



YANGAROO ANNOUNCES UNSECURED CONVERTIBLE DEBENTURE OFFERING

TORONTO, CANADA – December 6, 2022 – YANGAROO Inc. (“Yangaroo”, “Company”), (TSX-V: YOO, OTCPK: YOOIF), a software leader in media asset workflow solutions for the advertising and entertainment industries, is pleased to announce a non-brokered private placement offering (the “Offering”) of unsecured, convertible debentures (the “Debentures”) for gross proceeds of CAD \$500,000.

The Company is undertaking the Offering to satisfy a condition of the National Bank of Canada (“NBC”) that the Company complete a financing for gross proceeds of CAD \$500,000 in order for NBC to provide an amendment (the “Amendment Agreement”) to a loan agreement (the “Loan Agreement”) related to all credit facilities of the Company held with NBC. As previously disclosed, the Company is currently in breach of its financial covenants pursuant to the Loan Agreement. Following the completion of the Offering, it is anticipated that NBC will enter into the Amendment Agreement with the Company such that the Company will be in good standing pursuant to the terms of the Loan Agreement. Subscribers to the Offering will be required to execute a Subordination and Postponement Agreement in favour of NBC with respect to the Debentures until any and all amounts owing by Yangaroo to NBC are repaid and the Subordination and Postponement Agreement is terminated by NBC. During the term of the Subordination and Postponement Agreement, no payments to the holders of the Debentures in the form of cash will be permitted except for payments of Interest (as defined below), unless the Company is in default of the Loan Agreement, and no payments by way of issuance of common shares as contemplated below will be permitted if the Company is in default of the Loan Agreement (the “NBC Conversion Restriction”).

The Debentures will mature on November 30, 2027 (the “Maturity Date”) and each \$1,000 Debenture will bear interest (the “Interest”) at a simple rate of the NBC Prime Rate (“Prime”) plus 8.00% per annum (subject to increase to Prime plus 10.00% per annum in the event of certain defaults). The holders of the Debentures will be entitled to convert the principal amount of the Debentures at any time on or prior to the Maturity Date into common shares of the Company at a conversion price of \$0.10 (the “Conversion Price”), subject to adjustment related to corporate actions and subject to the NBC Conversion Restriction. In the event that the Debentures are not converted or repaid by the Maturity Date as a result of the NBC Conversion Restriction, subject to the prior approval of the TSX Venture Exchange (the “Exchange”), the Debentures will become non-convertible.



Interest will be payable within 30 days of the end of each semi-annual period ended November 30th and May 31st throughout the term of the Debentures in cash or common shares of the Company, at the discretion of the Company, and subject in each instance to the approval of the Exchange, and subject to the NBC Conversion Restriction. If paid by way of share issuance and subject to Exchange approval, the price per share will be the Discounted Market Price as determined at the time of settlement.

The Company will have an optional right to redeem the principal amount owing under the Debentures, on a pro rata basis, in whole or in part, at 100% of the value of the principal owing at such time. The Company will also have a mandatory obligation to redeem the principal amount owing under the Debentures in certain circumstances, including in the event of certain asset sales (requiring a redemption in whole or in part at par) or in the event of a change of control (requiring a redemption in full at 101% of the principal owing at such time), however subject to the NBC Conversion Restriction in each instance. In the event of an optional or mandatory redemption, interest will be payable within 30 days of the applicable redemption date, in cash or common shares as described above, subject in each instance to the prior approval of the Exchange and to the NBC Conversion Restriction.

The Company intends to close the Offering on or about December 9th, 2022. The net proceeds of the Offering are expected to be used to repay a portion of the outstanding balance owing on the Company's revolving line of credit held with NBC, which will in turn be used for general working capital purposes. The Offering, including each term of the Debentures, is subject to the approval of the Exchange.

Although the Debentures are non-transferable, in the event that the Debentures are converted prior to the expiration of a statutory hold period of four months and a day from the date of closing (the "**Hold Period**"), the underlying common shares will be subject to the remainder of the Hold Period.

The Company anticipates one or more directors or officers of the Company to participate in the Offering. Such participation of insiders will be considered "related party" transactions subject to and in accordance with Multilateral Instrument 61-101. The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements in respect of any such insider participation.

None of the securities issued in connection with the Offering will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.



About YANGAROO

Yangaroo is a software leader in media asset workflow and distribution solutions for advertising, music, and awards industries. YANGAROO's patented Digital Media Distribution System is a leading secure business to business cloud-based solution that incorporates production services, traffic, clearance, delivery, analytics, and secure API integration for the industries various video and audio work-flow challenges.

YANGAROO has offices in Toronto, New York, and Los Angeles. YANGAROO trades on the TSX Venture Exchange (TSX-V) under the symbol YOO and in the U.S. under OTCBB: YOOIF.

#

For YANGAROO Investor Inquiries:

Dom Kizek

Ph: (416) 534 0607 #162

dom.kizek@yangaroo.com

Neither the TSX Venture Exchange nor Its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the accuracy of this release.

Cautionary Note Regarding Forward-looking Statements

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

Forward looking statements are subject to both known and unknown risks, uncertainties and other factors, many of which are beyond the control of YANGAROO, that may cause the actual results, level of activity, performance or achievements of YANGAROO to be materially different from those expressed or implied by such forward looking statements. The Company is making forward looking statements, including but not limited with respect to: the terms, amount, documentation and timing of the Offering and the Debentures, as well as the use of proceeds thereof; the hold period on the common shares underlying the Debentures, the participation of insiders; and the Amendment Agreement anticipated as



a result of the completion of the Offering and the terms of such Amending Agreement, including the result thereof being the Company's good standing with respect to the Term Loan and Loan Agreement. Although YANGAROO has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause YANGAROO's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, neither YANGAROO assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.