Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)

YOOMA WELLNESS INC.

(FORMERLY YOOMA CORP.)

For the three months period ended March 31, 2022, and
March 31, 2021

The accompanying unaudited Condensed Interim Consolidated Financial statements for the interim period ended March 31, 2022 have not been reviewed by the Company's auditors. These financial statements are the responsibility of the management and have been reviewed and approved by the Company’s Audit Committee.

YOOMA WELLNESS INC.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in U.S. dollars)

		March 31, 2022		December 31, 2021
Assets				
Current				
Cash	**$**	**624,418**	$	1,232,538
Amounts receivable		**1,518,042**		3,059,441
Prepaid and other current assets (Note 7)		**1,299,608**		1,490,958
Note receivable (Note 6)		-		100,000
Inventory (Note 5)		**2,437,221**		2,458,291
		5,879,289		8,341,228
Non-current				
Note receivable (Note 6)		**175,109**		175,109
Property, plant and equipment (Note 8)		**2,628,922**		3,043,392
Intangible assets (Note 9)		**8,613,427**		8,989,784
Goodwill (Note 4 (a-f))		**15,793,898**		16,039,291
	$	**33,090,646**	$	36,588,804
Liabilities and Shareholders' Equity				
Current				
Accounts payable and accrued liabilities (Note 11)	**$**	**3,842,148**	$	4,471,263
Due to related parties		**558,792**		377,051
Current portion of lease liability (Note 21)		**405,038**		510,094
Contingent consideration (Note 13)		**1,867,654**		1,738,131
		6,673,632		7,096,539
Non-current				
Warrants reserve (Note 12)	**$**	**111,824**	$	156,211
Lease liability (Note 21)		**1,107,462**		1,107,462
Deferred tax liability		**1,843,744**		2,045,427
Loan payable and other liabilities (Note 14)		**10,990,742**		10,886,472
		14,053,772		14,195,572
Shareholders' Equity				
Capital stock (Note 17 (a))		**50,180,065**		50,180,065
Accumulated other comprehensive income		**(632,492)**		(235,545)
Warrants (Note 17 (d))		**122,501**		122,501
Contributed surplus		**830,981**		670,209
Deficit		**(38,137,814)**		(35,440,537)
		12,363,241		15,296,693
	$	**33,090,646**	$	36,588,804

Subsequent events (Note 22)

Approved by the Board "Lorne Abony " Director **(Signed)** "Jordan Greenberg " Director **(Signed)**

See accompanying notes to the condensed interim consolidated financial statements.

YOOMA WELLNESS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in U.S. dollars, except per share and weighted average share figures)

		For the three month period ended March 31, 2022		For the three month period ended March 31, 2021
Revenue	$	3,202,465	$	603,680
Cost of sales		(2,419,018)		(273,527)
Gross profit	$	783,446	$	330,153
Expenses				
Depreciation and amortization	$	374,265	$	-
Consulting fees		156,766		163,123
Professional fees		197,263		389,796
Listing expense		-		960,725
Stock-Based compensation		160,772		47,298
Fair value adjustment on discounted purchase price		216,578		-
Office and administrative		2,664,615		1,197,077
Liability warrants fair value adjustment		(44,387)		-
Other income		(49,138)		(52,474)
		3,676,735		2,705,545
Deferred Income tax recovery		196,012		-
Net loss	$	(2,697,277)	$	(2,375,393)
Other comprehensive loss				
Foreign currency translation		(396,947)		-
				-
Comprehensive loss	$	(3,094,224)	$	(2,375,393)
Loss per share – basic and diluted:	$	(0.03)	$	(0.06)
Weighted average number of common shares outstanding – basic and diluted:		100,859,744		36,606,818

See accompanying notes to the condensed interim consolidated financial statements.

YOOMA WELLNESS INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in U.S. dollars, except number of shares)

		For the three month period ended March 31, 2022		For the three month period ended March 31, 2021
Share Capital				
Balance at beginning of period	$	50,180,065	$	5,517,350
Shares issued on the Globalive transaction (Note 2)		-		5,000,000
Shares issued on the EMMAC Life Sciences Group transaction (Note 3(a))		-		6,453,000
Shares issued on the Socati transaction (Note 3 (b))		-		18,916,000
Balance at end of period	**$**	**50,180,065**	**$**	**35,886,350**
Contributed Surplus				
Balance at beginning of period	$	670,209	$	-
Stock-based compensation		160,772		47,298
Balance at end of period	**$**	**830,981**	**$**	**47,298**
Warrants				
Balance at beginning of period	$	122,501	$	-
Balance at end of period	**$**	**122,501**	**$**	**-**
Accumulated other comprehensive income				
Balance at beginning of period	$	(235,545)	$	-
Foreign currency translation		(396,947)		-
Balance at end of period	**$**	**(632,492)**	**$**	**-**
Accumulated Deficit				
Balance at beginning of period	$	(35,440,537)	$	(2,323,392)
Net loss for the period		(2,697,277)		(2,375,393)
Balance at end of period	**$**	**(38,137,814)**	**$**	**(4,698,785)**
Total changes in the Shareholders' Equity				
Balance at beginning of period	$	15,296,693	$	3,193,958
Issuance of capital stock		-		30,369,000
Contributed Surplus		160,772		47,298
Accumulated other comprehensive income		(396,947)		-
Net loss for the period		(2,697,277)		(2,375,393)
Balance at end of period	**$**	**12,363,241**	**$**	**31,234,863**

