YOOMA WELLNESS INC.

FORM 51-102F1
INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS

The following is a discussion and analysis ("MD&A") of the operating results and financial position of Yooma Wellness Inc. ("Yooma") and its subsidiaries (together "the Company"), dated May 30, 2022, which covers the interim period ended March 31, 2022 and should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the same period, which were prepared in accordance with International Financial Reporting Standards. Additional information on the Company is also available on SEDAR at www.sedar.com

Where we say "we", "us", "our", or the "Company" we mean Yooma Wellness Inc. and its subsidiaries unless otherwise indicated. All amounts are presented in U.S. dollars unless otherwise indicated.

Forward-looking statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

With respect to forward-looking statements above and otherwise contained in this MD&A, the Company has made assumptions regarding, among other things:

- *the legislative and regulatory environment;*
- *the impact of increasing competition;*
- *ability to obtain regulatory and shareholder approvals; and*
- *the Company's ability to obtain additional financing on satisfactory terms.*

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below:

- *volatility in the market conditions;*
- *incorrect assessments of the value of acquisitions;*
- *due diligence reviews; and*
- *competition for suitable acquisitions.*

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of these risk factors set forth above.

Overview

Yooma was originally incorporated as 2705507 Ontario Inc. on July 10, 2019, under the laws of the Province of Ontario, Canada. Pursuant to articles of amendment dated October 29, 2019, the name of the corporation was changed to "Yooma Corp." On February 10, 2021, Yooma completed a reverse takeover transaction with Globalive Technology Inc. ("Globalive"), pursuant to which Globalive acquired all of the issued and outstanding securities of Yooma in exchange for common shares of Globalive. The transaction was completed by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) with the common shares of Yooma listed on the Canadian Securities Exchange following the amalgamation of Globalive and Yooma. The Company changed its name from Yooma Corp. to Yooma Wellness Inc. on February 10, 2021.

As at December 31, 2021 and as of the date of this Discussion, Yooma had the following operating subsidiaries:

Subsidiaries	Jurisdiction of incorporation	Ownership interest
Entertainment Direct Asia Ltd.	British Virgin Islands	100%
Big Swig Inc.	United States of America	100%
Socati Corp.	United States of America	100%
N8 Essentials LLC	United States of America	100%
Vertex Co Ltd..	Japan	100%
Yooma Japan K.K.	Japan	100%
Yooma Europe Limited	United Kingdom	100%
Vitality CBD Limited	United Kingdom	100%
Green Leaf Company SAS	France	100%

Acquisition of EDA

On April 22, 2020, the Company completed the acquisition of all issued and outstanding shares of Entertainment Direct Asia Ltd. ("EDA"), a company incorporated and domiciled in the British Virgin Islands. EDA's wholly owned subsidiaries include Entertainment Direct Asia (Hong Kong) Limited (Hong Kong), Gaoweidi Business Consulting (Shanghai) Limited (China) and K.K. Fenollosa (Japan) (currently Yooma Japan K.K.). The EDA Acquisition was carried out by way of a share exchange agreement pursuant to which Yooma issued 13,000,000 Yooma Shares to the shareholders of EDA in exchange for all the issued and outstanding shares in the capital of EDA based on an agreed purchase price value for EDA of $390,000 (US$0.03 per share). The EDA Acquisition included all of EDA's subsidiaries: EDA Hong Kong and its subsidiary, Gaoweidi, as well as Yooma Japan. Effective January 1, 2021, Yooma Japan ownership was moved directly to Yooma Wellness Inc. The remaining operations in China were discontinued effective June 17, 2021.

The acquisition has been accounted for as a business combination with the Company as the acquirer.

Allocation		
Cash and cash equivalents	$	**319,929**
Amounts receivable		**38,042**
Other current assets		**3,889**
Fixed assets		**11,728**
Intangible assets		**5,394**
Investments		**46,999**
Goodwill		**1,365,779**
Accounts payable and accrued liabilities		**(89,815)**
Due to related parties		**(61,945)**
Note payable		**(1,250,000)**
Net assets acquired		**390,000**

Purchase consideration:		
Consideration in the Company's common shares (13,000,000 common shares)	**$**	**390,000**
Purchase consideration		**390,000**

Reverse take-over with Globalive Technology Inc.

On February 10, 2021, Yooma completed a reverse takeover transaction with Globalive Technology Inc. ("Globalive"), pursuant to which Globalive acquired all of the issued and outstanding securities of Yooma in exchange for common shares of Globalive. The transaction was completed by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) with the common shares of Yooma listed on the Canadian Securities Exchange following the amalgamation of Globalive and Yooma. The Company changed its name from Yooma Corp. to Yooma Wellness Inc. on February 10, 2021.

