

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

August 19, 2021.

Item 3 News Release

The press release attached as Schedule "A" was disseminated through Globe Newswire on August 20, 2021 with respect to the material change.

Item 4 Summary of Material Change

On August 20, 2021, the Company announced that it acquired U.K.-based market leader Vitality CBD Ltd. ("**Vitality**"), a U.K.-based market leader and producer of CBD and hemp products, including oils, sprays, vapes and a variety of edible and water-based products in a transaction valued at up to £10.2 million (CAD\$17.7 million) (the "**acquisition**") via the Company's wholly-owned subsidiary, Yooma Europe Limited.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company acquired Vitality for aggregate consideration of £8,200,000, to be paid partly in cash and partly through an issuance of common shares of the Company.

The acquisition was pursuant to a share purchase agreement between the Company, Yooma Europe Limited, and the shareholders of Vitality (the "**Vendors**") dated August 19, 2021 (the "**Share Purchase Agreement**"). The purpose of the transaction is to pursue synergies and the potential for vertical integration between Vitality's CBD and hemp products business and the Company's growing global wellness platform. It is anticipated that the transaction will add a source of recurring revenue to the Company and its subsidiaries, as well as expanding the Group's customer base and distribution network for its existing Europe-focused brands.

On the terms and conditions set out in the Share Purchase Agreement, Yooma Europe, a wholly-owned subsidiary of the Company, acquired all of the issued and outstanding shares of Vitality from the Vendors, who are unrelated to the Company and its affiliates, for aggregate consideration of £8,200,000. £4,200,000 of the consideration was paid through the issuance of 7,706,422 common shares of the Company (the "**Consideration Shares**") priced at CAD\$0.946992 per share, and the balance of the purchase price was paid in cash. The Share Purchase Agreement contemplates additional consideration of up to £2,000,000 may become payable to the Vendors, in either cash or common shares of the Company at

the option of the Company, upon the achievement of revenue milestones by Vitality in their 2022 financial year. If this additional consideration is paid in shares, the shares will be valued at the 30-day volume weighted average price of the Company's common shares on the Aquis Stock Exchange Growth Market.

The Consideration Shares issued to the Vendors are subject to a statutory and contractual lock-up, with 25% of the Consideration Shares being released on each of the 10-month, 16-month, 22-month and 28-month anniversaries of completion.

Additional details on the acquisition are set out in the Company's press release attached as Schedule "A", which is incorporated by reference into this report.

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
(512) 823-1678

Item 9 Date of Report

August 27, 2021

Schedule "A"

Press Release re Material Change

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Yooma Wellness Acquires U.K. Market Leader Vitality CBD

Transaction is part of Yooma's buy-and-build strategy

TORONTO, Aug. 20, 2021 (GLOBE NEWSWIRE) -- Yooma Wellness Inc. ("Yooma" or the "Company") (CSE: YOOM, AQSE: YOOM), a global vertically integrated wellness platform that develops and markets a portfolio of CBD and wellness brands, is pleased to announce it has acquired U.K.-based market leader Vitality CBD Limited ("Vitality") in a transaction valued at up to £10.2 million (CAD\$17.7 million) (the "acquisition") via the Company's wholly-owned subsidiary, Yooma Europe Limited.

The acquisition adds a significant source of recurring revenue to Yooma and its subsidiaries through Vitality's presence at mainstream retail outlets such as Boots, Lloyds Pharmacy, Tesco and ASDA, as well as expanding Yooma's target customer base and distribution network for its existing European-focused brands, including MYO Plant Nutrition. This is Yooma's first transaction since it completed the dual-listing of its shares on the AQSE Growth Market in London earlier this month and is part of the Company's plan to build the world's largest CBD and wellness business.

"Completing the acquisition of Vitality is the first step of the strategic plan the Company outlined to investors at the time of our UK financing and dual-listing – to buy and build companies globally, focused on materially increasing the Company's top-line revenue, leveraging Yooma's integrated supply chain to drive margin growth, and expanding distribution for the existing product portfolio," said Yooma Chairman Lorne Abony. "This acquisition will help accelerate our growth by exporting these branded products to other Yooma jurisdictions and integrating with our MYO Plant Nutrition operations and distribution. Vitality is a market leader in the UK with presence in major retail outlets such as Boots, ASDA and Lloyds Pharmacy and we look forward to working with the team at Vitality."