See accompanying notes to the condensed interim consolidated financial statements.

YOOMA WELLNESS INC.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)

		For the three month period ended March 31, 2022		For the three month period ended March 31, 2021
Cash provided by (used in)				
Operating activities:				
Net loss for the period	**$**	**(2,697,277)**	**$**	(2,375,393)
Item not affecting cash:				
Depreciation and Amortization		**374,265**		18,855
Stock-based compensation		**160,772**		47,298
Listing expense		**-**		960,725
Accrued interest on note receivable		**-**		(2,148)
Accretion		**129,523**		-
Fair value adjustment on discounted purchase price		**216,578**		-
Fair value adjustment on liability warrants		**(44,387)**		-
Deferred Income tax recovery		**(196,012)**		-
Loss on disposition of assets		**1,304,542**		-
Net changes in non-cash working capital:				
Amounts receivable		**1,541,399**		(338,927)
Prepaid and other current assets		**191,350**		(1,212,860)
Inventory		**21,070**		131,838
Due to related parties		**181,741**		326,546
Deferred revenue		**-**		161,837
Accounts payable and accrued liabilities		**(629,114)**		(1,460,962)
	$	**(750,091)**	**$**	**(3,743,191)**
Investing activities:				
Net cash received on disposal of capital assets	**$**	**143,200**	**$**	-
Net cash received on Socati business acquisition		**-**		2,339,085
Net cash received on EMMAC business acquisition		**-**		14,486
Note receivables		**-**		200,000
Cash received on going public transaction		**-**		3,839,275
	$	**143,200**	**$**	**6,392,846**
Financing activities:				
Note payable		**100,000**		(119,400)
Payment of lease obligations		**(105,057)**		-
Net proceeds from issuance of common shares		**-**		1,213,760
	$	**(5,057)**	**$**	1,094,360
Net effect on foreign currency conversion		**3,829**		-
Net change in cash during the period		**(611,949)**		3,744,015
Cash, beginning of period	**$**	**1,232,538**	**$**	2,481,924
Cash, end of period	**$**	**624,418**	**$**	6,225,939

See accompanying notes to the condensed interim consolidated financial statements.

1. Nature of operations:

Yooma Wellness Inc. (formerly Yooma Corp.) (the “Yooma” or the “Company”) was incorporated under the laws of the Province of Ontario on July 10, 2019 as a private holding company to make acquisitions in the cannabidiol (“CBD”) and wellness space.

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 Yooma Japan K.K. (Japan).

Subsequent to the completion of the reverse take over transaction with Globalive Technology Inc. (“Globalive”) on February 10, 2021, Yooma Corp. changed its name to Yooma Wellness Inc. Globalive acquired all of the issued and outstanding securities of Yooma in exchange for common shares of Globalive (Note 3). 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 continuing following the amalgamation of Globalive and Yooma listed on the Canadian Securities Exchange as of February 11, 2021. The transaction with Globalive was accounted for as a reverse takeover that is not a business combination. Therefore, accounting for the transaction includes the carry forward of the assets, liabilities and operations of Yooma and Globalive’s share capital, deficit, and contributed surplus have been eliminated.

On March 11, 2021, the Company completed a transaction to acquire the wellness brands of EMMAC Life Sciences Group, including Blossom, MYO, Hello Joya and What the Hemp (Note 4 (a)).

On March 22, 2021, the Company completed a merger (the "Merger") between Socati Corp. and Yooma Acquisition Inc., a wholly-owned subsidiary of Yooma, under a merger agreement between the three parties dated March 19, 2021 (the "Merger Agreement") (Note 4 (b)) with Yooma as an acquirer.

On August 10, 2021, the Company began trading on the Aquis Stock Exchange Growth Market (AQSE). Shares are trading under the ticker YOOM. Yooma is dual-listed and continues to trade on the Canadian Securities Exchange under the ticker YOOM.

On August 19, 2021, the Company, through its wholly owned subsidiary Yooma Europe Limited, completed the acquisition of United Kingdom-based Vitality CBD Limited (Note 4(c)).