The consideration was paid by issuing common shares of Globalive to the Yooma security holders at a price per share calculated by dividing the value of cash and cash equivalents remaining in the Company on closing plus $500,000, by the number of issued and outstanding common shares of the Company, on a fully diluted basis, on the date of the closing. Based on 7,556,663 shares of Globalive outstanding on a fully diluted basis, the price per share of $0.6617 resulted in an exchange ratio of 1.1168 Globalive shares issued to Yooma security holders for each Yooma share owned prior to the transaction. Globalive's minimum cash balance of $4,500,000 as at the closing date of the transaction consisted of actual cash on hand of $3,839,275, plus a note receivable of $200,000, and was net of transaction fees. As of the date of this discussion, the note was fully repaid.

During the year ended December 31, 2021, the Company expensed transactions costs of $465,000 in connection with this transaction.

The legal acquisition of Yooma by Globalive constitutes a reverse asset acquisition for accounting purposes as Yooma is identified as the acquirer and Globalive does not meet the definition of a business, as defined in IFRS 3, Business Combinations. This transaction resulted in a reverse takeover with Yooma being identified as the accounting acquirer and the net assets of Globalive being recorded at fair value at the date of the transaction. Consequently, the historical results of operations are those of Yooma.

The following summarizes the reverse take-over and the Globalive assets acquired and assumed by Yooma:

	Fair value
Total consideration paid	**$ 5,000,000**
Net assets acquired	
Current assets	
Cash	$ 3,839,275
Long-term assets	
Note receivable	200,000
Net assets assumed	**4,039,274**
Deemed listing costs	**$ 960,725**

As the transaction was not considered to be a business combination, the excess of the fair value of the consideration over the net assets acquired in the amount of $960,725 are included as listing costs on the consolidated statement of loss and comprehensive loss.

Dual Listing on AQSE and Concurrent Capital Raise

On August 10, 2021 Yooma successfully completed the 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. Shares of Yooma are now dual listed, trading on the AQSE under the ticker YOOM while continuing to trade on the Canadian Securities Exchange under the ticker YOOM.

Yooma was admitted to the AQSE after raising gross proceeds of USD $10,137,047 less allocation to purchased warrants, through the placing of 14,059,402 common shares at a price of C$0.90 (£0.5232) per share. Investors were also granted a half warrant exercisable at a price of C$1.35 (£0.7849) per share. Yooma has granted 7,029,694 warrants in total, which will expire three years after listing on AQSE, as well as 224,600 non-transferrable warrants at CDN$0.90 per share and 112,300 non-transferrable warrants at CDN$1.35 per share with a two-year expiry to certain eligible persons who provided finance and investor introduction services in connection with the financing. Chrystal Capital Partners LLP, Europe's leading cannabis corporate finance and investment house, acted as advisor to the Company on the capital raise.

The proceeds of the equity financing were used for general corporate purposes and to complete several strategic acquisitions. The placing marked the largest ever capital raise for a cannabis company on the AQSE exchange.

Acquisition of Wellness Brands From EMMAC Life Sciences Group

On March 11, 2021, the Company completed a transaction to acquire certain wellness brands from EMMAC Life Sciences Group. This included certain assets of Blossom (CBD skincare brand), MYO Plant Nutrition (UK nutraceutical brand specializing in sports nutrition), and the shares of Green Leaf SAS in France (which owns Hello Joya and What the Hemp, two hemp-protein snack brands). The Company issued 7,459,981 shares of Yooma to EMMAC Life Sciences Limited (the "EMMAC Consideration Shares") as the consideration for the acquired assets. The assets acquired in the transaction are assets of Yooma Europe Limited, a company incorporated in the laws of the United Kingdom.

The EMMAC Consideration Shares are subject to a contractual lock-up, with 50% of the EMMAC Consideration Shares becoming tradeable on September 1, 2021 and the remaining 50% becoming tradable on February 28, 2022.

The acquisition has been accounted for as a business combination with the Company as the acquirer. The allocation of the purchase consideration was as follows:

Cash	$	14,444
Account receivables (i)		505,252
Other assets		40,596
Right of use assets		401,166
Inventory		70,900
Intangible assets - Brand		1,150,000
Intangible assets - Patents		940,000
Property plant & equipment		72,065
Accounts payable and accrued liabilities		(513,620)
Lease liability		(401,166)

Loan		(20,277)
Other liabilities		(169,402)
Net assets acquired	**$**	**2,089,958**
Goodwill	**$**	**4,363,042**
Acquisition-date fair value of the total consideration transferred	**$**	**6,453,000**
Representing: Shares issued (ii)	**$**	**6,453,000**
Cash used to acquire the business combination, net of cash acquired		
Acquisition-date fair value of the total consideration transferred	$	6,453,000
Less: cash and cash equivalents acquired	$	(14,444)
Less: shares issued	$	(6,453,000)
Net cash used in / (provided by) the business combination	**$**	**(14,444)**

(i) The fair value of trade receivables and the gross contractual amount is $505,252. There is no provision for uncollectable trade receivables as of the acquisition date.

(ii) The fair value of the common shares was determined using Yooma's closing share price of CAD$1.46 per share and foreign exchange rate of $1.265 CAD to $1.00 USD at the close of business on March 11, 2021. The value was adjusted for the 4-month statutory hold period using the Chaffee Put Model.

