

## Yooma Wellness Reports Results for Q4 and Fiscal 2021, Exceeding Forecasts with Revenue of US\$5.3M in Q4 2021

Toronto, Ontario, Canada, May 17, 2022 - Yooma Wellness Inc. ("Yooma" or the "Company") (CSE: YOOM, AQSE:YOOM), a Toronto-based vertically-integrated global wellness platform that develops and markets a portfolio of wellness brands, today released its annual financial statements (the "Financial Statements") for the financial year ended December 31, 2021 (the "Reporting Period"). A summary of Yooma's operational and financial highlights during the Reporting Period are set out below and more detailed information is contained in the Financial Statements and related Management Discussion and Analysis, which are available on Yooma's SEDAR page at [www.sedar.com](http://www.sedar.com).

Lorne Abony, Chairman at Yooma commented "We are delighted with the Q4 results, which position Yooma as one of the largest publicly-listed CBD wellness companies outside of North America. Since raising capital in Q3 2021, the Company has executed on the business plan it presented to investors – to acquire brands and businesses and enter new markets to establish a global wellness platform. The markets have been difficult; and we do not believe our current share price is a fair reflection of what the Company has achieved or its potential for further growth. Depressed share prices make additional capital raising and further acquisitions difficult in the short-term, as they would be unfairly dilutive to our shareholders. They also make it difficult to move to other regulated stock exchanges and raise the much-needed growth capital to support our brands."

Mr. Abony continued, "For these reasons the Company has appointed Canaccord Genuity Corp. as its strategic adviser to assist the Company in undertaking a strategic review of potential options for the Company, which may include listing on another regulated stock exchange, sale of assets, or further M&A by the Company if financing can be secured on acceptable terms. The Company will make a further announcement in due course regarding the results of its strategic review. Lastly, I would like to take the opportunity to thank the management teams of the companies we acquired in 2021 - we know the share price is disappointing to them, as it is to all of us, and we have assured them we are working hard to realize value for them and for all our shareholders."

Jordan Greenberg, CEO at Yooma, added: "Our fourth quarter saw revenue of US\$5.3 million, exceeding previous forecasts, as well as the successful completion of two strategic acquisitions, including the very exciting addition of Vertex Co., Ltd. in Japan, which has significantly expanded our global footprint and access to Asian markets, as well as the range and scope of our wellness offerings. We are now increasingly focused on integrating our existing assets to achieve operational synergies and revenue growth, while also looking for opportunities to increase efficiency and reduce costs as we enter a period of rationalization to streamline our global platform."

### Yooma Highlights (FY 2021)

Yooma's focus in 2021 was on setting the stage for future growth in its quest to become a vertically-integrated global leader in the marketing, distribution and sale of wellness products, and implementing the first phases of its "buy-and-build" strategy. Significant financial and operational highlights during the Reporting Period included:

#### Capital Markets Transactions

- Completed a reverse takeover transaction on February 10, 2021, securing approximately US\$4.0 million of additional cash to fuel the Company's strategic plan and giving the company access to future sources of public capital. The Company's common shares began trading on the Canadian Securities Exchange on February 11, 2021.

- Completed the dual-listing of the Company's common shares on the Aquis Stock Exchange Growth Market ("AQSE"), a UK-based multilateral trading facility for entrepreneurial companies seeking visibility and access to growth capital in Europe. This dual-listing was completed and the Company's common shares began trading on the AQSE on August 10, 2021.
- Concurrent with the dual-listing of the Company's common shares on the AQSE, an equity financing was completed on August 10, 2021, raising proceeds of US\$10.3 million, to be used for general corporate purposes and to complete several strategic acquisitions.

### Completed Acquisitions

- Successfully completed a total of six significant acquisitions in the wellness space valued, in aggregate, at approximately US\$57.3 million. These acquisitions have dramatically expanded the Company's global footprint and the range and scope of its wellness offerings. Significant acquisitions included:
  - The acquisition on March 11, 2021 of the wellness brands of EMMAC Life Sciences Group, including Blossom (CBD skincare brand), MYO (UK nutraceutical brand focused on sports nutrition), and Hello Joya and What the Hemp (France based hemp-protein snack brands) in a transaction valued at US\$8.1 million.
  - The acquisition on March 19, 2021 of Socati Corp., a leading processor of THC-free broad-spectrum hemp extracts and ingredients for use in CBD products in a transaction valued at US\$25 million.
  - The acquisition on August 19, 2021 of UK market-leader Vitality CBD Ltd., a distributor of CBD products, 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, in a transaction valued at US\$10.2 million.
  - The acquisition on September 30, 2021 of US-based Big Swig, Inc., a specialty drinks business in a transaction valued at US\$1.175 million.
  - The acquisition on October 2, 2021 of Vertex Co., Ltd., a wellness products company in Japan, with sales through major home shopping networks (QVC, Nihon-TV and Fuji-TV), as well as various ecommerce channels (Rakuten, Yahoo Shopping and the company's Shop-V platform) in a transaction valued at US\$12 million.
  - The acquisition through a subsidiary on October 13, 2021 of N8 Essentials, LLC, a US-based manufacturer of CBD products in a transaction valued at US\$0.79 million.