On September 30, 2021, the Company completed the acquisition of Big Swig Inc., a U.S.-based seller of sparkling water beverages (Note 4 (d)).

On October 2, 2021, the Company completed the acquisition of Tokyo-based Vertex Co. Ltd. (Note 4 (e)).

On October 14, 2021, the Company acquired N8 Essentials LLC, a U.S.-based manufacturer and seller of wellness products that incorporate CBD (cannabidiol), cannabinoids and other functional ingredient (Note 4 (f)).

These unaudited condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and expects to incur further losses in the development of its business. At of March 31, 2022, the Company had working deficit of $(794,343) (December 31, 2021 – net working capital $1,244,689), net loss for the period ended March 31, 2022 of $2,697,277 (March 31, 2021 - $2,375,393) and has an accumulated deficit of $38,137,814 (December 31, 2021 - $35,440,537). The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing, to commence profitable operations in the future and to repay its liabilities arising from normal business operations as they become due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The unaudited condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The registered head office of the Company is 135 Yorkville Ave, Suite 900, Toronto, Ontario, Canada, M5R 0C7.

The directors approved these condensed interim consolidated financial statements on May 30, 2022.

2. Basis of presentation:

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods as those used in the Company’s audited financial statements for the year ended December 31, 2021. These unaudited condensed interim financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Accordingly certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), have been omitted.

Basis of consolidation and preparation

These unaudited condensed interim consolidated financial statements of the Company include the transactions and balances of its subsidiaries. The Company consolidates its subsidiaries on the basis that it controls the subsidiaries. In determining whether the Company controls each subsidiary, management is required to assess the definition of control in accordance with IFRS 10 - Consolidated Financial Statements. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation.

The following is a list of the Company's operating subsidiaries as of December 31, 2021 and March 31, 2022:

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

Functional currency

All figures presented in these unaudited condensed interim consolidated financial statements are presented in United States Dollars; Items included in the financial statements of each entity consolidated by the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of each of the Company's significant subsidiaries is disclosed in the table above.

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through profit and loss.

On consolidation, the assets and liabilities of foreign operations reported in their functional currencies are translated into United States Dollars, the Group's presentation currency, at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into United States Dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income and accumulated in equity.

These unaudited condensed interim consolidated financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

Operating segment

The Company is comprised of the following operating segments: Corporate, Europe, Japan and the United States. In making this judgement, the Company evaluated the business activities from which it earns revenues and incurs expenses, at which level operating results are reviewed at the chief operating decision maker and for which discrete financial information is available. The chief executive officer has been deemed the chief operating decision maker.

(Expressed in U.S. dollars)

3. Going Public Transaction:

On February 10, 2021, Yooma completed a reverse takeover transaction with Globalive Technologies 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 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 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.

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

Total consideration paid	**$ 5,000,000**
Net assets acquired	
Current assets	
Cash	$ 3,839,275
Long-term assets	
Note receivable (Note 8)	200,000
Net assets assumed	**4,039,275**
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 interim consolidated statement of loss and comprehensive loss for the period ended March 31, 2021.

(Expressed in U.S. dollars)

4. Acquisitions:

(a) On March 11, 2021, the Company through its wholly-owned subsidiary Yooma Europe Limited, completed a transaction to acquire the wellness brands of EMMAC Life Sciences Group, including Blossom Skincare and MYO Plant Nutrition in the UK, along with 100% of the issued shares of Green Leaf Company SAS in France with its hemp-based protein brands Hello Joya and What the Hemp. The Company issued 7,459,981 shares of Yooma to EMMAC Life Sciences Limited (the "Consideration Shares") as the consideration for the acquired assets. The assets and shares acquired in the transaction are held by Yooma Europe Limited, a company incorporated in the laws of the United Kingdom.

The acquisition has been accounted for as a business combination with the Company as the acquirer. The net assets acquired and 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.

(Expressed in U.S. dollars)

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. There were no changes to Goodwill as of March 31, 2022.

(b) On March 22, 2021, the Company completed a merger (the "Merger") between Socati and Yooma Acquisition Inc., a wholly-owned subsidiary of Yooma, under a merger agreement between the three parties dated March 19, 2021 (the "Merger Agreement"). On completion of the Merger, Socati became a wholly-owned subsidiary of Yooma and the Socati shareholders, as well as certain creditors and other parties having convertible or contingent rights to receive Socati shares, have exchanged their securities of Socati for a right to receive common shares of Yooma, subject to delivery of certain documentation required under the Merger Agreement.

In total, the consideration paid by Yooma in connection with the Merger was satisfied by the issuance of 23,320,894 common shares of Yooma (the "Consideration Shares"). The fair value of the Consideration Shares 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.

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)**

(Expressed in U.S. dollars)

(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 Shares 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 in full by $10,224,445.