The goodwill of $4,363,042 represents the expected synergies from establishing a presence and potential growth platform in the UK and France. As of December 31, 2021, the goodwill was impaired by $3,300,000, and the foreign currency translation loss of $32,322 was recorded in other comprehensive income. Goodwill is not deductible for tax purposes.

During the year ended December 31, 2021, the Company expensed acquisition costs of $8,942 in connection with this transaction.

The acquired business contributed revenues of $1,697,253 and loss of $(1,827,497) to the consolidated entity for the period from March 11, 2021 to December 31, 2021.

Merger with Socati Corp.

On March 22, 2021, the Company and its wholly-owned subsidiary Yooma Acquisition Inc. completed a three-way merger (the "Merger") with Socati Corp (the "Socati"), 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, 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 Merger was satisfied by the issuance of 23,320,896 common shares of Yooma (the "Consideration Shares"). The fair value of consideration issued was estimated as $18,916,000. 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.

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 cannabinol ("CBN"), and other functional ingredients. It also specializes in the sale of an extensive catalogue of wellness products made with these ingredients. 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.

The acquisition has been accounted for as a business combination with the Company as the acquirer. The allocation of the purchase consideration was as follows:

Cash	$	2,338,935
Account receivables (i)		390,601
Other assets		2,356,762
Right of use assets		256,220
Inventory		1,232,730
Intangible assets - Patents		720,000
Property plant & equipment		4,940,457
Accounts payable and accrued liabilities		(3,068,270)
Deferred tax liability		(219,660)
Lease liability		(256,220)
Net assets acquired	**$**	**8,691,555**
Goodwill	**$**	**10,224,445**
Acquisition-date fair value of the total consideration transferred	**$**	**18,916,000**
Representing: Shares issued (ii)	$	18,916,000
Cash used to acquire the business combination, net of cash acquired		
Acquisition-date fair value of the total consideration transferred	$	18,916,000
Less: cash and cash equivalents acquired	$	(2,338,935)
Less: shares issued	$	(18,916,000)
Net cash used in / (provided by) the business combination	**$**	**(2,338,935)**

(i) The fair value of trade receivables and the gross contractual amount is $390,601. There is no provision for uncollectable trade receivables as of the acquisition date.

(ii) The fair value of the consideration issued was determined using Yooma’s closing share price of CAD$1.35 per share and foreign exchange rate of $1.25 CAD to $1.00 USD at the close of business on 22 March 2021. The value was adjusted for the 4-month statutory hold period using the Chaffee Put Model.

The goodwill was estimated as $10,224,445 represents the anticipated future revenue potential at the time of acquisition, as well as ingredient manufacturing capabilities which was expected to serve as the foundation of Yooma’s vertical integration strategy. As of December 31, 2021, the goodwill was impaired by $10,224,445. Goodwill is not deductible for tax purposes.

During the year ended December 31, 2021, the Company expensed transaction costs of $103,018 in connection with this transaction.

The acquired business contributed net revenues of $2,393,655 and net loss of $(6,997,042) to the consolidated entity for the period from March 20, 2021 to December 31, 2021.

Acquisition of Vitality CBD Limited

On August 19, 2021, the Company, through its wholly owned subsidiary Yooma Europe Limited, completed the acquisition of United Kingdom-based Vitality CBD Limited ("Vitality"). Under the terms of a sale and purchase agreement, the Company has acquired 100% of the issued shares of Vitality for total market value of GBP 8.2 million (USD $11,177,420) comprising: (i) GBP 4 million cash at closing subject to an agreed level of working capital (ii) 7,706,422 new common shares of the Company representing GBP 4.2 million issued at an implied price of GBP 0.545 per share; and (iii) up to GBP 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.

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 Sainsbury's, as well as expanding Yooma's target customer base and distribution network for its existing European-focused brands. The Vitality CBD product portfolio has over 60 SKU's 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.

One hundred percent of the consideration shares are subject to a lock-in, with 25 per cent 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 covenants and warranties). The current senior management team at Vitality has been retained and continues to operate the business day-to-day as the company focuses on integration and expansion.

The acquisition has been accounted for as a business combination with the Company as the acquirer. The allocation of the purchase consideration was as follows:

Cash	247,559
Account receivables (i)	874,286
Other assets	98,083
Right of use assets	41,343
Inventory	590,694
Intangible assets – Brand	991,293
Intangible assets – Customer list	198,259
Property plant & equipment	30,891
Accounts payable and accrued liabilities	(894,986)
Deferred tax liability	(226,639)
Lease liability	(41,343)
Net assets acquired	**$ 1,909,440**
Goodwill	**$ 9,056,342**

Acquisition-date fair value of the total consideration transferred	**$ 10,965,782**
Representing:	
Cash paid or payable	2,676,972
Shares issued (ii)	5,236,759
Contingent consideration	449,131
Liabilities assumed	2,602,920
Cash used to acquire the business combination, net of cash acquired	
Acquisition-date fair value of the total consideration transferred	10,965,782
Less: cash and cash equivalents acquired	(247,559)
Less: shares issued	(5,236,759)
Less: contingent consideration	(449,131)
Less: liabilities assumed	(2,602,920)
Net cash used in / (provided by) the business combination	**$ 2,429,413**

(i) The fair value of trade receivables was $874,286. There is no provision for uncollectable trade receivables as of the acquisition date.

