on March 22, 2021 with respect to the material change.

Item 4 Summary of Material Change

On March 22, 2021 the Company announced that it had acquired Socati Corp. (“Socati”), a U.S. based manufacturer and seller of premium-quality cannabinoid ingredients and consumer products on March 19, 2021 after the close of markets (the “Transaction”). The consideration paid by the Company for the acquisition was US\$25,000,000, which was satisfied by issuing 23,320,894 common shares of the Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Transaction was structured as a merger (the “Merger”) between Socati and Yooma Acquisition Inc., a wholly-owned subsidiary of Yooma, under a merger agreement between the three parties dated March 19, 2021 (the “Merger Agreement”). On completion of the Merger, Socati became a wholly-owned subsidiary of Yooma and the Socati shareholders, as well as certain creditors and other parties having convertible or contingent rights to receive Socati shares, have exchanged their securities of Socati for a right to receive common shares of Yooma, subject to delivery of certain documentation required under the Merger Agreement.

In total, the consideration paid by Yooma in connection with the Transaction amounted to US\$25,000,000, which has been satisfied by the issuance of 23,320,894 common shares of Yooma (the “Consideration Shares”) at a price of CAD\$1.34 per share based on a deemed exchange rate of \$1.25CAD to \$1.00USD.

With the exception of 928,512 Consideration Shares, the Consideration Shares are subject to (a) an 18-month lock-up period, with one third of the shares releasing on the 6-, 12- and 18-month anniversaries of the closing date, and (b) a 12-month escrow indemnity holdback for 10% of the issued Consideration Shares, which allows them to be accessed to satisfy the indemnity obligations of the parties under the Merger Agreement.

The purpose of the Transaction was, among other things, to acquire a valuable and potentially synergistic business, to diversify and expand the geographic footprint of Yooma into the United States and to capitalize on opportunities for vertical integration between Socati's business of manufacturing cannabidiol ("**CBD**") and other cannabinoids and the sale of finished consumer products incorporating those ingredients, and Yooma's business of distributing wellness products globally. It is anticipated that the Transaction will confer competitive advantages to Yooma over comparable wellness product distributors and provide a platform to capitalize on organic growth and other acquisition opportunities. The Transaction resulted in approximately 30% dilution for existing Yooma shareholders and will not result in any changes to the directors, management or employees at the Yooma level.

The Transaction constituted a "related party transaction" as such term is defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transaction* ("**MI 61-101**") on the basis that certain of the recipients of Consideration Shares under the Transaction were existing directors or officers of Yooma. Lorne Abony is the Chairman of Yooma and was the Chairman of Socati, and was the direct or indirect owner of more than 10% of the shares of Socati. The Merger did not have a material impact on his ownership of Yooma. Anthony Lacavera is a director and holder of 10% of the shares of Yooma and was also the holder of more than 0.5% of the shares of Socati, as well as certain convertible instruments of Socati. The Merger decreased his ownership of Yooma from 10% to approximately 7.6%. Two other directors of Yooma, Jordan Greenberg and Antonio Costanzo, held minor interests in Socati that were not considered material and the Merger did not materially impact their ownership of Yooma.

Notwithstanding any related party interests, the Merger Agreement treated all Socati shares or other Socati securities owned by related parties in the same manner as unrelated parties and Yooma has not conferred any collateral benefits or entered into collateral agreements with any of the related parties or their affiliated entities in respect of the Merger.

Given the related party interests of certain directors of Yooma in the Transaction, Yooma formed a special committee to consider and advise in respect of the proposed Transaction on February 26, 2021, consisting of Michael Young, Antonio Costanzo and Jordan Greenberg, none of whom had a material interest in Socati or the Transaction. The special committee supervised the negotiation of the Merger Agreement through regular briefings from management and input from Yooma's legal counsel, and by receiving, reviewing and holding regular meetings to discuss and make recommendations in respect of all material drafts of the Merger Agreement. Based on a review of available information, legal due diligence and potential alternative transactions, and having regard to the attributes of Socati that make it a unique acquisition opportunity for Yooma, including its geographic footprint and the potential for vertical integration with Yooma's existing wellness products portfolio, the special committee unanimously recommended the Merger for approval. The board of directors of Yooma also approved the transaction, with all directors having a material interest in Socati declaring their interest and abstaining from the vote.

