

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

YOOMA WELLNESS INC.
(FORMERLY YOOMA CORP.)

For the three months ended March 31, 2021 and March 31, 2020

The accompanying unaudited Condensed Interim Consolidated Financial statements for the interim period ended March 31, 2021 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, 2021	December 31, 2020
Assets		
Current		
Cash	\$ 6,225,940	\$ 2,481,924
Amounts receivable	1,379,042	85,169
Prepaid and other current assets (Note 7)	1,562,832	16,882
Note receivable (Note 6)	202,148	-
Inventory (Note 5)	822,241	116,837
	10,192,202	2,700,812
Non-current		
Lease assets	1,341,443	-
Fixed assets	4,946,011	-
Intangible assets	265,000	-
Goodwill (Note 4 (a), (b))	26,395,466	1,365,779
	\$ 43,140,122	\$ 4,066,591
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 1,745,229	\$ 816,382
Deferred revenue	454,520	-
Due to related parties (Note 12)	382,797	56,251
Note payable	19,703	-
	2,602,249	872,633
Non-current		
Lease liabilities	\$ 1,375,255	\$ -
Loan payable and other liabilities	159,236	-
	1,534,491	-
Shareholders' Equity		
Capital stock (Note 13 (a))	43,654,868	5,517,350
Contributed surplus	47,298	-
Deficit	(4,698,785)	(2,323,392)
	39,003,382	3,193,958
	\$ 43,140,122	\$ 4,066,591

Subsequent event (Note 17)

Approved by the Board "Lorne Abony" "Jordan Greenberg"
Director (Signed) 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, 2021	For the three month period ended March 31, 2020
Revenue	\$ 603,680	\$ -
Cost of sales	(273,527)	-
Gross profit	330,153	-
Expenses		
Consulting fees	\$163,123	\$19,032
Professional fees	389,796	24,670
Listing expense	960,725	-
Stock-Based compensation	47,298	-
Office and administrative	1,197,077	1,291
	2,758,020	44,993
Net loss before other income	\$ (2,427,866)	\$ (44,993)
Other income	(52,474)	-
Net loss and comprehensive loss for the period	\$ (2,375,393)	\$ (44,993)
Loss per share – basic and diluted:	\$ (0.06)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted:	36,606,818	13,000,023

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)

	Shares	Amount	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2019	13,000,023	\$ 37,000	\$ -	\$ (49,560)	\$ (12,560)
Shares issued for cash (Note 8)	7,831,307	5,090,350	-	-	5,090,350
Shares issued for acquisition of EDA	13,000,000	390,000	-	-	390,000
Net loss and comprehensive loss for the year	-	-	-	(2,273,832)	(2,273,832)
Balance, December 31, 2020	33,831,330	\$ 5,517,350	\$ -	\$ (2,323,392)	\$ 3,193,958
Shares issued on the Globalive transaction (Note 3)	10,928,558	5,000,000	-	-	5,000,000
Shares issued on the EMMAC Life Sciences Group transaction (Note 4(a))	7,459,981	8,137,518	-	-	8,137,518
Shares issued on the Socati transaction (Note 4 (b))	23,320,896	25,000,000	-	-	25,000,000
Stock-based compensation	-	-	47,298	-	47,298
Net loss and comprehensive loss for the period	-	-	-	(2,375,393)	(2,375,393)
Balance, March 31, 2021	75,540,765	\$ 43,654,868	\$ 47,298	\$ (4,698,785)	\$ 39,003,382

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	For the three month period
	March 31, 2021	March 31, 2020
Cash provided by (used in)		
Operating activities:		
Net loss for the period	\$ (2,375,393)	\$ (44,993)
Item not affecting cash:		
Amortization	18,855	-
Stock-based compensation	47,298	-
Accrued interest on note receivable	(2,148)	-
Listing expense	960,725	-
Net changes in non-cash working capital:		
Amounts receivable	(338,927)	-
Prepaid and other current assets	(1,212,860)	-
Inventory	131,838	-
Due to related parties	326,546	-
Deferred revenue	161,837	-
Accounts payable and accrued liabilities	(1,460,962)	44,924
	(3,743,190)	(69)
Investing activities:		
Acquisition of Socati (Note 4 (b))	2,339,085	-
Acquisition of Yooma Europe (Note 4 (a))	14,486	-
Note receivable (Notes 3, 6)	200,000	-
Cash received on going public transaction with Globalive (Note 3)	3,839,275	-
	6,392,846	-
Financing activities:		
Proceeds from note payable	-	(1,250,000)
Repayment of note payable	(119,400)	-
Proceeds from subscription deposits	1,213,760	2,150,000
	1,094,360	900,000
Net change in cash during the period	3,744,015	899,931
Cash, beginning of period	2,481,924	1,489,970
Cash, end of period	\$ 6,225,940	\$ 2,389,901

See accompanying notes to the condensed interim consolidated financial statements.