(ii) The fair value of the common shares was determined using Yooma's closing share price of CAD$1.00 per share and foreign exchange rate of $1.268 CAD to $1.00 USD at the close of business on August 19, 2021. The value was adjusted for the 4-month statutory hold period using the Chaffee Put Model.

The goodwill was estimated as $9,056,342 represents the future revenue potential for the brand, the extensive distribution network for Vitality CBD products as well as the expected synergies from the integration with Yooma's existing UK operations. As of December 31, 2021, the goodwill was impaired by $2,100,000, and the foreign currency translation loss of $81,141 was recorded in other comprehensive income. Goodwill is not deductible for tax purposes.

During the year ended December 31, 2021, the Company expensed acquisition costs of $109,196 in connection with this transaction.

The acquired business contributed net revenues of $1,606,975 and net loss of $(186,963) to the consolidated entity for the period from August 19, 2021 to December 31, 2021.

Acquisition of Big Swig Inc.

On September 30, 2021, the Company completed the acquisition of Big Swig Inc., a U.S.-based seller of sparkling water beverages.

The transaction was implemented through a merger between Big Swig and Yooma Acquisition II Inc., a wholly owned subsidiary of Yooma, under a merger agreement between the three parties dated September 20, 2021. On completion of the merger, Big Swig became a wholly owned subsidiary of Yooma and its former shareholders exchanged their shares for common shares of Yooma.

The merger agreement valued Big Swig at $2.5-million, less liabilities and a final working capital adjustment on closing totalling $1,325,000 (including $375,000 owing to Yooma for funds advanced in anticipation of the transaction). The total consideration paid by Yooma on completion of the merger has been satisfied by the issuance of 1,477,986 common shares of Yooma at a price per share of $0.795 (CDN$1.01).

The consideration shares are subject to a 24-month lock-up period, with one-quarter of the consideration shares releasing from lock-up every six months. In addition, 10 per cent of the consideration shares are subject to a 24-month escrow indemnity holdback, which allows them to be accessed to satisfy the indemnity obligations of the parties under the merger agreement.

Cash	$	24,467
Account receivables (i)		159,195
Other assets		21,701
Right of use assets		250,704
Inventory		273,240
Intangible assets – Brand		300,000
Intangible assets – Customer list		190,000
Property plant & equipment		4,937
Accounts payable and accrued liabilities		(428,037)
Deferred tax liability		(102,900)
Lease Liability		(250,704)
Loan payable and other liabilities		(570,838)
Net assets acquired	**$**	**(128,235)**
Goodwill	**$**	**1,149,235**
Acquisition-date fair value of the total consideration transferred	**$**	**1,021,000**
Representing:		
Shares issued (ii)	$	646,000
Promissory note converted to equity at close		375,000
Cash used to acquire the business combination, net of cash acquired		
Acquisition-date fair value of the total consideration transferred	$	1,021,000
Less: cash and cash equivalents acquired		(24,467)
Less: shares issued		(646,000)
Less: promissory note converted to equity at close		(375,000)
Net cash used in / (provided by) the business combination	**$**	**(24,467)**

(i) The fair value of trade receivables and the gross contractual amount is $159,195. There is no provision for uncollectable trade receivables as of the acquisition date.

(ii) The fair value of the common shares was determined using Yooma's closing share price of CAD$0.64 per share and foreign exchange rate of $1.274 CAD to $1.00 USD at the close of business on September 30, 2021. The value was adjusted for the 4-month statutory hold period using the Chaffee Put Model.

The goodwill was estimated as $1,149,235 represents the expected future revenue potential at the time of acquisition, as well as know-how in the beverage industry to potentially use in the future development of functional drinks. As of December 31, 2021, the goodwill was impaired by $1,149,235. Goodwill is not deductible for tax purposes.

During the year ended December 31, 2021, the Company expensed acquisition costs of $29,646 in connection with this transaction.

The acquired business contributed net revenues of $264,016 and net loss of $(979,468) to the consolidated entity for the period from September 30, 2021 to December 31, 2021.

Acquisition of Vertex Co. Ltd.

On October 2, 2021, the Company completed the acquisition of Tokyo-based Vertex Co. Ltd., in a transaction valued at market for USD $12,000,000. Vertex sells a range of proprietary wellness products in Japan through various home shopping networks including QVC, Fuji TV, Nihon TV and others, as well as popular on-line marketplaces Rakuten, Yahoo! Shopping and Amazon, and Vertex's own Shop-V platform. The acquisition added new product lines to Yooma's wellness offerings, increased its customer base and the size of its distribution network, and provided a foothold in the Japanese marketplace for further expansion in Japan.