Yooma did not obtain and was not aware, after reasonable inquiry, of any formal valuation reports in respect of Socati prepared within the last 24-month period. Yooma has relied on the exemptions in Section 5.5(a) and Section 5.7(1)(a) of MI 61-101 in respect of the formal valuation and majority of minority approval requirements of MI 61-101, on the basis that none of the related parties in the Transaction were considered "interested parties" (as such term is defined in MI 61-101) at the time the Transaction was agreed to.

The concurrent signing and closing of the Transaction did not allow for the filing of a material change report in connection with the Transaction 21 days prior to the closing of the Transaction. Yooma and Socati determined that an abridged acquisition schedule was necessary in order to limit the costs associated with the Transaction and to address certain short-term working capital needs of Socati, which could otherwise have negatively impacted on the value of the acquisition. Yooma has completed extensive due diligence on Socati and is satisfied that the benefits of completing the Transaction as soon as possible will be material and in the best interest of the shareholders of both entities.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable

Item 8 Executive Officer

The following executive officer is knowledgeable about the material change and may be contacted about this report.

Jordan Greenberg
President

Item 9 Date of Report

March 25, 2021

Yooma Wellness Inc. Acquires Socati Corp. in Transaction Valued at US\$25,000,000

The deal allows Yooma to leverage Socati's premium quality cannabinoid ingredient manufacturing capabilities and technologies and expands its global footprint into the United States.

TORONTO, March 22, 2021 - Yooma Wellness Inc. ("Yooma") (CSE: YOOM), an emerging marketer and distributor of cannabinoid and hemp-derived wellness products, today announced that it acquired Socati Corp. ("Socati"), a U.S. based manufacturer and seller of premium-quality cannabinoid ingredients and consumer products. The transaction valued at US\$25,000,000 (the "Transaction"), was agreed on March 19, 2021.

The acquisition of Socati expands Yooma's geographic footprint into the United States, after recently acquiring certain UK and European wellness brands, including Blossom, MYO Plant Nutrition, What the Hemp and Hello Joya. Combined with Yooma's existing operations in Asia selling CBD, hemp and general wellness, beauty and skincare products through cross border ecommerce into China, the acquisition gives Yooma an expanded global presence. It also provides vertical integration opportunities, with the ability to manufacture functional ingredients to use in its growing portfolio of cannabinoid and hemp-derived wellness products. This vertical integration and diverse geographic footprint offer distinct advantages over Yooma's competitors, providing a platform uniquely positioned to capitalize on organic growth and acquisition opportunities as they arise.

"Socati's unique ability to deliver consistent cannabinoid ingredients and finished products that meet industry-leading quality standards makes Socati a natural fit for Yooma," said Lorne Abony, Chairman of Yooma. "The Socati acquisition further expands Yooma's global footprint by adding Socati's customer base which includes some of the largest consumer brands in the CBD and wellness space across North America."

Operating primarily out of its 22,000 square-foot manufacturing facility in Montana, Socati's business focuses on the manufacture of cannabidiol ("CBD"), minor cannabinoids such as cannabigerol ("CBG") and cannabitol ("CBN"), and other functional ingredients. It also specializes in the sale of an extensive catalogue of wellness products made with these ingredients.

Its intellectual property and proprietary technology in cannabinoid extraction and separation, as well as best-in-class in-house analytical capabilities, has positioned Socati as a leader in the U.S. market. It is one of the first scale producers of 'USDA Organic' certified cannabinoid ingredients with non-detectable levels of THC, the psychoactive component of hemp, which creates compelling brand value and an early-mover advantage as consumers begin to shift towards organic CBD products. The USDA Organic Seal is the gold standard for supply chain integrity in the United States, with consumer demand for organic products driving higher prices relative to non-organic products.

