

# 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 November 29, 2021, which covers the interim period ended September 30, 2021 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](http://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 September 30, 2021, Yooma had the following direct operating subsidiaries:

Subsidiaries	Jurisdiction of incorporation	Ownership interest
Entertainment Direct Asia Ltd.	British Virgin Islands	100%
Yooma Japan K.K.	Japan	100%
Big Swig Inc.	United States of America	100%
Socati Corp.	United States of America	100%
Yooma Europe Limited	United Kingdom	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), 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 of the issued and outstanding shares in the capital of EDA based on an agreed purchase price value for EDA of US\$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.

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

## **Cross Border eCommerce**

Yooma originally signed Asian distribution agreements with several CBD skincare and beauty brands including Lab to Beauty, Hemptathy, SAYA Skincare, Kalologie and The Base Collective. Under the terms of these agreements, Yooma obtained exclusive distribution rights for certain beauty and skincare products in China and in some cases for other Asian markets, as part of the company's original Chinese e-commerce strategy. Yooma launched its China e-commerce strategy through its listing on Alibaba's Tmall Global overseas fulfillment program which provided access to Chinese consumers seeking overseas products, while providing a low-cost market entry strategy for feasibility testing and product assortment optimization.

On June 17, 2021, the Company announced that it had discontinued its operations in China, effective immediately. The decision came after China's National Medical Products Administration (NMPA) added CBD to its list of prohibited use cosmetic ingredients on May 28, 2021. Beijing proposed the new legislation in March, with the China National Institute for Food and Drug Control inviting comments and suggestions from industry participants on its plans to list cannabis sativa and CBD as prohibited components of cosmetics. As a result of this announcement, a number of on-line marketplaces, including those which Yooma relied on to distribute its CBD wellness products, restricted promotion and marketing efforts for CBD products, such as keyword and traffic generating tools, platform events, and live streams.

## **Reverse take-over with Globalive Technology Inc.**

On February 10, 2021, Yooma completed a reverse takeover transaction with 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 the date of the closing. Globalive's minimum cash balance of \$4.5 million 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. Upon completing the transaction, Yooma had 44,759,888 common shares issued and outstanding.

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:

	<b>Estimated preliminary fair value</b>
<b>Total consideration paid</b>	<b>\$ 5,000,000</b>
<b>Net assets acquired</b>	
Current assets	
Cash	\$ 3,839,275
Long-term assets	
Note receivable	200,000
<b>Net assets assumed</b>	<b>4,039,274</b>
<b>Deemed listing costs</b>	<b>\$ 960,725</b>

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 totaling \$2,494,540.

### **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 \$10.3 million, or approximately GBP £7.5 million, through the placing of 14,250,522 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 7,125,249 warrants in total, which will expire three years after listing on AQSE, as well as 226,600 non-transferrable warrants at \$0.90/share and 112,300 non-transferrable warrants at \$1.35/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 4th largest raise on AQSE this year and 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 value of Yooma shares issued in the transaction is valued at \$8,137,518 based on a price of CAD\$1.38 per share and a deemed exchange rate of \$1.2651 CAD to \$1.00 USD. 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 standard resale restriction of four months plus one day and, unless permitted under applicable securities laws, cannot be traded before July 12, 2021. They are also 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:

<b>Total consideration paid (7,459,981 common shares)</b>	<b>\$ 8,137,518</b>
<b>Net assets acquired</b>	
Current assets	
Cash	14,486
Account receivables	505,252
Prepaid expenses	32,648
Inventory	70,900
Long-term assets	
Investments	7,947
Intangible assets	55,035
Capital assets	17,030
<b>Total assets</b>	<b>703,299</b>
Current liabilities	
Accounts payable and accrued liabilities	513,620
Loan	20,277
Long-term assets	
Other liabilities	169,402
<b>Total liabilities</b>	<b>703,299</b>
<b>Net assets assumed</b>	<b>-</b>
<b>Goodwill</b>	<b>\$ 8,137,518</b>

### Merger with Socati Corp.

On March 22, 2021, the Company completed a merger (the "Merger") between Socati Corp (the "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, 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 amounted to US\$25,000,000, which has been satisfied by the issuance of 23,320,896 common shares of Yooma (the "Socati Consideration Shares") at a price of CAD\$1.34 per share based on a deemed exchange rate of \$1.25 CAD to \$1.00 USD.

