



YANGAROO CLOSSES CAD\$500,000 UNSECURED CONVERTIBLE DEBENTURE FINANCING AND AMENDS LOAN AGREEMENT

TORONTO, CANADA – December 13, 2022 – YANGAROO Inc. (“Yangaroo”, “Company”), (TSX-V: YOO, OTCPK: YOOIF), a software leader in media asset workflow solutions for the advertising and entertainment industries, further to its press release on December 6, 2022, is pleased to announce the closing of its non-brokered, unsecured, convertible debentures (the “**Debentures**”) for gross proceeds of CAD \$500,000 (the “**Offering**”).

The Offering

The Company completed 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 to a loan agreement related to all credit facilities of the Company held with NBC (the “**Loan Agreement**”).

The terms of the Offering and Debentures are as disclosed in the press release issued on December 6, 2022. The Offering, including each term of the Debentures, received the conditional approval of the TSX Venture Exchange (the “**Exchange**”) prior to closing but are subject to the final approval of the Exchange. Although the Debentures are non-transferable, in the event that the Debentures are converted prior April 13, 2022 (the “**Hold Period**”), the underlying common shares will be subject to the remainder of the Hold Period.

The NBC Loan Amendment

As previously disclosed, the Company was in breach of its financial covenants pursuant to the Loan Agreement. As the Company has satisfied the condition of completing the Offering, the Company and NBC have entered into an amending loan facility agreement (the “**Amendment**”), which amends certain terms, such as the termination of certain of the credit facilities, a six-month principal holiday period beginning on January 1, 2023 during which the Company is required to pay interest only on its term loan facility, an increase in the interest rate from National Bank Prime Rate plus 2.45% to National Bank Prime Rate plus 4.45% on its term loan facility, and the amendment of certain financial covenants and ratios



and reporting requirements. As a result of the Amendment, the Company is now in good standing with respect to its obligations to NBC.

Subscribers to the Offering were 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 Agreements are terminated by NBC. During the term of the Subordination and Postponement Agreements, the Company may not make any principal payments to the holders of the Debentures in the form of cash. The Company will be permitted to pay interest on the Debentures in either cash or by way of issuance of common shares (at its discretion but subject to the policies and the approval of the Exchange in each instance) unless the Company is in default of the Amendment, in which event no such interest payments nor a conversion of the Debentures shall be permitted.

Insider Participation in Offering

As certain directors of the Company participated in the Offering, the Offering is considered a "related party" transaction subject to and in accordance with Multilateral Instrument 61-101 ("MI 61-101"). The Company relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and (b) and 5.7(1)(a) and (b) of MI 61-101.

Neither the Company, nor to the knowledge of the Company after reasonable inquiry, a related party, has had knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

The Company did not file a material change report more than 21 days before the expected closing of the Offering because the details of the participation therein by related parties of the Company were not settled until shortly prior to the closing of the Offering and the Company wished to close on an expedited basis for business reasons.

Early Warning Disclosure

Pursuant to the Offering, the Company issued 250 Debentures to Mr. H Shepard Boone, a director of the Company, directly and indirectly, for total consideration of \$250,000.

Immediately prior to the completion of the Offering, Mr. Bonne had ownership and/or control of 10,351,679 common shares of the Company on an undiluted basis and 10,386,679 common shares of



the Company on a partially diluted basis, representing 16.6% of the issued and outstanding shares of the Company on an undiluted basis and 16.7% on a partially diluted basis. Following the completion of the Offering, Mr. Boone continued to have ownership and/or control of 10,351,679 common shares of the Company, representing 16.6% of the issued and outstanding shares of the Company on an undiluted basis. Assuming the exercise of the Debentures, Mr. Boone would have ownership and/or control, directly or indirectly, of 12,921,679 common shares of the Company, representing 19.93% of the issued and outstanding shares of the Company on a partially diluted basis.

Mr. Boone's acquisition of the Debentures was made for investment purposes and Mr. Boone intends to increase or decrease his holdings in the Company depending on market conditions and as circumstances warrant.

A report respecting this acquisition will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) and will be available for viewing on the Company's profile at www.sedar.com.

None of the securities issued in connection with the Offering have been or 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.

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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 of the Offering and the Debentures, as well as the use of proceeds thereof; the hold period on the common shares underlying the Debentures; and all matters related to the Amendment. 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.