The transaction was implemented through a stock purchase agreement between Yooma and the shareholders of Vertex entered into on October 2, 2021. Under the purchase agreement, Yooma acquired all of the issued and outstanding securities of Vertex for a purchase price of $12,000,000 , with $2,500,000 paid in cash on closing and the balance of the purchase price to be paid in two cash instalments of $6,500,000 on April 30, 2023, and $3,000,000 on April 30, 2024. Fair value of these payments is amounted at $11,140,000. As security for its obligations in respect of the deferred payments, Yooma granted the vendors a security interest over the shares of Vertex that it has acquired. Yooma is also required to repay or refinance the third-party debt of Vertex, not to exceed $2 million, on or before March 31, 2022.To date Yooma has not completed the required repayment or refinancing of this debt. Yooma continues to negotiate with the vendors of Vertex to extend the timing of the payments due under the share purchase agreement; the vendors have granted an extension until May 24, 2022.

Cash	$	146,737
Account receivables (i)		616,404
Other assets		1,136,972
Right of use assets		159,468
Inventory		683,901
Intangible assets – Brand		700,000
Intangible assets – Customer list		5,260,000
Intangible assets – Non-competition agreement		190,000
Property plant & equipment		32,060
Accounts payable and accrued liabilities		(37,927)
Deferred tax liability		(1,881,900)
Lease liability		(159,468)
Loan payable and other liabilities		(1,620,096)
Net assets acquired	**$**	**5,226,151**

Goodwill	**$**	**8,133,370**
Acquisition-date fair value of the total consideration transferred	**$**	**13,359,521**
Representing:		
Cash paid or payable to vendor (ii)	$	11,140,000
Contingent consideration (iii)		1,132,000
Liabilities assumed		1,087,521

Cash used to acquire the business combination, net of cash acquired		
Acquisition-date fair value of the total consideration transferred	$	13,359,521
Less: cash and cash equivalents acquired		(146,737)
Less: contingent consideration		(1,132,000)
Less: fair value of cash payable after balance date		(8,640,000)
Net cash used in / (provided by) the business combination	**$**	**3,440,784**

(i) The fair value of trade receivables and the gross contractual amount is $616,404. There is no provision for uncollectable trade receivables as of the acquisition date.

(ii) $6,500,000 is payable to the Vendors on April 30, 2023 and $3,000,000 is payable to the Vendors on April 30, 2024. Accordingly, the Company discounted this portion of the purchase price to reflect the time value of money with the discount factor at 5.16% (after tax). The Company re-valued the amount payable as of December 31, 2021, and recorded an accretion expense of $157,000 into the profit and loss.

(iii) Contingent consideration is payable to the Vendors based on achieving certain financial targets, either in cash or shares at the option of the Company in the following amounts: $250,000 for the year ended December 31, 2021 due on April 30, 2022, $1,000,000 for the year ending December 31, 2022 due on April 30, 2023 and $1,000,000 for the year ending December 31, 2023 due on April 30, 2024. Accordingly, the Company discounted this portion of the purchase price to reflect the probability of payout and time value of money. The $250,000 amount that was due on April 30, 2022 remains outstanding at the date of these consolidated financial statements.

The goodwill was estimated as $8,133,370 and represents the expected future revenue potential as well as the addition of a platform in Japan for potential future wellness product line expansion. As of December 31, 2021, there was no goodwill impairment. Goodwill is not deductible for tax purposes.

During the year ended December 31, 2021, the Company expensed acquisition costs of $146,972 in connection with this transaction.

The acquired business contributed net revenues of $3,101,351 and net profit of $462,480 to the consolidated entity for the period from October 2, 2021 to December 31, 2021.

Acquisition of N8 Essentials LLC.

On October 14, 2021, the Company acquired N8 Essentials LLC, a U.S.-based manufacturer and seller of wellness products that incorporate CBD (cannabidiol), along with other cannabinoids and functional ingredients.

The acquisition was completed through Yooma's wholly owned subsidiary, Socati Corp., and added N8's 14,000-square-foot manufacturing facility in Kansas to Socati's existing 22,000-square-foot facility in Montana, significantly increasing the platform's downstream manufacturing capabilities in the United States.

The transaction was completed through an equity purchase agreement between Socati, Yooma, N8 and its equityholders dated October 13, 2021. The purchase agreement valued N8 at $850,000, less working capital adjustments on closing of $60,000. On completion of the transaction, Socati became the owner of all of the issued and outstanding equity in N8 and Yooma issued 1,173,847 common shares to the former equityholders of N8 at a price per share of $0.673 (CAD $0.853).

The consideration shares are subject to a 28-month lock-up period, with one-quarter of the consideration shares releasing from lock-up 10 months following the closing and one-quarter of the consideration shares releasing every six months thereafter.