With the exception of 928,512 Socati Consideration Shares, the Socati 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

Socati 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. Its intellectual property and proprietary technology in cannabinoid extraction and separation, as well as best-in-class in-house analytical capabilities, has positioned Socati as a leader in the U.S. market. 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, which creates compelling brand value and an early-mover advantage as consumers begin to shift towards organic CBD products. The USDA Organic Seal is the gold standard for supply chain integrity in the United States with consumer demand for organic products driving higher prices relative to non-organic products.

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:

<b>Total consideration paid (23,320,896 common shares)</b>	<b>\$ 25,000,000</b>
<b>Net assets acquired</b>	
Current assets	
Cash	2,338,935
Account receivables	390,601
Prepaid expenses and other assets	90,927
Inventory	771,126
Security deposits	272,949
Subscription receivable	1,992,886
Long-term assets	
Lease assets	1,370,566
Intangible assets	1,000,000
Capital assets	4,940,457
<b>Total assets</b>	<b>13,168,448</b>
Current liabilities	
Accounts payable and accrued liabilities	3,068,270
Long-term assets	
Lease liability	1,403,330
<b>Total liabilities</b>	<b>4,471,599</b>
<b>Net assets assumed</b>	<b>8,696,848</b>
<b>Goodwill</b>	<b>\$ 16,303,152</b>

### 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 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 per cent 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 covenant and warranties). The current senior management team at Vitality has been retained and will continue 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:

	<i>GBP</i>	<b>USD (FX 1.3631)</b>
<b>Consideration: common shares issued 7,706,422</b>	<i>GBP 4,200,000</i>	<b>\$ 5,725,020</b>
<b>Cash consideration</b>	<i>GBP 4,000,000</i>	<b>5,452,400</b>
Less: intercompany debt	<i>(GBP 2,042,147)</i>	<b>(2,783,651)</b>
<b>Net Consideration</b>	<i>GBP 6,157,853</i>	<b>\$8,393,769</b>
<b>Net assets acquired</b>		
Current assets		
Cash	<i>GBP 181,055</i>	246,797
Account receivables	<i>GBP 639,425</i>	871,600
Prepaid expenses and other assets	<i>GBP 71,735</i>	97,782
Inventory	<i>GBP 432,015</i>	588,880
Long-term assets		
Intangible assets	<i>GBP 5,392</i>	7,350
Capital assets	<i>GBP 22,593</i>	30,797
<b>Total assets</b>	<i>GBP 1,352,216</i>	<b>\$ 1,843,205</b>
Current liabilities		
Accounts payable and accrued liabilities	<i>GBP 1,498,969</i>	2,043,245
Tax provisions	<i>GBP 456</i>	621
Tax payable	<i>GBP 354,123</i>	482,704
Loan	<i>GBP 705,167</i>	961,213
<b>Total liabilities</b>	<i>GBP 2,558,714</i>	<b>3,487,784</b>
<b>Net assets assumed</b>	<i>(GBP 1,206,499)</i>	<b>(1,644,578)</b>
<b>Goodwill</b>	<i>GBP 7,364,352</i>	<b>\$ 10,038,348</b>