(c) On August 19, 2021, the Company, through its wholly owned subsidiary Yooma Europe Ltd., completed the acquisition of United Kingdom-based Vitality CBD Limited. Under the terms of a sale and purchase agreement, the Company has acquired 100% of the issued shares of Vitality for total 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 added 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.

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

(Expressed in U.S. dollars)

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. There were no changes to Goodwill as of March 31, 2022.

(d) 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.

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

(Expressed in U.S. dollars)

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 in full by $1,149,235.

(e) On October 2, 2021 , the Company completed the acquisition of Tokyo-based Vertex Co. Ltd. The acquisition added new product lines to Yooma's wellness offerings, increases its customer base and the size of its distribution network, and provides 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 31, 2022.

(Expressed in U.S. dollars)

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 March 31, 2022, and recorded an accretion expense of $216,578 (December 31, 2021 - $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 unaudited condensed interim consolidated financial statements. The Company re-valued the contingent consideration payable as of March 31, 2022, and recorded an accretion expense of $129,523 (December 31, 2021 - $Nil) into the profit and loss.

(Expressed in U.S. dollars)

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 March 31, 2022 and December 31, 2021, there was no goodwill impairment.

(f) On October 14, 2021, the Company acquired N8 Essentials LLC, a U.S.-based manufacturer and seller of wellness products that incorporate CBD, cannabinoids and other functional ingredients. The acquisition was completed through Yooma's wholly owned subsidiary, Socati Corp

The transaction was completed through an equity purchase agreement between Socati, Yooma, N8 and its equityholders dated October 13, 2021. The purchase agreement values 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.

The consideration shares will be 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	**$**	**186,833**
Goodwill	**$**	**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.

(Expressed in U.S. dollars)

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 in full by $392,592.

5. Inventory:

The Company's inventory of $2,437,221 as at March 31, 2022 (December 31, 2021 - $2,458,291) consists of raw material, WIP, and finished goods inventory. For the three month ended March 31, 2022, the Company recognized $2,419,018 (March 31, 2021- $273,527) of inventories in cost of sales. During the year ended December 31, 2021, the Company acquired inventory as a part of the net assets acquired (Note 4 (a-f)) in the amount of $3,127,056 (March 31, 2022 - $Nil).

6. Notes receivable:

(a) On February 10, 2021, the Company assumed a $200,000 promissory note as a part of the reverse takeover transaction with Globalive (Note 3). The amount is due on February 11, 2023 and bears nil interest in the first year, then at 12% per annum. As of March 31, 2022, the outstanding amount on the note was $Nil) (December 31, 2021 - $100,000).

(b) The Company's has a note receivable to from a non-related party in the amount of $175,109. The note bears interest at 0.45% per annum and is due July 19, 2029.

7. Prepaid expenses and other receivables:

		March 31, 2022		December 31, 2021
Prepaid expenses	$	**972,135**	$	**1,052,253**
HST receivable		**205,371**		**176,953**
Other assets		**25,880**		**57,502**
Other amounts receivable		**96,222**		**204,250**
	$	**1,299,608**	$	**1,490,958**

(Expressed in U.S. dollars)

8. Property, plant and equipment

The Company had the following property plant and equipment as of March 31, 2022:

Cost

	Balance, December 31, 2021	Additions	Dispositions	Balance, as of March 31, 2022
Land	$300,000	$ -	$ -	**$300,000**
Building and improvements	1,624,019	-	-	**1,624,019**
Leasehold improvements	167,500	-	-	**167,500**
Machinery & equipment	691,472	-	(568,438)	**123,034**
Right of Use	589,682	-	-	**589,682**
Total cost	**$3,372,673**	**$ -**	**$(568,438)**	**$2,804,235**

Accumulated Depreciation

	Balance, December 31, 2021	Additions	Dispositions	Balance, as of March 31, 2022
Land	$ -	$ -	$ -	$ -
Building and improvements	(33,330)	(10,562)	-	(43,892)
Leasehold improvements	(26,688)	(32,569)	-	(59,257)
Machinery & equipment	(242,633)	(72,688)	(292,852)	(22,469)
Right of Use	(26,630)	(23,065)	-	(49,695)
Total accumulated depreciation	**(329,281)**	**(138,884)**	**292,852**	**(175,313)**
Net Book Value	**$3,043,392**	**$(138,884)**	**$(275,586)**	**$2,628,922**

(Expressed in U.S. dollars)

The Company had the following property plant and equipment as of December 31, 2021:

