

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

Lifeist Wellness Inc. (the “Company”)  
18 Canso Rd  
Etobicoke, Ontario, M9W 4L8

**Item 2: Date of Material Change**

July 21, 2023.

**Item 3: News Release**

A news release was issued by the Company via GlobeNewswire on July 21, 2023, and filed under the Company’s SEDAR profile on July 25, 2023, at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 4: Summary of Material Change**

Further to the Company’s news release on June 1, 2023, it has acquired 100% of 1000501971 Ontario Inc. (“Zest”) for \$3,411,707.90 (the “Acquisition”) in an all-stock transaction.

The Acquisition was completed pursuant to the terms of an amended and restated share purchase agreement, dated July 20, 2023 (the “Amended Acquisition Agreement”), which amended and restated the Share Purchase Agreement (as defined and detailed in the Company’s news release dated June 1, 2023). Pursuant to the terms of the Amended Acquisition Agreement, the Company acquired 100% of the issued and outstanding shares of Zest from Zest Cannabis Inc. and issued the Share Consideration to 13735346 Canada Inc. and 1000496959 Ontario Ltd. (together, the “Seller’s Shareholders”). The Company issued the aggregate consideration of 68,234,158 common shares of the Company (each, a “Common Share”) valued at \$3.4 million (the “Consideration Shares”), on the basis of a deemed price of \$0.05 per Common Share and issued at a premium to market.

The total Consideration Shares for the Acquisition includes:

- (i) 30,734,158 Common Shares at a price of \$0.05 per Common Share (the “Initial Consideration Shares”) (\$1,536,707.90), and
- (ii) 37,500,000 Common Shares at a price of \$0.05 per Common Share (the “Escrowed Shares”) (\$1,875,000), to be held in escrow and released over a period of nine months in accordance with certain milestones pursuant to the terms and conditions of an escrow agreement.

As a condition of the Acquisition, each of the Seller’s Shareholder entered into a support and voting agreement (the “Voting Agreement”) with respect to the Consideration Shares received

by the Seller's Shareholders in connection with the Acquisition. Pursuant to the Voting Agreement, the Company provided written notice to each Seller's Shareholder recommending how the Considerations Shares should be voted. The Seller's Shareholders have the right to abstain from voting. The Voting Agreement will automatically terminate two years after the date of the closing of the Acquisition.

**Item 5.1: Full Description of Material Change**

Please see the attached news release for a full description of the material change, a copy of which is attached hereto as Schedule "A".

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7: Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8: Executive Officer**

For additional information with respect to this material change, the following person may be contacted:

Lifeist Wellness Inc  
Meni Morim, Chief Executive Officer  
Ph: 647.362.0390  
Email: [ir@lifeist.com](mailto:ir@lifeist.com)

**Item 9: Date of Report**

July 31, 2023.

**SCHEDULE "A"**

*(See attached)*

## Lifeist Wellness Closes on Zest Acquisition

**Lifeist acquires 'Zest' brand to drive growth in high-margin categories through targeted marketing and sales programs and as a complementary product line to its in-house concentrate brand, Roilty**

TORONTO, July 21, 2023 -- **Lifeist Wellness Inc.** ("**Lifeist**" or the "**Company**") (TSXV: **LFST**) (FRANKFURT: **M5B**) (OTCMKTS: **LFSWF**), a health-tech company that leverages advancements in science and technology to build breakthrough companies that transform human wellness, is pleased to announce that further to the Company's news release of June 1, 2023, it has acquired 100% of 1000501971 Ontario Inc. ("**Zest**") for \$3,411,707.90 (the "**Acquisition**") in an all-stock transaction.

"Zest's addition to CannMart brings an elevated level of growth and innovation through its exceptional cannabis products," stated Daniel Stern, CEO of CannMart. "With the expansion of our product lines, we solidify our position as a market leader. Through Zest, CannMart now offers a wide range of cannabis products, including Liquid Diamond and other hydrocarbon focused vapes, infused pre-rolls and flower, while Roilty provides high-quality cannabis extracts such as live resin, vapes, sugar wax, and shatter. Leveraging our existing marketing and sales teams, we are confident in our ability to further develop the inventive brand and drive continued growth to achieve results on par with the success we have seen with our Roilty brand."