Nikhil Nathwani, Co-founder and Managing Director commented on the acquisition, "The whole Vitality CBD team is excited to be joining the Yooma group. CBD is a growing industry not only in the UK but globally, and the acquisition positions us nicely to be able to continue to expand and grow the business."

In the six-month period ended June 30, 2021, Vitality had gross turnover of £1.6 million (CAD \$2.78 million) and EBITDA of approximately £0.3 million (CAD \$0.52 million). The company plans to capitalize on the synergies of working with Yooma and focus on growing revenue and margin throughout the rest of 2021, as well as expanding distribution to other European and international markets.

Details of the Acquisition

Under the terms of a sale and purchase agreement, the Company has acquired 100% of the issued shares of Vitality for total consideration of up to £10.2 million (the "Consideration") comprising:

- £4 million cash at closing ("Cash Consideration") subject to agreed working capital adjustments (Vitality being acquired on a cash-free / debt-free basis);
- 7,706,422 new common shares of the Company ("Consideration Shares") representing £4.2 million issued at an implied price of £0.545 (CAD \$0.95) per share; and
- up to £2 million of cash or share-based consideration, at the Company's option, subject to the achievement of revenue milestones by Vitality for the financial year 2022 as set out below:

Value of the 2022 Revenue	Value of the Deferred Consideration due to the Sellers
Greater than £5 million but less than £6 million	£500,000
£6 million or more, but less than £7 million	£1 million
£7 million but less than £8 million	£1.5 million
£8 million or more	£2 million

Cash consideration for the acquisition was funded from the Company's existing cash.

100% of the Consideration Shares are subject to a lock-in, with 25% of the Consideration Shares being released from the lock-in on each of the 10-month, 16-month, 22-month and 28-month anniversaries of completion.

The Company has received customary warranties and indemnities in relation to the business and operations, assets, trading and financial affairs of Vitality (with related tax covenant and warranties).

The current senior management team at Vitality have been retained and will continue to operate the business day-to-day as the Company focuses on integration and expansion.

Admission of Consideration Shares and Total Voting Rights

Application will be made for the Consideration Shares, which will rank *pari passu* with the existing common shares in issue, to be admitted to trading on the AQSE Growth Market ("Admission"). Dealings are expected to commence on or around August 23, 2021.

Following Admission, Nikhil Nathwani, the largest shareholder of Vitality prior to its acquisition by the Company, will hold a total of 4,623,852 common shares of the Company, representing 4.74% of the Company's issued common shares.

The Company's total issued and voting share capital upon Admission of the Consideration Shares will consist of 97,497,707 common shares. This figure may be used by shareholders 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, securities of the Company.

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.

About Vitality CBD Limited

Vitality CBD is the most widely stocked brand of CBD in the UK with products distributed in national retailers such as Boots, Tesco, ASDA and Lloyds Pharmacy. Vitality CBD is also prominent on E-commerce retailers such as Amazon, Very & Ocado. The Vitality CBD product portfolio has over 60 SKUs including oils and sprays in a wide range of flavours and strengths, edibles, and a specially developed and formulated range of CBD skin care cosmetic products.

For further information, please contact:	
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Non IFRS Measures

In this press release reference is made to EBITDA, which does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Vitality defines EBITDA as earnings before interest, tax, depreciation or amortization. This measure is provided as information complementary to standard IFRS measures such as revenue and net profit/loss by providing the reader with a further understanding of operational results from the perspective of management. This measure should not be considered in isolation or as an alternative or substitute to measures prepared in accordance with IFRS (such as net profit/loss).

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", "intend", "future", "anticipate", "plan", "help", "subject to", "increasing", "leveraging", "expanding", "continue to", "capitalize", "growing" 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 Vitality's revenues and margin, the achievement by Vitality of revenue milestones, the Company's strategic plan and potential future acquisitions, the admission of the Consideration Shares to trading on the AQSE and the effect of the foregoing matters 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 that Vitality will be unable to achieve its historical revenues, margins or growth; difficulties integrating Vitality into the Group; delays or issues obtaining approval for Admission; claims for indemnity under the transaction documents for the acquisition; lack of available acquisition opportunities or an inability to take advantage of those opportunities; changes in market interest in CBD or wellness 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.