Cost

	Balance, December 31, 2020	Acquired during business combinations	Additions	Dispositions	Impairment	Balance, as of December 31, 2021
Land	$ -	$300,000	$ -	$ -	$ -	**$300,000**
Building and improvements	-	1,624,019	-	-	-	**1,624,019**
Leasehold improvements	-	167,500	-	-	-	**$167,500**
Machinery & equipment	-	2,946,417	-	(886,683)	(1,368,262)	**$691,472**
Furniture and fixtures	-	39,240	-	-	(39,240)	**$-**
Computer equipment	-	12,433	-	-	(12,433)	**$-**
Right of Use	-	1,746,570	-	-	(1,156,888)	**$589,862**
Total cost	**$ -**	**$6,836,179**	**$ -**	**(886,683)**	**$(2,576,823)**	**$3,372,673**

Accumulated Depreciation

	Balance, December 31, 2020	Acquired during business combination	Additions	Dispositions	Impairment	Balance, as of December 31, 2021
Land	$ -	$ -	$ -	$ -	$ -	$ -
Building and improvements	-	-	(33,330)	-		(33,330)
Leasehold improvements	-	-	(26,688)	-	-	(26,688)
Machinery & equipment	-	-	(382,426)	40,791	99,002	(242,633)
Furniture and fixtures	-	-	(5,956)	-	5,956	-
Computer equipment	-	-	(2,969)	-	2,969	-
Right of Use	-	-	(26,630)	-	-	(26,630)
Total accumulated depreciation	**$ -**	**$-**	**(477,999)**	**40,791**	**107,927**	**(329,281)**
Net Book Value	**$ -**	**$6,836,179**	**$(477,999)**	**$(845,892)**	**$(2,468,896)**	**$3,043,392**

(Expressed in U.S. dollars)

9. Intangible Assets

Summary of intangible assets as of March 31, 2022 is as follows:

	Patents	Customer Relationships	Non-Competition Agreements	Brand/Tradenames	TOTAL
Balance, December 31, 2021	**843,063**	**5,317,098**	**172,727**	**2,656,896**	**8,989,784**
Amortization	(41,500)	(141,206)	(17,273)	(78,532)	(278,512)
Foreign Exchange	(28,045)	(5,915)	-	(63,885)	(97,845)
Balance, March 31, 2022	773,518	(147,122)	(17,273)	(142,418)	(376,357)

Summary of intangible assets as of December 31, 2021 is as follows:

	Patents	Customer Relationships	Non-Competition Agreements	Brand/Tradenames	TOTAL
Acquired in business combinations (Note 4)	$1,660,000	$5,648,259	$190,000	$3,141,293	$10,639,552
Amortization	(126,579)	(143,623)	(17,273)	(146,987)	(434,462)
Impairment	(663,000)	(185,250)	-	(292,500)	(1,140,750)
Foreign Exchange	(27,359)	(2,288)	-	(44,909)	(74,556)
Balance, Dec 31, 2021	$843,062	$5,317,098	$172,727	$2,656,897	$8,989,784

10. Goodwill

Summary of goodwill as of March 31, 2022 is as follows:

	EMMAC	Vitality	Vertex	TOTAL
Balance, December 31, 2021	$1,030,720	$6,875,201	$8,133,370	$16,039,291
Foreign Exchange	(32,529)	(212,864)	-	(245,393)
Balance, March 31, 2022	$998,191	$6,662,337	$8,133,370	$15,793,898

Summary of goodwill as of December 31, 2021 is as follows:

	EDA	Big Swig	N8	Socati	EMMAC	Vitality	Vertex	TOTAL
Balance, Jan 1, 2021	$1,365,779	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,365,779
Additions	-	1,149,235	392,592	10,224,445	4,363,042	9,056,342	8,133,370	33,319,026
Impairment (Note 26)	(1,365,779)	(1,149,235)	(392,592)	(10,224,445)	(3,300,000)	(2,100,000)	-	(18,532,051)
Foreign Exchange	-	-	-	-	(32,322)	(81,141)	-	(113,463)
Balance, March 31, 2022 and Dec 31, 2021	$ -	$ -	$ -	$ -	$1,030,720	$6,875,201	$8,133,370	$16,039,291

(Expressed in U.S. dollars)

11. Accounts payable and accrued liabilities

		March 31, 2022		December 31, 2021
Accounts payable	$	**3,277,690**	$	**3,271,068**
Accrued liabilities		**564,459**		**1,200,195**
	$	**3,842,148**	$	**4,471,263**

Accounts payable are unsecured and are usually paid within 30 days of recognition. The carrying amounts of accounts payable and accrued liabilities are considered to be the same as their fair values, due to their short-term nature.

12. Warrant liability

The Company had the following warrant liability outstanding:

	Number of Warrants	Weighted Average Share Price
Outstanding, December 31, 2020	**-**	-
August 10, 2021	7,029,705	CAD$ 1.35
Outstanding, December 31, 2021	**7,029,705**	CAD**$ 1.35**
Outstanding, March 31, 2022	**7,029,705**	CAD**$ 1.35**

On August 10, 2021, the Company granted 7,029,705 warrants with the expiry date August 10, 2024 to acquire one common share of the Company for CAD$1.35 per share.

