

**Form 51-102F3**  
**Material Change Report**

**Item 1          Name and Address of Company**

Yooma Wellness Inc. ("Yooma" or the "Company")  
135 Yorkville Avenue, Suite 900  
Toronto, Ontario  
M5R 0C7

**Item 2          Date of Material Change**

February 8, 2023.

**Item 3          News Release**

The press release attached as Schedule "A" was disseminated through Globe Newswire on February 9, 2023 with respect to the material change.

**Item 4          Summary of Material Change**

The Company has reached a settlement (the "Settlement") with the vendors (the "Vendors") of Vertex Co., Ltd. ("Vertex") which will discharge approximately US\$12,000,000 in debts and other obligations of the Company and result in the Company's exit from the Japan market.

**Item 5          Full Description of Material Change**

*5.1 Full Description of Material Change*

The Company acquired Vertex on October 1, 2021 pursuant to a stock purchase agreement between the Company and the shareholders of Vertex, for aggregate consideration of US\$12,000,000 (the "Transaction"), with US\$2,500,000 paid in cash on closing and the balance of the purchase price to be paid in two cash instalments of US\$6,500,000 on April 30, 2023 and US\$3,000,000 on April 30, 2024. The Company had also agreed to arrange to refinance up to US\$2,000,000 of Vertex debt, to fund certain working capital requirements, and to pay bonuses based on Vertex's performance in 2022, 2023 and 2024. As security for certain of its obligations to the Vendors in connection with the Transaction, the Company granted the Vendors a security interest over the securities of Vertex.

Under the terms of the Settlement, the Company has agreed to cooperate with the Vendors in the enforcement of their security interest, with the result that ownership of Vertex will return to the Vendors, and to assign to the Vendors approximately US\$1,200,000 in receivables owing to the Company by Vertex. The Company, Vertex and the Vendors will also exchange mutual releases, which will result in the discharge of approximately US\$12,000,000 in debts, obligations, interest payments and other liabilities owing by the Company in connection with the Transaction, and will free the Company from any future commitments with respect to Vertex financing, performance bonuses or working capital requirements.

The Company also announced on February 9, 2023 that its wholly-owned indirect subsidiary Greenleaf SAS (France) is not able to meet its current liabilities with available assets and is therefore in a state of suspension of payments under local law. As a result, Greenleaf has requested the opening of a legal redress procedure under Article L.631-1 of the National Commercial Code of France.<sup>17</sup>

In connection with its ongoing restructuring efforts, the Company is continuing to consider all other available options to address its liquidity constraints and satisfy its current and future obligations, which may include raising short-term debt or equity financing, a sale of Company assets, an orderly wind-down of some or all of the members of the Company's corporate group, or, if and to the extent applicable, insolvency proceedings for some or all of the members of the Company's corporate group. There can be no assurance at this time which alternatives, if any, will be pursued by the Company and whether the Company will be successful in addressing its liquidity constraints.

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

## 5.2 *Disclosure for Restructuring Transactions*

Not applicable.

### **Item 6          Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

### **Item 7          Omitted Information**

Not applicable

### **Item 8          Executive Officer**

The following executive officer is knowledgeable about the material change and may be contacted about this report.

Jordan Greenberg  
Chief Executive Officer  
(512) 823-1678

### **Item 9          Date of Report**

February 17, 2023.

**Schedule "A"**

**Press Release re Material Change**

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## YOOMA ANNOUNCES OPERATIONAL UPDATES

### Yooma Announces an Exit from Japan and Potential Sale of Assets and Wind-Down of Operations

**Toronto, Ontario – February 9, 2023** – Yooma Wellness Inc. (“Yooma” or the “Company”) (CSE: YOOM) (AQSE: YOOM), a wellness platform that and markets a portfolio of CBD and wellness brands, today provides a corporate update.

The Company is engaged in an ongoing operational restructuring aimed at addressing depressed market conditions in the CBD wellness industry, the Company’s increasing liquidity constraints and lack of working capital. The initial phases of this restructuring involved the wind-down of the Company’s operations in the United States last year, and has gradually expanded to include the Company’s operations in other unprofitable markets. In parallel with these restructuring initiatives, the Company has also been engaged in a continuing review of strategic alternatives for the Company, however, that process has to date been unsuccessful in identifying a path forward.