Cash	$	4,133
Account receivables (i)		343
Other assets		465
Right of Use assets		605,830
Inventory		275,591
Property plant & equipment		9,199
Accounts payable and accrued liabilities		(102,898)
Lease liability		605,830
Net assets acquired	**$**	**186,383**
Goodwill	**$**	**392,592**
Acquisition-date fair value of the total consideration transferred	**$**	**579,425**
Representing:		
Shares issued (ii)	$	579,425
Cash used to acquire the business combination, net of cash acquired		
Acquisition-date fair value of the total consideration transferred	$	579,425
Less: cash and cash equivalents acquired		(4,133)
Less: shares issued		(579,425)
Net cash used in / (provided by) the business combination	**$**	**(4,133)**

(i) The fair value of trade receivables and the gross contractual amount is $343. There is no provision for uncollectable trade receivables as of the acquisition date.

(ii) The fair value of the common shares was determined using Yooma's closing share price of CAD$0.78 per share and foreign exchange rate of $1.244 CAD to $1.00 USD at the close of business on October 13, 2021. The value was adjusted for the 4-month statutory hold period using the Chaffee Put Model.

The goodwill was estimated as $392,592 represents the opportunity for downstream manufacturing of consumer finished products which would further the Company's vertical integration strategy. As of December 31, 2021, the goodwill was impaired by $392,592. Goodwill is not deductible for tax purposes.

During the year ended December 31, 2021, the Company expensed acquisition costs of $16,912 in connection with this transaction.

The acquired business contributed net revenues of $(50,408) and net loss of $(229,867) to the consolidated entity for the period from October 14, 2021 to December 31, 2021.

Re-Evaluation of operation in the United States

Due to the lack of regulatory clarity in the United States, which in the opinion of Yooma's management has limited market opportunities for growth in the CBD industry, and the significant decline in CBD public markets generally over the last year, which has proportionately affected the share price of Yooma's common shares and has limited the Company's ability to continue to raise capital to fund its operating subsidiaries and to pursue its "buy-and-build" strategy, Yooma has decided to significantly reduce its operational footprint in the United States. The Company intends to instead focus its efforts and resources on its businesses and operations in jurisdictions where a more structured regulatory environment is expected to facilitate growth in the CBD industry (primarily the UK and Europe) as well as on the Company's non-CBD businesses, such as Vertex Co., Ltd. in Japan. To that end, since the end of the reporting period, the Company's US-based subsidiaries have taken the following steps:

(a) Socati Corp., the Company's US-based CBD ingredients manufacturer, is in the process of suspending its operations. Socati's employees have been terminated and all saleable inventory and equipment have been liquidated. An agreement of purchase and sale has been entered into for the sale of Socati's Montana real estate asset for anticipated gross proceeds of approximately $2.5 million, which is closed on May 27, 2022, pending completion of due diligence by the purchaser. Socati has retained ownership of its key intellectual property, preserving the Company's ability to relaunch the business, if warranted, in the future.

(b) N8 Essentials, LLC, a wholly-owned US-based subsidiary of Socati, has suspended its operations. On April 1, 2022, substantially all of the assets of N8 were sold to a third-party for gross proceeds of $200,000, with $100,000 payable in cash on closing and $100,000 payable through a note receivable with 6 equal payments due over the 18 months following the closing date.

(c) Big Swig Inc., the Company's US-based subsidiary which operates a sparkling water business, is in the process of restructuring its operations. Big Swig has initiated discussions with its secured creditor, landlord and trade creditors with a view to resolving all of the company's outstanding liabilities.

As at December 31, 2021, all assets of these divisions were written down to their net realizable value.

Financial Highlights

A summary of selected financial information as follows:

		For the three month period ended March 31, 2022	For the three month period ended March 31, 2021
Revenue	$	10,184,545	603,680
Cost of sales		(7,811,554)	(273,527)
Gross loss	**$**	2,372,991	330,153
Expenses			
Office and administrative	$	(2,664,615)	(1,197,077)
Depreciation and amortization		(374,265)	-
Stock based compensation		(160,772)	(47,298)
Listing expense		-	(960,725)
Liability warrants fair value adjustment		44,387	-
Fair value adjustment on discounted purchase price		(216,578)	-
Other income		49,138	52,474
Consulting fees		(156,766)	(163,123)
Professional fees		(197,263)	(389,796)
Total expenses	**$**	**(3,676,735)**	**(2,705,545)**
Deferred income tax recovery		196,012	-
Net loss for the period	**$**	**$(2,697,277)**	**$(2,375,393)**
Basic and diluted loss per share attributable to common shareholders	$	(0.03)	(0.06)
Cash flows provided by (used in)			
Operating activities	$	(750,091)	((3,743,191))
Investing activities		143,200	6,392,846
Financing activities		(5,057)	1,094,360

		As at March 31, 2022	As at December 31, 2021
Total assets	$	33,090,645	36,588,804
Shareholders' equity		12,363,241	15,296,693

Results of Operations

Results of Operations for the period ended March 31, 2022

The Company incurred a net loss for the quarter ended March 31, 2022 of $(2,697,277) (Q1-2021 - $(2,375,393). The gross profit for the period was $ $783,446 (Q1-2021- $330,153); with operating expenses of $ 3,676,735 (Q1-2021 - $2,705,545). The expenses and other income includes other income of $ 49,138 (Q1-2021-$ 52,474); fair value adjustment on warrants liability gain $44,387 (Q1-2021 - $Nil) fair value adjustment on discounted purchase price of $216,578 (Q1-2021-$Nil), deferred income tax recovery $196,012 (Q1-2021 - $Nil); Expenses for the quarter ended March 31, 2022 include the stock-based compensation of $160,772 (Q1 – 2021 - $47,298).