### 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.

	<b>USD</b>
<b>Consideration: 1,477,986 common shares</b>	<b>\$ 1,175,000</b>
<b>Consideration: existing debt converted into equity</b>	<b>375,000</b>
<b>Total consideration</b>	<b>\$ 1,550,000</b>
<b>Net assets acquired</b>	
Current assets	
Cash	23,940
Account receivables	159,195
Prepaid expenses and other assets	370,701
Inventory	534,679
Long-term assets	
Note receivables	176,109
Capital assets	4,937
<b>Total assets</b>	<b>\$ 1,269,562</b>
Current liabilities	
Accounts payable and accrued liabilities	433,984
Loan payable	1,120,837
<b>Total liabilities</b>	<b>\$ 1,554,822</b>
<b>Net assets assumed</b>	<b>(285,259)</b>
<b>Goodwill</b>	<b>\$1,835,259</b>



### 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 USD \$12-million. 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 adds 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 Oct. 1, 2021 (Toronto time). Under the purchase agreement, Yooma acquired all of the issued and outstanding securities of Vertex for a purchase price of \$12-million, with \$2.5-million paid in cash on closing and the balance of the purchase price to be paid in two cash instalments of \$6.5-million on April 30, 2023, and \$3-million on April 30, 2024. 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.

Under the terms of the purchase agreement, Yooma also agreed to arrange to refinance up to \$2-million of Vertex debt by no later than March 31, 2022. Vertex's senior management has been retained and will continue to operate the business day-to-day.

	USD
<b>Total Consideration</b>	<b>\$ 12,000,000</b>
<b>Net assets acquired</b>	
Current assets	
Cash	153,834
Account receivables	616,434
Prepaid expenses and other assets	1,739,139
Inventory	844,964
Long-term assets	
Intangible assets	913
Capital assets	31,127
<b>Total assets</b>	<b>\$ 3,386,410</b>
Current liabilities	
Accounts payable and accrued liabilities	197,995
Bank indebtedness	1,619,074
Loan payable (Yooma)	1,086,836
<b>Total liabilities</b>	<b>\$ 2,903,905</b>
<b>Net assets assumed</b>	<b>482,505</b>
<b>Goodwill</b>	<b>\$ 11,517,495</b>

### 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), cannabinoids and other functional ingredients.

The acquisition was completed through Yooma's wholly owned subsidiary, Socati Corp., and adds 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 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 of N8 at a price per share of \$0.673 (CAD \$0.853).

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. Key members of N8's senior management have been retained and will continue to operate its business day to day.

USD	
<b>Total consideration</b>	
1,173,847 shares issued at USD\$0.673 (C\$0.853)	<b>\$790,000</b>
<b>Net assets acquired</b>	
Current assets	
Cash	4,133
Account receivables	343
Prepaid expenses and other assets	466
Inventory	340,850
Long-term assets	
Capital assets	9,199
<b>Total assets</b>	<b>\$ 354,989</b>
Current liabilities	
Accounts payable and accrued liabilities	102,898
Loan payable (Yooma)	843,569
<b>Total liabilities</b>	<b>\$946,467</b>
<b>Net assets assumed</b>	<b>(591,477)</b>
<b>Goodwill</b>	<b>\$ 1,381,477</b>

## Financial Highlights

A summary of selected financial information as follows:

		For the nine month period ended September 30, 2021	For the nine month period ended September 30, 2020
Revenue	\$	\$4,909,637	-
Cost of sales		(3,776,668)	-
<b>Gross profit</b>	<b>\$</b>	<b>1,132,969</b>	<b>-</b>
<b>Expenses</b>			
Office and administrative	\$	(5,447,392)	(458,168)
Depreciation and amortization		(409,327)	
Stock based compensation		(674,441)	-
Listing expense		(960,725)	-
Consulting fees		(521,456)	(460,277)
Professional fees		(1,264,899)	(325,960)
<b>Total expenses</b>	<b>\$</b>	<b>(9,278,240)</b>	<b>(1,244,405)</b>
<b>Assets write off</b>		<b>(134,810)</b>	<b>-</b>
<b>Other income</b>		<b>77,250</b>	<b>37,715</b>
<b>Net loss and comprehensive loss</b>	<b>\$</b>	<b>(8,202,830)</b>	<b>(1,206,690)</b>
Basic and diluted loss per share attributable to common shareholders	\$	(0.14)	(0.05)
<b>Cash flows provided by (used in)</b>			
Operating activities	\$	(6,851,026)	(991,352)
Investing activities		(615,617)	319,929
Financing activities		9,662,067	2,348,545
		<b>As at September 30, 2021</b>	<b>As at December 31, 2020</b>
<b>Total assets</b>	<b>\$</b>	<b>54,861,849</b>	<b>4,066,591</b>
<b>Shareholders' equity</b>		<b>49,363,054</b>	<b>3,193,958</b>