"It is my great pleasure to extend a warm welcome to the Zest team as they join our family of wellness companies at Lifeist," said Meni Morim, CEO of Lifeist. "Our primary objective is to improve our profitability through expanding our product portfolio through strategic acquisitions and internal development, offering consumers a diverse range of choices for unique health and wellness experiences. With the addition of high-margin Zest products, alongside Roilty and other high-quality brands, CannMart continues its growth trajectory to provide convenience and satisfaction to both consumers and provincial buyers in the marketplace."

The Acquisition will enhance the competitive position of Lifeist and CannMart in the cannabis industry by adding a complementary portfolio of hydrocarbon vape, infused pre-rolls and flower SKUs to the current product assortment of cannabis concentrates offered by in-house brand Roilty. CannMart, Lifeist's B2B wholesale distribution business facilitating recreational cannabis sales within Canada, will continue to develop and expand the Zest brand's already strong store penetration, and broaden the scope and scale of cannabis category offerings across Canada. The Acquisition has strengthened Lifeist's ability to serve the various and evolving needs of customers across the marketplace today and into the future.

### TRANSACTION DETAILS

The Acquisition was completed pursuant to the terms of an amended and restated share purchase agreement, dated July 19, 2023 (the "**Amended Acquisition Agreement**"), which amended and restated the Share Purchase Agreement (as defined and detailed in the Company's news release dated June 1, 2023). Pursuant to the terms of the Amended Acquisition Agreement, the Company acquired 100% of the issued and outstanding shares of Zest from Zest Cannabis Inc. and issued the Share Consideration to 13735346 Canada Inc. and 1000496959 Ontario Ltd. (together, the "**Seller's Shareholders**"). The Company issued the aggregate consideration of 68,234,158 common shares of the Company (each, a "**Common Share**") valued at \$3.4 million (the "**Consideration Shares**"), on the basis of a deemed price of \$0.05 per Common Share and issued at a premium to market.

The total Consideration Shares for the Acquisition includes:

- i. 30,734,158 Common Shares at a price of \$0.05 per Common Share (the "**Initial Consideration Shares**") (\$1,536,707.90), and
- ii. 37,500,000 Common Shares at a price of \$0.05 per Common Share (the "**Escrowed Shares**") (\$1,875,000), to be held in escrow and released over a period of nine months in accordance with certain milestones pursuant to the terms and conditions of an escrow agreement.

As a condition of the Acquisition, each Seller's Shareholder will enter into a support and voting agreement (the "**Voting Agreement**") with respect to the Consideration Shares received by the Seller's Shareholders in connection with the Acquisition. Pursuant to the Voting Agreement, the Company will provide written notice to each Seller's Shareholder recommending how the Considerations Shares should be voted. The Seller's Shareholders have the right to abstain from voting. The Voting Agreement will automatically terminate two years after the date of the closing of the Acquisition.

### About the 'Zest' Brand

The 'Zest' brand launched in September 2022 and has experienced remarkable growth within a short period of time, offering nine SKUs of vape, pre-rolls, and flower products currently available in Alberta, Ontario, Saskatchewan, Manitoba, and the Territories. Lifeist's subsidiary, CannMart is focused on rapidly expanding and growing Zest's market share in the 10 provinces and 2 territories CannMart currently serves. Zest has developed innovative products while tapping into fast-growing cannabis product sub-categories in the Canadian market. For more information visit: [www.zestcannabis.ca](http://www.zestcannabis.ca).

### About Lifeist Wellness Inc.

Sitting at the forefront of the post-pandemic wellness revolution, Lifeist leverages advancements in science and technology to build breakthrough companies that transform human wellness. Portfolio business units include: CannMart, which operates a B2B wholesale distribution business facilitating recreational cannabis sales to Canadian provincial government control boards including for CannMart Labs, a BHO extraction facility producing high margin cannabis 2.0 products; Australian Vapes, one of Australia's largest online retailers of vaporizers and accessories; and Mikra, a biosciences and consumer wellness company developing and selling innovative therapies for cellular health.