Transactions with Related Parties

(a) Compensation to key management is as follows:

Key management personnel include the directors and corporate officers who have authority and who are responsible for planning, directing and controlling the Company's business activities. Their compensation for the interim period ended March 31, 2022 and March 31, 2021 was as follows:

		March 31, 2022		**March 31, 2021**
Salaries	$	119,050	$	119,017
Board compensation fees		68,750		70,925
Stock based compensation granted(i)(ii)		-		485,279
	$	**187,800**	$	**675,221**

(i) Stock based compensation granted was estimated using the fair value of the 1,350,000 options granted to the Company's officers on February 10, 2021. The fair value of $485,279 was estimated based on the Black-Scholes option pricing model as described in note 17 (b (i)) which will be recognized in the statement of loss and comprehensive loss over the vesting period.

(b) The acquisition of Socati on March 20, 2021 (Note 4(b)) was considered a related party transaction on the basis that certain of the recipients of Yooma shares under the transaction were existing directors or officers of Yooma.

Detailed Quarterly Results

	Q2- 2020	Q3- 2020	Q4- 2020	Q1- 2021	Q2- 2021	Q3- 2021	Q4- 2021	Q1- 2022
Sales revenue	$-	$-	$(43,511)	$330,153	$242,708	$560,107	$1,240,023	$ 783,446
Other income (loss)	$17,499	$20,216	$(26,227)	$52,474	$10,374	$14,402	$71,970	$ 49,138
Fair value adjustment on warrants liability	$-	$-	$-	$-	$-	$-	$ 1,909,978	$44,387
Fair value adjustment on discounted purchase price	$-	$-	$-	$-	$-	$-	$-	$(216,578)
Deferred Income tax recovery	$-	$-	$-	$-	$-	$-	$ 382,510	$196,012
Current income tax expense	$-	$-	$-	$-	$-	$-	$ (167,612)	$-
General and administration Costs:								
Office and general	$232,089	$224,788	$463,877	$1,178,223	$2,307,477	$1,961,692	$3,658,498	$2,664,615
Depreciation and amortization	$-	$-	$-	$18,854	$212,669	$177,804	$503,134	$ 374,265
Assets write-off	$-	$-	$-	$-	$134,810	$-	$2,695,994	$-
Impairment	$-	$-	$-	$-	$-	$-	$19,672,801	$-
Loss on disposition of capital assets	$-	$-	$-	$-	$-	$-	$715,142	$-
Listing expense	$-	$-	$-	$-	$-	$-	$960,725	$-
Stock based compensation	$-	$-	$-	$47,298	$52,304	$574,839	$(246,732)	$160,772
Consulting fees	$132,808	$308,437	$287,302	$163,123	$227,566	$130,767	$233,545	$156,766
Professional fees	$83,745	$217,545	$246,225	$389,796	$511,931	$363,172	$1,118,800	$197,263
Loss for the period	$431,143	$730,554	$1,067,142	$2,375,393	$3,193,674	$2,633,763	$25,875,038	$ 2,697,277
Loss per share*	$0.02	$0.02	$0.02	$0.06	$0.04	$0.03	$0.26	$0.03

Disclosure of Outstanding Share Data

As of the date of this MD&A, the following is a description of the outstanding equity securities and exercisable securities previously issued by the Company.

(a) Authorized and issued capital: The Company has unlimited authorized common shares with no par value. The movement in the Company's issued and outstanding common shares during the period is as follows:

Balance, December 31, 2020	**33,831,330**	**$**	**5,517,350**
Shares issued on the Globalive transaction	**11,508,148**	$	5,000,000
Shares issued on the EMMAC Life Sciences Group transaction	**7,459,981**	$	6,453,000
Shares issued on the Socati transaction	**23,320,896**	$	18,916,000
Shares issued on the Private Placement	**14,059,402**	$	8,070,859
Shares issued on the Vitality CBD transaction	**7,706,422**	$	5,236,759
Shares issued on the Big Swig transaction	**1,477,986**	$	646,000
Shares issued on the settlement of debt	**321,726**	$	188,753
Shares issued on acquisition of N8	**1,173,847**	$	579,425
Share issuance costs on the Private Placement		$	(428,081)
Balance, December 31, 2021, March 31, 2022 and as of the date of this Discussion	**100,859,738**		**$50,180,065**

(b) During the year ended December 31, 2021, the Company recognized a share-based compensation expense of $427,709 (2020 - $Nil), related to stock options. The total fair value of options granted during the period was $1,170,149 (2020 - $Nil).

