

**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**

July 26, 2021.

**Item 3            News Release**

The press release attached as Schedule "A" was disseminated through Cision: Newswire on July 26, 2021 with respect to the material change.

**Item 4            Summary of Material Change**

On July 26, 2021, the Company announced that it had secured subscriptions for an equity financing (the "**Financing**") of approximately CAD\$12,154,000 (US\$9,700,000) and would be submitting an application for the admission of its common shares ("**Common Shares**") to trade on the U.K.'s AQSE Growth Market ("**AQSE**"). If the application is granted, the Common Shares will be dual-listed on both the AQSE and the Canadian Securities Exchange. The financing is expected to be completed and trading on the AQSE to commence on or about August 10, 2021.

**Item 5            Full Description of Material Change**

*5.1    Full Description of Material Change*

The Financing is structured as a private placement of approximately 13,504,301 Common Shares at a price per share of CAD\$0.90/share. For each Common Share subscribed for, investors will also receive a half warrant for a Common Share ("**Warrants**") at an exercise price of CAD\$1.35/share. In total 6,752,139 Warrants are expected to be issued, and the Warrants will expire on the third anniversary of the listing of the Common Shares on the AQSE.

Yooma has also granted a single strategic investor an option (the "**Option**") to acquire 9,555,555 Common Shares at the same price per share used in the Financing. If the Option is exercised, the strategic investor will also receive 4,777,777 Warrants on the same terms as the other participants in the Financing. The Option will expire on September 17, 2021 if not exercised in accordance with its terms.

The Option, and approximately CAD\$4,932,000 of the Financing, are contingent on the admission of the Company's Common Shares for trading on the AQSE, which is anticipated to be completed on August 10, 2021.

The proceeds of the Financing are to be used for general corporate purposes and to fund the cash component of three proposed acquisitions in the wellness space. The three acquisitions

have an aggregate purchase price of approximately US\$30,000,000 of which US\$14,500,000 is payable in cash on closing and the balance through deferred cash consideration, share consideration and the assumption of debt. The acquisitions are currently under non-binding letters of intent between the Company and the applicable counterparties, and remain subject to the negotiation of definitive agreements, the completion of satisfactory due diligence and the satisfaction of conditions precedent.

In connection with the Financing, Yooma expects to pay aggregate cash commissions of US\$236,724 and to grant 219,189 non-transferrable warrants for Common Shares, at an exercise price of CAD \$0.90/share to certain eligible persons who provided finance and investor introduction services in connection with the Financing. These warrants will expire two years from the date of listing on the AQSE.

The Financing will result in approximately 15-32% dilution for existing Yooma shareholders, depending on whether the Option, Warrants and other issued warrants are exercised. In connection with the Financing and the application to list the Company's Common Shares on the AQSE, the Company has appointed a new director, Mr. Simon Dryan. No other changes to the directors, management or employees of Yooma are expected to result from the Financing.

Anthony Lacavera and Antonio Costanzo (the "**Director Participants**"), each directors of Yooma, will acquire Common Shares and Warrants in the Financing. Their participation will be considered a "related party transaction" for the purposes of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Company intends to rely on the 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), as the aggregate fair market value of the consideration for the related party transaction, insofar as it involves interested parties, does not exceed 25% of the issuer's market capitalization. Yooma did not obtain and was not aware, after reasonable inquiry, of any formal valuation reports relevant to the Financing within the last 24-month period.

The Director Participants participated in the Financing on the same terms as other investors and Yooma has not conferred any collateral benefits or entered into collateral agreements with any of the Director Participants or their affiliates in connection with the Financing. Their participation in the Financing has been approved by those directors of Yooma who did not have an interest in the Financing, and no materially contrary view or abstention was expressed or made by any such director in connection with such approval. The Financing will not result in a material change in the percentage of securities of Yooma that the Director Participants each hold (<1%).

The Company did not file a material change report in respect of the financing 21 days before the anticipated completion of the financing, which the Company deems reasonable in the circumstances in order to complete the financing expeditiously and concurrently with the Company's anticipated listing on the AQSE.

## *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  
Chief Executive Officer

**Item 9          Date of Report**

August 5, 2021

**Schedule "A"**

**Press Release re Material Change**

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**Yooma Secures Financing of US\$9.7 Million and Submits an Application for Admission to the London AQSE Growth Market**

*Trading is expected to commence on August 10<sup>th</sup>, 2021*

Toronto, Canada, July 26, 2021 – Yooma Wellness Inc. ("Yooma" or the "Company") (CSE:YOOM), a global vertically integrated wellness platform that develops and markets a portfolio of CBD and wellness brands, is pleased to announce it has secured subscriptions for its latest financing round and will submit an application for the admission of its common shares to trading on the U.K.'s AQSE Growth Market ("AQSE"). The financing is expected to be completed and trading to commence on August 10, 2021, at which time Yooma's shares, which are already listed on the Canadian Securities Exchange, will be dual-listed on the AQSE.