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

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 K.K. Fenollosa (Japan).

Subsequent to the completion of the transaction with Globalive Technology Inc. (“Globalive”) on February 10, 2021, Yooma Corp. changed its name to Yooma Wellness Inc. (Note 6). 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 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 (Note 3).

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 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)).

The company leverages strategically curated sales channels and ecommerce networks to deliver a diverse mix of wellness products through subsidiaries in China, Japan, and the United States. Yooma has assembled an international team of multicultural industry professionals with extensive experience in digital marketing, ecommerce and social media in the EU, North America and the pan-Asian region, with particular depth in the Chinese ecommerce market.

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 28, 2021.

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

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, 2020. 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 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:

Subsidiaries	Jurisdiction of incorporation	Ownership interest
Entertainment Direct Asia Ltd.	British Virgin Islands	100%
Yooma Japan K.K.	Japan	100%
Socati Corp.	Montana, United States of America	100%
Yooma Europe Limited	United Kingdom	100%

These condensed interim consolidated financial statements are presented in United States Dollars. The functional currency of the Company is the United States Dollar. The functional currency of its wholly owned subsidiaries is also the United States Dollar.

The 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.

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

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. 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 (Note 6), and was net of transaction fees. Upon completing the transaction, the Company had 44,759,888 common shares issued and outstanding.

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

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

As the transaction was not considered to be a business combination, the excess of the fair value of the consideration over the net assets acquired in the amount of \$960,725 are included as listing costs on the consolidated statement of loss and comprehensive loss totaling \$2,494,540.

4. Acquisitions:

- (a) On March 11, 2021, the Company completed the transaction to acquire the wellness brands of EMMAC Life Sciences Group, including Blossom, MYO, Hello Joya and What the Hemp, and issued 7,459,981 shares of Yooma to EMMAC Life Sciences Limited (the "Consideration Shares") as the consideration for the acquired assets. The value of Yooma shares issued is valued at \$8,317,518 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 held by Yooma Europe Limited, a company incorporated in the laws of the United Kingdom.

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

The 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.

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:

Total consideration paid (7,459,981 common shares)	\$	8,137,518
Net assets acquired		
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
Total assets		703,299
Current liabilities		
Accounts payable and accrued liabilities		513,620
Loan		20,277
Long-term assets		
Other liabilities		169,402
Total liabilities		703,299
Net assets assumed		-
Goodwill	\$	8,137,518

As at March 31, 2021, the Company recognized goodwill of \$8,137,518 arising from the acquisition of the EMMAC wellness brands. Goodwill is not deductible for tax purposes.

- (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 amounted to US\$25,000,000, which has been satisfied by the issuance of 23,320,894 common shares of Yooma (the "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 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,

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

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 cannabinal ("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:

Total consideration paid (23,320,896 common shares)	\$ 25,000,000
Net assets acquired	
Current assets	
Cash	2,339,085
Account receivables	390,601
Prepaid expenses and other assets	236,760
Inventory	771,126
Security deposits	272,949
Subscription receivable	1,992,886
Long-term assets	
Lease assets	1,370,566
Intangible assets	265,000
Capital assets	4,940,457
Total assets	12,579,431
Current liabilities	
Accounts payable and accrued liabilities	3,068,270
Long-term assets	
Lease liability	1,403,330
Total liabilities	4,471,599
Net assets assumed	8,107,832
Goodwill	\$ 16,892,168

As at March 31, 2021, the Company recognized goodwill of \$16,892,168 arising from the Merger. Goodwill is not deductible for tax purposes.

5. Inventory:

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

The Company's inventory of \$822,241 as at March 31, 2021 consists of packaged finished skin care products, as well as Socati's raw material and finished goods inventory. For the three months period ended March 31, 2021, the Company recognized \$273,527 of inventories in cost of sales. There have been no write downs or reversals of write downs on inventory. During the period ended March 31, 2021, the Company acquired inventory as a part of the net assets acquisitions (Note 4 (a), (b)) for the total of \$842,026.

6. Note receivable:

On February 10, 2021, the Company assumed the \$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 interest at 8% per annum. As of March 31, 2021, the outstanding amount on the loan was \$202,148, which includes accrued interest of \$2,148.

7. Prepaid expenses and other receivables:

	March 31, 2021	December 31, 2020
Prepaid expenses	\$ 321,141	\$ 16,882
Subscription receivable	779,126	
Tax refunds receivable	462,565	-
	\$ 1,562,832	\$ 16,882

8. Capital assets

During the period ended March 31, 2021, the Company purchased as a part of net assets on acquisitions (Note 4 (a), (b)) the total of \$4,957,487 in capital assets.