The Company had the following stock options outstanding as of the date of this Discussion:

	Number of Options	**Average Exercise Price**
Outstanding, December 31, 2020	-	-
Issued February 10, 2021	**1,350,000**	CDN$ **0.84**
Issued February 10, 2021	**78,750**	CDN **$5.00**
Issued September 3, 2021	**235,000**	CDN$ **0.90**
Issued December 22, 2021	**6,925,000**	CDN$ **0.20**
Outstanding, Dec. 31, 2021, March 31, 2022 and as of the date of this Discussion	**8,588,750**	CDN$ **0.36**

The Company had the following stock options outstanding at March 31, 2022:

Number of Options	Exercise Price	Expiry Date	Weighted average remaining life (years)
78,750	CDN$5.00	June 8, 2025	4.17
1,350,000	CDN$0.84	Feb. 10, 2031	8.87
235,000	CDN$0.90	Sep. 3, 2031	9.43
6,925,000	CDN$0.20	Dec. 22, 2031	9.68

(c) Deferred share units

	Number of DRUs	Weighted Average Share Price
Outstanding, December 31, 2020	**-**	-
Issued May 6, 2021	**207,831**	CDN**$1.24**
Issued September 2, 2021	**45,500**	CDN**$0.90**
Outstanding, December 31, 2021, March 31, 2022 and as of May 30, 2022	**253,331**	CDN**$1.18**

(d)

The Company had the following warrants outstanding as of the date of this Discussion:

	Number of Options	Weighted Average Share Price
Outstanding, December 31, 2020	**-**	-
August 10, 2021 (exp Aug.10, 2024)	7,029,694	CDN$1.35
August 10, 2021 (exp Aug 10, 2023)	224,600	CDN$0.90
August 10, 2021 (exp Aug 10, 2023)	112,300	CDN$1.35
Outstanding, Dec. 31, 2021, March 31, 2022 and May 30, 2022	**7,366,594**	CDN**$ 1.34**

Financial risk management

Risk management framework:

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. Top management frequently meets to discuss early identification of those risks, if any, monitors its compliance with the policies and procedures and documents their follow-up.

The board of directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Credit risk:

Credit risk relates to cash and arises from the possibility that any counterparty to an instrument fails to perform. The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the management.

The Company has no significant concentration of credit risk arising from operations. The Company’s cash is placed with major financial institutions. Management believes that the credit risk with respect to financial instruments included in cash is remote.

(b) Cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company's treasury function in accordance with the Company's policy.

(c) Liquidity risk:

The Company's exposure to liquidity risk is dependent on its ability to raise funds to meet purchase commitments and to sustain operations. The Company controls its liquidity risk by managing working capital and cash flows. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2022, the Company had a cash balance of $624,418 (December 31, 2021 - $1,232,538) to settle current financial liabilities of $6,673,632 (December 31, 2021 - $7,096,539). All of the Company’s financial liabilities have contractual maturities of less than 12 months and are subject to normal trade terms.

(d) Accounts receivable:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of accounts receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

(e) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at March 31, 2022, the Company is not exposed to any significant market risks.

Liquidity And Capital Resources

As at March 31, 2022, Yooma had shareholders' equity of $12,363,241 (December 31, 2021 - $15,296,693). This includes accounts payable and accrued liabilities of $3,842,148 (December 31, 2021 - $4,471,263) which were due within 12 months, due to related parties of $558,792 (December 31, 2021 - $377,051) and cash of $624,418 (December 31, 2021 - $1,232,537) in the Company's bank account. Yooma does not generate significant revenue from its operations and any significant improvements in working capital would result from the issuance of share capital or other funding sources. Up to the date of this Discussion, the net cash proceeds from the issue of share capital amounted to $24,037,397.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and the capital stock, and option components of its shareholders equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year period March 31, 2022. The Company is not a subject to externally imposed capital requirements.

Although economic conditions in the financial market appear to have made a modest recovery, it remains difficult under current economic conditions to secure debt or equity financing for same companies. If the current market conditions persist for an extended period of time, there can be no assurance that additional funding will be available to the Company or if available, that this funding will be on acceptable terms.

Critical Accounting Estimates

Critical accounting estimates are those estimates that have a high degree of uncertainty and for which changes in those estimates could materially impact the Company's results. Significant items subject to estimates and assumptions include the valuation of goodwill and the recognition of deferred income tax assets and liabilities. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. In determining the allocation of the purchase price in a business combination, including any acquisition-related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition- date fair value and included as part of the consideration transferred in a business combination.

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by considering the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

The fair value of share-based compensation expenses are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

The Company regularly reviews and makes an assessment of its ability to continue as a going concern. This assessment relies on significant judgements and assumptions, taking into account known future information, including whether events or conditions create material uncertainties that may cast significant doubt on the ability to continue as a going concern.

Management is required to use judgement in determining the economic useful lives of identifiable intangible assets. Judgement is also required in identifying indicators of impairment and in identifying the Company's cash generating units ("CGUs"). Judgements and estimates are required are also required in forecasting the future cash generation, the appropriate weighted average cost of capital to apply for discounted cashflows.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Changes in accounting policies

There were no changes to accounting policies and methods as those used in the Company's audited financial statements for the year ended December 31, 2021.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet finance arrangements.