Yooma, together with its European deal coordinator, Chrystal Capital Partners LLP, has raised gross proceeds of US\$9.7 million, or approximately GBP £7.1 million, through the placing of 13,504,301 Common Shares ("Placing Shares"), at a price of C\$0.90 (£0.5232) per share (the "Placing Price"). Investors have also been granted a half warrant for each Placing Share subscribed for ("Warrants") with each Warrant exercisable at a price of C\$1.35 (£0.7849) per Common Share, and which expire on the third anniversary of listing on the AQSE. In aggregate Yooma has granted investors a total of 6,752,139 Warrants.

Yooma has also granted a single strategic investor ("Strategic Investor") an option ("Option") to acquire 9,555,555 Common Shares at the Placing Price, that will raise an additional £5 million gross proceeds for the Company if exercised, which would bring the total amount raised in the financing to US\$16.6 million (£12.1 million). Subject to exercise of the Option, the Strategic Investor will be granted 4,777,777 Warrants on the same basis as the other investors. The Option has been granted to September 17, 2021, due to delays in the Strategic Investor setting up its proposed holding structure for the investment. The Company is however satisfied that due diligence has been completed by such party and the additional time will allow administrative arrangements to be completed prior to an investment of £5 million.

In connection with the financing, Yooma will also pay aggregate cash commissions of US\$236,724 and grant 219,189 non-transferrable warrants to certain eligible persons who provided finance and investor introduction services in connection with the financing, with an exercise price of C\$0.90 per share and a term of two years from the date of listing on the AQSE.

"We are pleased to be announcing this financing, including the addition of many UK and European based shareholders, which will allow Yooma to continue its rapid growth through strategic acquisitions" said Lorne Abony, Chairman of Yooma. "Once the Option has been exercised the financing will be oversubscribed, which will accelerate Yooma's growth and quest to become a global leader in the CBD and wellness space."

Yooma has also announced the appointment of Simon Dryan to the board of directors. Mr. Dryan will join as an independent non-executive director and brings over 35 years of UK industry experience in investment banking and other financial-related industries. Mr. Dryan was previously the head of the equity division at Rock Investments, a large U.K. investment fund. He also has over 25 years of experience in global equity markets, spending time as the Director of European Equities at Merrill Lynch, as well as holding positions at Smith NewCourt and Lehman Brothers.

Certain directors of Yooma will acquire Common Shares and Warrants in the financing. Such participation will be considered a “related party transaction” for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company intends to rely on the 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), as the aggregate fair market value of the consideration for the related party transaction, insofar as it involves interested parties, does not exceed 25% of the issuer’s market capitalization. The Company did not file a material change report in respect of the financing 21 days before the anticipated completion of the financing, which the Company deems reasonable in the circumstances in order to complete the financing expeditiously and concurrently with the Company’s anticipated listing on the AQSE.

#### **About Yooma Wellness Inc.**

Yooma's mission is to build a vertically-integrated global leader in the manufacturing, 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 operating subsidiaries in the United States, United Kingdom, France and Japan. Learn more at [www.yooma.ca](http://www.yooma.ca).

Media Contact:

Michael Bancroft

Email: [michaelbancroft@globalive.com](mailto:michaelbancroft@globalive.com)

Issuer Contact:

Jordan Greenberg

Email: [jgreenberg@yooma.ca](mailto:jgreenberg@yooma.ca)

#### **Notice regarding Forward Looking Statements**

All information included in this press release, including any information as to future financial or operating performance and other statements of Yooma that express management's expectations or estimates of future performance or activities, other than statements of historical fact, constitute forward-looking information or forward-looking statements (collectively, "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 "will", "would", "intends", "anticipate", "expected", "subject to" 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 completion of the financing, the exercise of the Option, the listing of the common shares of Yooma on the AQSE and their effect on the growth of the Company.

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; the possibility the Company's application for listing will be delayed or rejected by the AQSE and the impact of such events on the Company's ability to satisfy the completion conditions for the financing, the possibility the Strategic Investor will not exercise the Option or will not be able to complete its administrative arrangements before the expiry of the Option 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.