### Operational Highlights

- Blossom CBD skincare brand was relaunched, including nine new SKUs with a focus on expert holistic skincare. The brand achieved key listings into world-renowned Selfridges and John Bell & Croyden, which holds the Royal Warrant as Pharmacists to Her Majesty the Queen.
- Vitality CBD products continue to achieve premium rankings on Amazon UK for CBD search results and significant revenue growth.
- Vertex completed its largest ever single product campaign during Q4 with QVC.
- Greenleaf launched its hemp protein brand What the Hemp! in France's leading grocery retailer Casino, with 12 SKUs available in-store at a total of 414 Casino locations.

- Vitality CBD completed a 300-store launch in ASDA, one of Britain's leading retailers, including 17 of Vitality's well-being and active CBD products in ASDA's vitamin aisles and in-store pharmacies, making Vitality CBD the most extensive CBD product range in ASDA.
- Yooma completed the rebuild and integration of its UK e-commerce sites including hosting, management and fulfilment of all UK brands under one e-commerce business division, allowing the Company to quickly scale existing and future UK and European brands.
- The Company wound-down its operations in China following the announcement that China's National Medical Products Administration had added CBD to its "List of Prohibited Use Cosmetic Ingredients" and shifted its focus onto other markets where it has been experiencing more significant growth.

### **Post-Reporting Period Highlights**

- MYO Plant Nutrition products were launched in Boots, one of the UK's leading health and beauty retailers, accelerating momentum from 2021 with products now available in Holland & Barrett, Selfridges, Lloyds Pharmacy and Amazon, amongst others.
- Vitality CBD, Blossom Skincare and MYO Plant Nutrition brands were all added to eBay's CBD pilot program, marking a significant step forward for the global wellness market.
- Greenleaf launched its hemp protein brand What the Hemp! in more than 50 locations of France national grocery retailer Carrefour, with ten SKU's now available.
- Vitality CBD and its extensive product range were successfully published on the UK Food Standard Agency's Novel Foods approved list for CBD products.
- Greenleaf launched its What the Hemp! CBD oils and hemp infusions in all 90 locations of specialty retailer Nature et Découvertes.
- Vertex's "Branfine" facial massager, which originally launched on QVC Japan in 2018, continues to be a hit product with 240,000 units sold to date, including a successful campaign in March called "Today's Special Value".
- Vitality CBD has maintained its number one ranking on Amazon in the CBD category and has dominated eBay since launch, achieving a 20% market share of all CBD sales on the marketplace.
- As part of its ongoing rationalization efforts, the Company has significantly reduced its operational footprint in the United States, where a lack of regulatory clarity around CBD products is perceived by the Company to be limiting growth. Operations at Socati, N8 and Big Swig have been suspended and certain assets have been or are in the process of being liquidated as the Company redeploys resources to jurisdictions where a more structured regulatory environment is expected to facilitate growth in the CBD industry, as well as in the Company's non-CBD businesses.

### **Selected Financial Highlights (FY2021)**

During the Reporting Period, the Company generated revenues of US\$10.18 million, but experienced comprehensive losses for the year of US\$33.35 million, reflecting cost of sales of US\$7.81 million and expenses of US\$35.71 million, relating primarily to the acquisition and integration of six new businesses into Yooma's global platform, expenses incurred in connection with capital raising activities, its reverse takeover transaction and AQSE dual-listing, impairment of assets such as goodwill and intangible assets,

professional fees and business and administrative expenses incurred by the Company's operating divisions.

*All dollar amounts in USD.*

		For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue	\$	10,184,545	42,765
Cost of sales		(7,811,554)	(86,276)
<b>Gross profit (loss)</b>	<b>\$</b>	<b>2,372,991</b>	<b>(43,511)</b>
<b>Expenses</b>			
Depreciation and amortization	\$	912,461	17,358
Consulting fees		755,001	747,579
Professional fees		2,383,699	572,186
Listing expense		960,725	-
Loss on disposition of capital assets		715,142	-
Assets write-off		2,830,804	-
Impairment of goodwill and intangible assets		19,672,801	-
Stock-Based compensation		427,709	-
Fair value adjustment on liability warrants		(1,909,978)	-
Other income	\$	(149,220)	(11,489)
General and administrative		9,105,890	857,688
Fair value adjustment on investments		-	46,999
	<b>\$</b>	<b>35,705,034</b>	<b>2,230,321</b>
Current income tax expense		(167,612)	-
Deferred income tax recovery		382,510	-
<b>Net loss for the year</b>	<b>\$</b>	<b>(33,117,145)</b>	<b>(2,273,832)</b>
Foreign currency translation	\$	(235,545)	-
<b>Comprehensive loss</b>	<b>\$</b>	<b>(33,352,690)</b>	<b>(2,273,832)</b>
Basic and diluted loss per share attributable to common shareholders	\$	(0.43)	(0.08)

### **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).

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### **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", "believe", "future", "go forward", "to become", "pursuit", "pursuing", "potential", "plan", "to enter", "continues 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 Yooma's mission and strategic plan; revenue forecasts under the "Yooma Outlook" section, commercial partnerships and product launches; and the nature and focus of Yooma's business going forward.*

*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; Yooma's ability to effectively integrate existing and future acquisition targets into its platform; the effects of competition in the industry; the requirement for increasingly innovative product solutions and service offerings; trends in customer growth; sufficiency of current working capital to support future operating and working capital requirements; 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.*