9. Intangible Assets

During the period ended March 31, 2021, the Company purchased as a part of net assets on acquisitions (Note 4 (a), (b)) the total of \$320,035 in intangible assets, consisting of licenses and developed IP.

10. Accounts payable and accrued liabilities

	Mar 31, 2021	Dec. 31, 2020
Accounts payable	\$ 876,565	\$ 168,233
Accrued liabilities	868,664	648,750
	\$ 1,745,229	\$ 816,382

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.

11. 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 loss per share for the period ended March 31, 2020 was based on the loss attributable to common

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

shareholders of \$44,993 and the average weighted average number of common shares outstanding of 13,000,023.

The calculation of basic and diluted loss per share for the period ended March 31, 2021 was based on the loss attributable to common shareholders of \$2,375,393 and the average weighted average number of common shares outstanding of 36,606,818.

12. Related party transactions and balances:

(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 March 31, 2021 (period ended March 31, 2020 - \$Nil) was as follows:

Salaries	\$	56,517
Stock based compensation granted ⁽ⁱ⁾		485,279
	\$	541,796

(i) Stock based compensation granted was estimated using the fair value of the 1,350,000 options granted to the Company's officer on February 10, 2021. The fair value was estimated based on the Black-Scholes option pricing model as described in note 13 (b) which will be recognized in the statement of loss and comprehensive loss over the vesting period.

(b) For the period ended March 31, 2021, the Company recorded \$70,625 (2020 - \$Nil) in board compensation fees. As at March 31, 2021, the total of \$70,625 is recorded in accounts payable and accrued liabilities.

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

13. 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)	10,928,558	5,000,000
Shares issued on the EMMAC Life Sciences Group transaction (Note 4(a))	7,459,981	8,137,518
Shares issued on the Socati transaction (Note 4 (b))	23,320,896	25,000,000
Balance, March 31, 2021	75,540,765	43,654,868

(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 can not be less than the market price of the common shares on the date of grant.

The Company recognized a share-based compensation expense of \$47,298 during the three months ended March 31, 2021 (2020 - \$Nil), related to stock options. The total fair value of options granted during the period was \$681,094 (2020 - \$Nil).

The Company issued stock options to acquire shares as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2020	-	-
Issued February 10, 2021	1,800,000	CDN\$0.84
Outstanding, March 31, 2021	1,800,000	CDN\$0.84

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

On February 10, 2021, the Company granted 1,800,000 stock options to officers. Each option entitles the holder to purchase one common share at a price of CDN\$0.84 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 \$647,039 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 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 \$1.2689 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, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The Company had the following stock options outstanding at March 31, 2021:

Number of Options	Exercise Price	Expiry Date	Weighted average remaining life (years)
1,800,000	CDN\$0.84	Feb. 10, 2031	9.90

14. Segmented information:

The Company is currently in the development stage and has determined that there is only one operating segment as they build the company anticipating future markets and opportunities.

During the period ended March 31, 2021, the Company's geographic net revenue was segmented as:

	For the period ended March 31, 2021	For the period ended March 31, 2020
Canada	\$ 66,910	\$ -
United States of America	192,853	-
Europe	20,221	-
Asia	50,169	-
	\$ 330,153	\$ -

As of March 31, 2021, the Company's non-current assets (except goodwill) were located in the following geographic areas:

	March 31, 2021	December 31, 2020
United States of America	\$ 6,528,046	\$ -
Europe	24,408	-
	\$ 6,552,454	\$ -

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

15. 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 at March 31, 2021, managed capital was \$39,003,382 (December 31, 2020 - \$3,193,958). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

16. 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 oversee 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. As at March 31, 2021 and December 31, 2020, the Company's maximum exposure to credit risk was the carrying value of cash.

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.

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. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

YOOMA WELLNESS INC.

Notes to the Condensed Interim Consolidated Financial Statements
(Expressed in U.S. dollars)
For the three month period ended March 31, 2021 and 2020

(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, 2021, the Company had a cash balance of \$6,225,940 (December 31, 2020 - \$2,481,924) to settle current financial liabilities of \$2,602,249 (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.

(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, 2021 or December 31, 2020.

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

17. Subsequent events:

(a) On May 6, 2021, the Company granted 5,455,000 stock options to its directors and officers. Each option entitles the holder to purchase one common share at a price of CDN\$1.24 per common share, exercisable on or before May 6, 2031, with the vesting schedule 1/36 monthly for the period of 3 years or 1/3rd per year for the period of 3 years.

(b) 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. Each unit entitles the holder to purchase one common share at a price of CDN\$1.24 per common share. The units are vested immediately.