## Results of Operations

*Results of Operations for the interim period ended September 30, 2021*

The Company incurred a net loss and comprehensive loss for the interim period ended September 30, 2021 of \$8,202,830 (compared to a net loss of \$1,206,690 for the 9 months ended September 30, 2020). The net

revenue for the interim period was \$1,132,969 (\$Nil for the 9 months ended September 30, 2020), other income was \$77,250 (\$37,715 for the 9 months ended September 30, 2020) and expenses of \$9,278,240 (\$1,244,405 for the 9 months ended September 30, 2020).

During the interim period ended September 30, 2021, \$134,810 (\$Nil for the 9 months ended September 30, 2020) was written off due to expiry of the products and discontinuing operations in China effective June 17, 2021.

Expenses for the period ended September 30, 2021 include the deemed listing expense of \$960,725 calculated on the reverse take over transaction with Globalive.

Expenses for the period ended September 30, 2021 include the stock-based compensation of \$674,441 (\$Nil for the 9 months ended September 30, 2020).

During the period, Yooma management continued to execute its “buy-and-build” strategy, through the completion of the dual listing on the AQSE exchange in London, completion of the acquisitions of Vitality CBD Limited and Big Swig Inc., and the continued integration of the Company’s various assets and entities.

The consolidated operating results include the subsidiaries operations results: for EDA for the nine month period ended September 30, 2021; for Yooma Europe from March 1, 2021 to September 30, 2021; for Socati from March 20, 2021 to September 30, 2021, and for Big Swig \$Nil

#### *Results of Operations for the quarter ended September 30, 2021*

The Company incurred a net loss and comprehensive loss for the quarter ended September 30, 2021 of \$2,648,166 (a net loss of \$750,770 for the 3 months ended September 30, 2020). The net revenue for the quarter was \$560,107 (\$Nil for the 3 months ended September 30, 2020), other income was \$14,402 (\$20,216 for the 3 months ended September 30, 2020) and expenses of \$3,208,273 (\$750,770 for the 3 months ended September 30, 2020).

Expenses for the quarter ended September 30, 2021 include the stock-based compensation of \$574,839 (\$Nil for the 3 months ended September 30, 2020).

During the period ended September 30, 2021 the Company achieved the following operational milestones:

- MYO Plant Nutrition CBD products were launched on Amazon UK as part of Amazon’s selective CBD Pilot Programme.
- Blossom CBD skincare brand was relaunched, including 9 new SKU’s with a focus on expert holistic skincare; the brand achieved key listings into world renowned Selfridges and John Bell & Croyden who hold the Royal Warrant as Pharmacists to Her Majesty Queen.
- Vitality CBD completed a 300-store launch in ASDA, one of Britain’s leading retailers, including 17 of Vitality’s well-being and active CBD products in ASDA’s vitamin aisles and in-store pharmacies, making Vitality CBD the most extensive CBD product range in ASDA.
- Vitality products continue to achieve premium rankings on Amazon UK for CBD search results, and significant quarter-over-quarter revenue growth.
- Greenleaf launched its hemp protein brands What the Hemp and Hello Joya in leading France grocery retailer Casino, with 12 SKU’s available in-store at a total of 414 Casino locations.
- Socati Corp. ("**Socati**") announced a collaboration with Impact Naturals on a new line of CBD products designed to uniquely configure CBD and other cannabinoids for better and faster absorption into blood, containing formulations of CBD with CBG and CBN, alongside ingredients including American Ginseng, Ginkgo Biloba, and Melatonin