The Transaction

The Transaction was implemented through a merger (the "Merger") between Socati and Yooma Acquisition Inc., a wholly-owned subsidiary of Yooma, under a merger agreement between the three parties dated March 19, 2021 (the "Merger Agreement"). On completion of the Merger, Socati became a wholly-owned subsidiary of Yooma and the Socati shareholders, as well as certain creditors and other parties having convertible or contingent rights to receive Socati shares, have exchanged their securities of Socati for a right to receive common shares of Yooma, subject to delivery of certain documentation required under the Merger Agreement.

In total, the consideration paid by Yooma in connection with the Transaction amounts to US\$25,000,000, which has been satisfied by the issuance of 23,320,894 common shares of Yooma (the

“Consideration Shares”) at a price of CAD\$1.34 per share based on a deemed exchange rate of \$1.25CAD to \$1.00 USD.

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MI 61-101 Disclosure

The Transaction is considered a “related party transaction” for the purposes of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) on the basis that certain of the recipients of Consideration Shares under the Transaction were existing directors or officers of Yooma. Lorne Abony is the Chairman of Yooma and the Chairman of Socati, and was the direct or indirect owner of more than 10% of the shares of Socati. The Merger did not have a material impact on his ownership of Yooma. Anthony Lacavera is a director and holder of 10% of the shares of Yooma and is also the holder of more than 0.5% of the shares of Socati, as well as certain convertible instruments of Socati. The Merger decreased his ownership of Yooma from 10% to approximately 7.6%. Two other directors of Yooma, Jordan Greenberg and Antonio Costanzo, held minor interests in Socati that were not considered material and the Merger did not materially impact their ownership of Yooma.

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About Yooma Wellness Inc.

Yooma's mission is to build a global leader in the marketing, distribution, and sale of wellness products including hemp seed oil and hemp-derived and cannabinoid (CBD) ingredients. The company leverages strategically curated sales channels and ecommerce networks to deliver a diverse mix of wellness products through subsidiaries in China, Japan, and the United States. Yooma has assembled an international team of multicultural industry professionals with extensive experience in digital marketing, ecommerce and social media in the EU, North America and the pan-Asian region, particularly in the Chinese ecommerce market. Learn more at www.yooma.ca.

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Notice regarding Forward Looking Statements

All information included in this press release, including any information as to the future financial or operating performance and other statements of Yooma that express management's expectations or estimates of future performance, other than statements of historical fact, constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws and are based on expectations, estimates and projections as of the date hereof. Forward-looking statements are included for the purpose of providing information about management's current expectations and plans relating to the future. Wherever possible, words such as "begin to", "growing", "opportunities", "as they arise", "will", "to build" or the negative of these words or other variations thereof, have been used to identify such forward-looking information. Specific forward-looking statements include, without limitation, all disclosure regarding future results of operations, economic conditions and anticipated courses of action, including statements about the potential for vertical integration of Yooma and Socati and any intended uses of Socati products by Yooma; Yooma's expansion into new product categories, regions and markets through its acquisition of Socati; any growth in interest in organic or other CBD or wellness products; potential acquisition opportunities; and any improvements in Yooma's unit economics.

There are many risks and uncertainties that may affect forward-looking statements including, among others, regulatory risk in each jurisdiction in which Yooma does or intends to operate; the uncertainties, effects of and responses to the COVID-19 pandemic; reliance on licenses; competition; dependence on senior management and key personnel; general business risk and liability; regulation of the CBD industry; changes in laws, regulations and guidelines; compliance with laws; limited operating history; unfavourable publicity or consumer perception; product liability, risks related to intellectual property; product recalls; difficulties with forecasts; management of growth; litigation; difficulties or delays in integrating Socati's business or employees into Yooma; claims for indemnity made under the Merger Agreement; difficulty bringing technologies to market; technologies not performing as anticipated; a lack of available acquisition opportunities or an inability to take advantage of such opportunities; changes in market interest in organic CBD products; and other matters which are beyond the control of Yooma. Although the forward-looking statements contained herein reflect management's current beliefs and reasonable assumptions based upon information available to management as of the date hereof, Yooma cannot be certain that actual results will be consistent with such forward-looking information. Yooma cautions you not to place undue reliance upon any such forward-looking statements. Yooma disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or

otherwise, except as required by applicable law. Nothing herein should be construed as either an offer to sell or a solicitation to buy or sell securities of Yooma