In connection with its restructuring efforts, the Company announced today that it has reached a settlement (the “Settlement”) with the vendors (“Vendors”) of Vertex Co., Ltd. (“Vertex”), which will discharge approximately US\$12,000,000 in debts and other obligations of the Company and result in the Company’s exit from the Japan market. The Company acquired Vertex on October 1, 2021 for an aggregate purchase price of US\$12,000,000 (the “Transaction”), consisting of US\$2,500,000 paid in cash on closing, and deferred payments of US\$6,500,000 due April 30, 2023 and US\$3,000,000 due April 30, 2024. Under the terms of the Transaction agreements, the Company also agreed to refinance up to US\$2,000,000 of Vertex debt, to fund certain working capital requirements, and to pay bonuses based on Vertex’s performance in 2022, 2023 and 2024. As security for certain of its obligations to the Vendors in connection with the Transaction, the Company granted the Vendors a security interest over the securities of Vertex.

Under the terms of the Settlement, the Company has agreed to cooperate with the Vendors in the enforcement of their security interest, with the result that ownership of Vertex will return to the Vendors, and to assign to the Vendors approximately US\$1,200,000 in receivables owing to the Company by Vertex. The Company, Vertex and the Vendors will also exchange mutual releases, which will result in the discharge of approximately US\$12,000,000 in debts, obligations, interest payments and other liabilities owing by the Company in connection with the Transaction, and will free the Company from any future commitments with respect to Vertex financing, performance bonuses or working capital requirements.

The Company also announced today that its wholly-owned indirect subsidiary Greenleaf SAS (France) is not able to meet its current liabilities with available assets and is therefore in a state of suspension of payments under local law. As a result, Greenleaf has requested the opening of a legal redress procedure under Article L.631-1 of the National Commercial Code of France.

With the wind-down of the Company’s operations in the United States in 2022 and the transfer of Vertex to the Vendors under the Settlement, the Company’s only material operating business lines are now in Europe, operating primarily under its wholly-owned subsidiary, Vitality CBD. The Company is continuing to consider all available options to address its liquidity constraints and satisfy its current and future obligations, which may include raising short-term debt or equity financing, a sale of Company assets, including its Vitality CBD business, an orderly wind-down of some or all of the members of the Company’s corporate group or, if and to the extent applicable, insolvency proceedings for some or all of the members of the Company’s corporate group. There can be no assurance at this time which alternatives, if any, will

be pursued by the Company and whether the Company will be successful in addressing its liquidity constraints.

## **About Yooma**

Yooma's is engaged in the marketing and sale of wellness products including hemp seed oil and hemp-derived and cannabinoid (CBD) ingredients. The company leverages strategically curated sales channels and ecommerce networks to deliver a diverse mix of wellness products through operating subsidiaries in the United Kingdom and France. Learn more at [www.yooma.ca](http://www.yooma.ca).

Issuer Contact:

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Phone: 1-512-823-1678

## **Notice regarding Forward Looking Statements**

*All information included in this press release, including any information as to future financial or operating performance and other statements of Yooma that express management's expectations or estimates of future performance or activities, other than statements of historical fact, constitute forward-looking information or forward-looking statements (collectively, "forward-looking statements") within the meaning of applicable securities laws and are based on expectations, estimates and projections as of the date hereof. Forward-looking statements are included for the purpose of providing information about management's current expectations and plans relating to the future. Wherever possible, words such as "will", "intend", "future", "plan", "potential", "result in", "continuing", "ongoing", "increasing", "may", or the negative of these words or other variations thereof, have been used to identify such forward-looking information. Specific forward-looking statements include, without limitation, all disclosure regarding future results of operations, economic conditions and anticipated courses of action, including statements about the consummation of the Settlement and the alternatives that are being considered and may be pursued in connection with the Company's ongoing reorganization.*

*There are many risks and uncertainties that may affect forward-looking statements including, among others, regulatory risk in each jurisdiction in which Yooma does or intends to operate; the uncertainties, effects of and responses to the COVID-19 pandemic; reliance on licenses; competition; dependence on senior management and key personnel; general business risk and liability; regulation of the CBD industry; changes in laws, regulations and guidelines; compliance with laws; limited operating history; unfavourable publicity or consumer perception; product liability, risks related to intellectual property; product recalls; difficulties with forecasts; management of growth; litigation; the requirement for increasingly innovative product solutions and service offerings; trends in customer growth; the availability and sufficiency of financing to support existing and future capital requirements; the availability of potential transaction partners to acquire some or all of the Company's assets; changes in the value of the Company's assets; the Company's ability to continue to operate as a going concern; and other matters which are beyond the control of Yooma. Although the forward-looking statements contained herein reflect management's current beliefs and reasonable assumptions based upon information available to management as of the date hereof, Yooma cannot be certain that actual results will be consistent with such forward-looking information. Yooma cautions you not to place undue reliance upon any such forward-looking statements.*

*Yooma disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law. Nothing herein should be construed as either an offer to sell or a solicitation to buy or sell securities of Yooma.*