## 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 period ended September 30, 2021 and 2020 was as follows:

	Sept. 30, 2021	Sept. 30 2020
Salaries	\$ 149,060	\$ 61,567
Stock based compensation granted <sup>(i)(ii)</sup>	907,406	-
	<b>\$ 1,056,466</b>	<b>\$ 61,567</b>
Stock options cancelled (ii)	(422,127)	
	<b>\$ 634,339</b>	<b>\$ 61,567</b>

- (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 which will be recognized in the statement of loss and comprehensive loss over the vesting period.
- (ii) Stock based compensation granted was estimated using the fair value of the 1,075,000 options granted to the Company's officers on September 3, 2021. The fair value of \$422,127 was estimated based on the Black-Scholes option pricing model which will be recognized in the statement of loss and comprehensive loss over the vesting period. On November 5, 2021, the options were cancelled unexercised.
- (b) For the period ended September 30, 2021, the Company recorded \$192,690 (2020 - \$110,959) in consulting fees payable to an officer and a director. On September 30, 2021, the Company issued 298,911 common shares to its director to settle the liability of \$173,459.
- (c) For the period ended September 30, 2021, the Company recorded \$189,044 (2020 - \$Nil) in board compensation fees.

On May 6, 2021, the Company granted 207,831 deferred share units ("DSU's") to non-employee directors of Yooma as compensation for board fees for the 2021 year. The DSU's are fully vested as of the date of grant. The fair value of the DSU's was estimated to be \$210,000 based on CDN\$1.24 per share on the date of the grant.

On September 2, 2021, the Company granted 45,500 DSU's to a non-employee director of Yooma as compensation for board fees for the 2021 year. The DSU's are fully vested as of the date of grant. The fair value of the DSU's was estimated to be \$32,500 based on CDN\$0.90 per share on the date of the grant.

On September 30, 2021, the Company issued 22,815 common shares to a former director to settle a liability of \$15,294 related to board fees.

## Detailed Quarterly Results

	Q4- 2019	Q1- 2020	Q2- 2020	Q3- 2020	Q4- 2020	Q1- 2021	Q2- 2021	Q3- 2021
Net sales revenue	\$-	\$-	\$-	\$-	\$(43,511)	\$330,153	\$242,708	\$560,107
Other income (loss)	\$-	\$-	\$17,499	\$20,216	\$(26,227)	\$52,474	\$10,374	\$14,402
Assets write-off	\$-	\$-	\$-	\$-	\$-	\$-	\$(131,810)	\$-
General and administration								
Costs:								
Office and general	\$1,920	\$1,290	\$232,089	\$224,788	\$463,877	\$1,178,223	\$2,307,477	\$1,961,692
Depreciation and amortization	\$-	\$-	\$-	\$-	\$-	\$18,854	\$212,669	\$177,804
Listing expenses	\$-	\$-	\$-	\$-	\$-	\$960,725	\$-	\$-
Stock based compensation	\$-	\$-	\$-	\$-	\$-	\$47,298	\$52,304	\$574,839
Consulting fees	\$13,565	\$19,032	\$132,808	\$308,437	\$287,302	\$163,123	\$227,566	\$130,767
Professional fees	\$34,075	\$24,670	\$83,745	\$217,545	\$246,225	\$389,796	\$511,931	\$363,172
Loss for the period	\$49,560	\$44,992	\$431,143	\$730,554	\$1,067,142	\$2,375,393	\$3,193,674	\$2,633,763
Loss per share*	\$0.00	\$0.00	\$0.02	\$0.02	\$0.02	\$0.06	\$0.04	\$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.