Warrant liability

The fair value of the warrant liability was estimated to be $2,066,189 at date of grant. The fair value was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: risk-free rate of 0.44% on the date of grant; expected life of 3 years; volatility of 94% based on comparable companies; dividend yield of nil.

On December 31, 2021, the warrants were revalued using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 92%, a risk free interest rate of 0.91%, share price of CAD$0.16 and an expected maturity of 2.61 years. The fair value adjustment of $1,909,978 to the warrant liability was recorded as a gain in the profit and loss.

On March 31, 2022, the warrants were revalued using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of 97%, a risk free interest rate of 2.17%, share price of CAD$0.13 and an expected maturity of 2.36 years. The fair value adjustment of $44,387 to the warrant liability was recorded as a gain in the profit and loss.

(Expressed in U.S. dollars)

13. Contingent consideration and contingent liability

Contingent consideration consists of the Company obligations raised in the business combinations and being recognized at fair value on the date of the acquisition. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognized in profit or loss.

The Company had the following contingent liability as:

Opening balance, December 31, 2020	$	-
Vitality transaction (a)		449,131
Vertex transaction (b)		1,132,000
Change in fair value		157,000
Balance, December 31, 2021	**$**	**1,738,131**
Change in fair value		129,523
Balance, March 31, 2022	**$**	**1,867,654**

(a) On August 19, 2021, the Company, through its wholly owned subsidiary Yooma Europe Ltd., completed the acquisition of United Kingdom-based Vitality. Under the terms of a sale and purchase agreement, the Company has up to GBP2,000,000 of cash or share-based earn up consideration to pay, subject to the achievement of revenue milestones by Vitality for the financial year 2022. The Company applied the probability weighted average approach to value the contingent consideration.

(b) On October 2, 2021 , the Company completed the acquisition of Tokyo-based Vertex Co. Ltd. As the part of the Share Purchase Agreement, the Company agreed to $2,250,000 in contingent consideration payments in cash or shares at the option of the Company based on achieving certain financial targets as: $250,000 contingent consideration payable to the Vendors on April 30, 2022, $1,000,000 is payable to the Vendors on April 30, 2023 and $1,000,000 is payable to the Vendors on April 30, 2024. The amount due on April 30, 2022 has not yet been settled.

14. Loan payable and other liabilities

			March 31, 2022		Dec. 31 2021
	Due date	Interest rate	Amount		
Private loan (BigSwig)	October 7, 2050	3.75%	$	157,934	$ 154,994
Private loan (BigSwig)	January 31, 2030	9.00%		150,000	150,000
Private loan (BigSwig)	July 19, 2029	0.45%		440,000	440,000
Bank indebtedness in Vertex	Nov 20/2023 - Oct 28/2030	0.00% - 2.35%		1,386,230	1,501,478
Amount due to Vendors on Vertex transaction	April 30, 2023	0.00%		6,155,000	6,005,000
Amount due to Vendors on Vertex transaction	April 30, 2023, April 30, 2024	0.00%		2,701,578	2,635,000
			$	10,990,742	$10,886,472

(Expressed in U.S. dollars)

(a) On October 2, 2021 , the Company completed the acquisition of Tokyo-based Vertex Co. Ltd. The Company agreed to (i) $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), for total fair value of $8,640,000 as of December 31, 2021. As of March 31, 2022, the Company revalued the fair value of the purchase price for the total of $8,856,578. The fair value adjustment of $216,578 to the discounted purchase price was recorded as an expense in the profit and loss.

15. Loss per share:

Loss per share has been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the period. The calculation of basic and diluted loss per share for the three month period ended March 31, 2022 was based on the loss attributable to common shareholders of $4,001,819 (Q1-2022- $(2,375,393)) and the average weighted average number of common shares outstanding of 100,859,744 (Q1-2021 – 36,606,818).

16. Related party transactions

(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.

(Expressed in U.S. dollars)

17. Share capital:

(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 and year is as follows:

	Number of shares		Amount
Balance, December 31, 2020	**33,831,330**	**$**	**5,517,350**
Shares issued on the Globalive transaction (Note 3)	11,508,147		5,000,000
Shares issued on the EMMAC Life Sciences Group transaction (Note 4(a))	7,459,981		6,453,000
Shares issued on the Socati transaction (Note 4(b))	23,320,894		18,916,000
Shares issued on the Private Placement (Note 17(i))	14,059,411		8,070,859
Shares issued on the Vitality CBD Limited transaction (Note 4(c))	7,706,422		5,236,759
Shares issued on the Big Swig Inc transaction (Note 4(d))	1,477,986		646,000
Shares issued on the debt settlement (Note 17(b) and (c))	321,726		188,753
Shares issued on the N8 transaction (Note 4(f))	1,173,847		579,425
Cost of issuance of shares (Note 17 (i))	-		(428,081)
Balance, December 31, 2021	100,859,744	$	50,180,065
Balance, March 31, 2022	100,859,744	$	50,180,065