Information on Lifeist and its businesses can be accessed through the links below:

[www.lifeist.com](http://www.lifeist.com)

<https://cannmart.com>

<https://www.roilty.co>

<https://wearemikra.com/>

[www.australianvaporizers.com.au](http://www.australianvaporizers.com.au)

## **Contacts**

Meni Morim, Lifeist Wellness Inc., CEO

Ph: 647-362-0390

Email: [ir@lifeist.com](mailto:ir@lifeist.com)

*Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release or has in any way approved or disapproved of the contents of this press release.*

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

*This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events.*

*The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the Company's goal to leverage advancements in science and technology to build breakthrough companies that transform and revolutionize human wellness; the proposed benefits, terms, and timeline with respect to the Acquisition, including, the Acquisition bringing an elevated level of growth and innovation through its exceptional cannabis products to the Company, expanding the Company's product lines and solidifying the Company's position as a market leader, providing the Company the opportunity to develop the Zest brand with the goal of reproducing the success the Company has seen with its Roilty brand, continuing the Company's growth trajectory, and enhancing the competitive position of the Company and CannMart in the cannabis industry; the Company's primary objective will continue to be the improvement of its profitability through expanding its product portfolio through strategic acquisitions and internal development; the Company will continue to develop and expand the Zest brand's already strong store penetration, and broaden the scope and scale of cannabis category offerings across Canada; and the satisfaction of customary conditions of closing and the completion of the Acquisition under the timeline stated, including the deposit and release of the Escrowed Shares pursuant to the terms of the escrow agreement.*

*Forward-looking information in this press release are based on certain assumptions and expected future events, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, and those assumptions and expected future events include, but are not limited to: the Company's ability to leverage advancements in science and technology to build breakthrough companies that transform and revolutionize human wellness; the Company's ability to realize upon the proposed benefits, terms, and timeline with respect to Acquisition, including, the Acquisition bringing an elevated level of growth and innovation through its exceptional cannabis products to the Company, expanding the Company's product lines and solidifying the Company's position as a market leader, providing the Company the opportunity to develop the Zest brand with the goal of reproducing the success the Company has seen with its Roilty brand, continuing the Company's growth trajectory, and enhancing the competitive position of the Company and CannMart in the cannabis industry; the Company's ability to maintain its primary objective of improving its profitability through expanding its product portfolio through strategic acquisitions and internal development; the Company having the ability to develop and expand the Zest brand's already strong store penetration, and broaden the scope and scale of cannabis category offerings across Canada; and the Company's ability to satisfy customary conditions of closing and complete the Acquisition under the timeline stated, including the deposit and release of the Escrowed Shares pursuant to the terms of the escrow agreement.*

*These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the Company's inability to leverage advancements in science and technology to build breakthrough companies that transform and revolutionize human wellness; the Company's inability to realize upon the proposed benefits, terms, and timeline with respect to Acquisition, including, the Acquisition bringing an elevated level of growth and innovation through its exceptional cannabis products to the Company, expanding the Company's product lines and solidifying the Company's position as a market leader, providing the Company the opportunity to develop the Zest brand with the goal of reproducing the success the Company has seen with its Roilty brand, continuing the Company's growth trajectory, and enhancing the competitive position of the Company and CannMart in the cannabis industry; the Company's inability to maintain its primary objective of improving its profitability through expanding its product portfolio through strategic acquisitions and internal development; the*

*Company's inability to develop and expand the Zest brand's already strong store penetration, and broaden the scope and scale of cannabis category offerings across Canada; and the Company's inability to satisfy customary conditions of closing and complete the Acquisition under the timeline stated, including the deposit and release of the Escrowed Shares pursuant to the terms of the escrow agreement.*

*Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.*

*Forward-looking statements contained in this press release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.*

Source: Lifeist Wellness Inc.