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:

	Number of shares	Amount
<b>Balance, December 31, 2020</b>	<b>33,831,330</b>	<b>\$ 5,517,350</b>
Shares issued on the Globalive transaction	10,928,558	5,000,000
Shares issued on the EMMAC Life Sciences Group transaction	7,459,981	8,137,518
Shares issued on the Socati transaction	23,320,894	25,000,000
Shares issued for the financing August 10, 2021	14,250,522	\$ 8,228,693
Shares issued on the acquisition of Vitality CBD Limited on August 19, 2021	7,706,433	\$ 5,694,695
Shares issued on the acquisition of Big Swig Inc. on September 30, 2021	1,477,986	1,175,000
Shares issued on the debt settlement September 30, 2021	321,726	188,753
<b>Balance, September 30, 2021</b>	<b>99,297,419</b>	<b>\$ 58,972,334</b>
Shares issued on the acquisition of N8 Essentials LLC on October 14, 2021 (i)	1,173,847	790,000
<b>Balance, November 26, 2021</b>	<b>100,471,266</b>	<b>\$ 59,762,334</b>

- (i) On October 14, 2021, the Company issued 1,173,847 common shares on the acquisition of N8 Essentials LLC at a price CDN\$0.85 per share, as converted at a deemed exchange rate of \$1.263 CAD to \$1.00 USD

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	1,425,000	CDN\$ 0.84
Issued September 2, 2021	7,310,000	CDN\$ 0.90
<b>Outstanding, September 30, 2021</b>	<b>8,735,000</b>	<b>CDN\$ 0.89</b>
Cancelled November 5, 2021	(7,075,000)	CDN\$ 0.90
Cancelled November 5, 2021	(75,000)	CDN\$ 0.84
<b>Outstanding, November 26, 2021</b>	<b>1,585,000</b>	<b>CDN\$ 0.85</b>

The Company had the following stock options outstanding at November 26, 2021:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Weighted average remaining life (years)</b>
1,350,000	CDN\$0.84	Feb. 10, 2031	9.37
235,000	CDN\$0.90	Sep. 3, 2031	9.93

The Company had the following deferred share units outstanding as of the date of this Discussion:

	<b>Number of Options</b>	<b>Weighted Average Share Price</b>
Outstanding, December 31, 2020	-	-
Issued May 6, 2021	<b>207,831</b>	<b>CDN\$1.24</b>
Issued September 2, 2021	<b>45,500</b>	<b>CDN\$0.90</b>
Outstanding, September 30, 2021 and November 26, 2021	<b>253,331</b>	<b>CDN\$ 1.18</b>

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

	<b>Number of Options</b>	<b>Weighted Average Share Price</b>
Outstanding, December 31, 2020	-	-
August 10, 2021 (exp Aug.10, 2024)	7,125,249	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, September 30, 2021 and November 26, 2021	<b>7,462,149</b>	<b>CDN\$ 1.34</b>

## **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 September 30, 2021, the Company had a cash balance of \$4,677,347 (December 31, 2020 - \$2,481,924) to settle current financial liabilities of \$2,775,184 (December 31, 2020 - \$872,633). 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. No allowance for doubtful accounts was provided at September 30, 2021 and December 31, 2020.

(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 September 30, 2021, the Company is not exposed to any significant market risks.

### **Liquidity And Capital Resources**

As at September 30, 2021, Yooma had shareholders' equity of \$49,363,054 (December 31, 2020 - \$3,193,958). This includes accounts payable and accrued liabilities of \$2,511,471 (December 31, 2020 - \$816,382) which were due within 12 months, due to related parties of \$263,713 (December 31, 2020 - \$56,251) payable on demand, and cash of \$4,677,347 (December 31, 2020 - \$2,481,924) 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. 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 period ended September 30, 2021. 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 some 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 policies and Estimates updated**

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.

### **COVID-19**

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to

stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the successful completion of the contemplated transaction or potential delays in the timing of closing a transaction and condition of the Company in future periods.

**Off-Balance Sheet Arrangements**

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