(i) On August 10, 2021, the Company completed a unit placement, raising gross proceeds of $10,137,047, through the placing of 14,059,411 units consisting one common share and half of warrant, at a price of CAD$0.90 per share. Investors were granted one half warrant per share, resulting in the issuance of 7,029,705 warrants, exercisable at a price of CAD$1.35 per share and with an expiry date of August 10, 2024. Gross proceeds on the financing were allocated between warrants and common shares using fair value calculation (Note 17). The allocation to common shares was calculated as $8,070,859, less cost of issuance of $428,081.

(Expressed in U.S. dollars)

(b) Stock options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The maximum number of common shares reserved for issuance of stock options that can be granted under the plan is 10% of the issued and outstanding common shares of the Company. The options granted can be exercised for up to a maximum of 10 years and vest as determined by the Board of Directors. The exercise price of each option cannot be less than the market price of the common shares on the date of grant.

During the three month period ended March 31, 2022, the Company recognized a share-based compensation expense of $160,772 (Q1-2021- $47,298), related to stock options.

The Company issued stock options to acquire shares as follows:

	Number of Options	Average Exercise Price
Outstanding, December 31, 2020	-	-
Issued February 10, 2021 (i)	**1,800,000**	CAD**$ 0.84**
Issued February 10, 2021 (i) - cancelled	**(450,000)**	CAD**$ 0.84**
Issued February 10, 2021 (ii)	**78,750**	CAD**$5.00**
Issued September 3, 2021 (iii)	**7,310,000**	CAD**$ 0.90**
Issued September 3, 2021 (iii) cancelled	**(7,075,000)**	CAD**$ 0.90**
Issued December 22, 2021 (iv)	**6,925,000**	CAD**$ 0.20**
Outstanding, December 31, 2021	**8,588,750**	CAD**$ 0.36**
Outstanding, March 31, 2022	**8,588,750**	CAD**$ 0.36**

(i) On February 10, 2021, the Company granted 1,800,000 stock options to officers. On June 28, 2021, a total of 450,000 of these options were cancelled. Each option entitles the holder to purchase one common share at a price of CDN$0.90 per common share, exercisable on or before February 10, 2031, with the vesting schedule 1/24 monthly for the period of 2 years. The fair value of these stock options of $485,279 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: risk-free rate of 0.503% on the date of grant; expected life of 5 years; volatility of 94% based on comparable companies; forfeiture rate of 5%; dividend yield of nil; and the exercise price of the respective option based on a deemed exchange rate of $1.2698 CAD to $1.00 USD.

(ii) On going public transaction with Globalive, the Company rolled over outstanding options of Globalive into options of Yooma.

(iii) On September 3, 2021, the Company granted 7,310,000 stock options to officers, directors and employees. On November 5, 2021, 7,075,000 options were cancelled unexercised.

(Expressed in U.S. dollars)

Each option entitles the holder to purchase one common share at a price of CDN$0.90 per common share, exercisable on or before September 3, 2031, with the vesting schedule 1/3 annually for the period of 3 years. The fair value of these stock options of $92,279 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: risk-free rate of 0.81% on the date of grant; expected life of 5 years; volatility of 70% based on comparable companies; forfeiture rate of 5%; dividend yield of nil; and the exercise price of the respective option based on a deemed exchange rate of $1.2518 CAD to $1.00 USD.

(iv) On December 22, 2021, the Company granted 6,925,000 stock options to an officer and a director. Each option entitles the holder to purchase one common share at a price of CDN$0.20 per common share, exercisable on or before December 22, 2031, with the vesting schedule 1/36 for the period of 3 years. The fair value of these stock options of $592,591 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: risk-free rate of 1.23% on the date of grant; expected life of 5 years; volatility of 70% based on comparable companies; forfeiture rate of 5%; dividend yield of nil; and the exercise price of the respective option based on a deemed exchange rate of $1.2865 CAD to $1.00 USD.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

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	CAD$5.00	June 8, 2025	4.17
1,350,000	CAD$0.84	Feb. 10, 2031	8.87
235,000	CAD$0.90	Sep. 3, 2031	9.43
6,925,000	CAD$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**	CAD**$1.24**
Issued September 2, 2021	**45,500**	CAD**$0.90**
Outstanding, December 31, 2021	**253,331**	CAD**$ 1.18**
Outstanding, March 31, 2022	**253,331**	CAD**$ 1.18**

(Expressed in U.S. dollars)

(i) On May 6, 2021, the Company granted 207,831 deferred share units to its directors as board compensation fees for the year ending December 31, 2021. The units were vested immediately. The fair value of these DSU's is $210,000 based on stock price on the date of issuance. The DSUs are to be settled in Common Shares when the director retires from all positions with the Company.

(ii) On September 2, 2021, the Company granted 45,500 deferred share units to its director as board compensation fees for the year ending December 31, 2021. The units were vested immediately. The fair value of these DSU's is $32,500 based on stock price on the date of issuance. The DSUs are to be settled in Common Shares when the director retires from all positions with the Company.

(b) Warrants

The Company had the following agent warrant outstanding:

	Number of Warrants	**Weighted Average Share Price**
Outstanding, December 31, 2020	**-**	-
August 10, 2021	224,600	CAD$ 0.90
August 10, 2021	112,300	CAD$ 1.35
Outstanding, December 31, 2021	**336,900**	CAD**$ 1.05**
Outstanding, March 31, 2022	**336,900**	CAD**$ 1.05**

On August 10, 2021, the Company issued agent warrants to certain eligible persons who provided finance and investor introduction services in connection with the financing (Note 17 (a)(i)). The Company granted 224,600 warrants with the expiry date August 10, 2023 to acquire one common share of the company for CAD$0.90 per share, and 112,300 warrants with the expiry date August 10, 2023 to acquire one common share of the Company for CAD$1.35 per share. The fair value of the agent's warrants on the date of issuance was estimated to be $122,501. The fair value was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions: risk-free rate of 0.44% on the date of grant; expected life of 2 years; volatility of 94% based on comparable companies.

(Expressed in U.S. dollars)

18. Segmented information:

The consolidated entity is organised into four operating segments.

The Company reviews EBITDA (earnings before interest, tax, depreciation and amortisation) on the regular basis. The accounting policies adopted for internal reporting to the Chief Operating Decision Maker are consistent with those adopted in the financial statements.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

The Company's geographic net revenue was segmented as:

		For the period ended March 31, 2022		**For the period ended March 31, 2021**
Canada	$	-	$	66,910
United States of America		(169,978)		192,853
Europe		529,951		20,221
Asia		423,473		50,169
	$	**783,446**	$	**330,153**

The Company's non-current assets (except goodwill) were located in the following geographic areas:

		March 31, 2022		**March 31, 2021**
United States of America	$	2,097,037	$	6,528,046
Europe		3,477,087		24,408
Asia		5,843,334		-
	$	**11,417,458**	$	**6,552,454**

19. Capital management:

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares, contributed surplus and deficit in the definition of capital. The Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares or debt instruments to reduce any debt. 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 team to sustain the future development of the business.

As of March 31, 2022, managed capital was $12,363,241 (December 31, 2021 - $15,296,693). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

20. Financial risk management:

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.

<u>Cash deposits:</u>

Credit risk from balances with banks and financial institutions is managed by the Company's treasury function in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party.

(b) 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.

(c) 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. No allowance for doubtful accounts was provided at March 31, 2022 or December 31, 2021.

(d) 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.

(e) Currency rate risk

As at March 31, 2022, a portion of the Company's financial assets and liabilities held in the Great British Pounds, Japanese Yen, Canadian Dollars and Euros consist of cash, accounts receivable, convertible notes receivable, prepaid and other current assets, and inventory. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in the functional currency. The Company is exposed to currency rate risk in other comprehensive income, relating to foreign subsidiaries which operate in a foreign currency. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not significant at this point in time.

21. Lease liability:

The Company recorded the present value of future lease liabilities using borrowing rate of 5%. The current lease liability was estimated as $405,038 (December 31, 2021 -$510,094), and non-current lease liability as $1,107,462 (December 31, 2021 - $1,107,462).

22. Subsequent events:

(a) 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 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:

(i) Socati Corp. ("Socati"), 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 $2.4 million, which was closed on May 26, 2022. Socati has retained ownership of its key intellectual property, preserving the Company's ability to relaunch the business, if warranted, in the future.

(ii) N8 Essentials, LLC ("N8"), 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.

(iii) Big Swig Inc. ("Big Swig"), the Company's US-based subsidiary which operates a sparkling water business, is in the process of suspending its operations. Big Swig is currently in discussions with its secured creditor, landlord, suppliers and other trade creditors to attempt to resolve all outstanding liabilities.

As at December 31, 2021 and March 31, 2022, all assets of these divisions were written down to their net realizable value based on the actual selling price.

(b) As indicated in Note 4(e), under the terms of the Vertex share purchase agreement, Yooma was required to refinance or repay the third-party debt of Vertex, not to exceed $2 million, on or before March 31, 2022. As at March 31, 2022 the total outstanding debt was $1.415 million (JPY 172,700,000). 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 31, 2022.