

Disclosure Statement

OTC Markets



A Nevada Corporation

Yippy, Inc.

999 Brickell Avenue, Suite 610, Miami, FL 33131

1-877-947-7901

www.yippyinc.com info@yippyinc.com

CUSIP Number: 98584Y202

Tax ID Number: 98-0585450

SIC: 7374

Quarterly Report for the Period Ending

February 29, 2020

As of November 30, 2019, the number of shares outstanding of our Common Stock was:

76,975,377

As of February 29, 2020, the number of shares outstanding of our Common Stock was:

76,975,377

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐

No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐

No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐

No: ☒

1) **Name of the issuer and its predecessors (if any) in past five years: None**

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

May 24, 2006 - Nevada

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐

No: ☒

2) **Security Information**

Trading symbol: YIPI
Exact title and class of securities outstanding: COMMON
CUSIP: 98584Y202
Par or stated value: \$.001

Total shares authorized: 100,000,000 as of date: 2/29/20
Total shares outstanding: 76,975,377 as of date: 2/29/20
Number of shares in the Public Float: 9,180,000 as of date: 2/29/20
Total number of shareholders of record: 1164 as of date: 2/29/20

Additional class of securities (if any): ***None***

Transfer Agent

Name: Pacific Stock Transfer Phone: 702-361-3033
Email: info@pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

3) Issuance History

A. Changes to the Number of Outstanding Shares Past 2 Fiscal Years and Subsequent Periods

Number of Shares outstanding as of <u>02/29/18</u>	Opening Balance: Common: <u>76,975,377</u>								
	Preferred: <u>0</u>								
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
6/17/2019	New Issuance	2,000,000	Common	\$0.34	No	B. Villorani	Acquisition of Assets	Restricted	R-144
Shares Outstanding on <u>02/29/20</u>	Ending Balance: Common: <u>76,975,377</u>								
	Preferred: <u>0</u>								

B. Debt Securities, Including Promissory and Convertible Notes Past Two Fiscal Years and Subsequent Periods as of 03/08/21.

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
2/25/2019	0	275,000	0	8/26/2019	Convertible - \$0.30 Balloon at Maturity	Auctus Capital	Loan
8/1/2019	250,000	250,000	26,500	7/31/2020	Convertible - \$0.30 Balloon at Maturity	Steven Clontz	Loan
8/18/2019	200,000	200,000	19,500	8/18/2020	Convertible - \$0.25 Interest Accrued	Steven Clontz	Loan
1/14/2020	75,000	75,000	1,725	1/14/2021	Convertible - \$0.30 Balloon at Maturity	Steven Clontz	Loan

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by Dean.

C. Name: Dean Valentine
Title: Chief Financial Officer
Relationship to Issuer: Chief Financial Officer

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- D. Balance sheet;
- E. Statement of income;
- F. Statement of cash flows;
- G. Financial notes; and
- H. Audit letter, if audited

See Exhibit 1 – Incorporated by Reference

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

See Exhibit I

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

See Exhibit I

- C. Describe the issuers' principal products or services, and their markets

See Exhibit I

6) Issuer's Facilities

See Exhibit 1

7) Officers, Directors, and Control Persons

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Richard Granville	Officer	Miami, FL	34,902,376	Common	46%	
Ken Jolly	Director	Dallas, TX	0			
David Weild IV	Director	NY, NY	0			
Dean Valentine	Officer	Los Angeles, CA	0			

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NO

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NO

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

NO

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NO

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NONE

9) **Third Party Providers**

Please provide the name, address, telephone number and email address of each of the following outside providers as of 02/29/20:

Securities Counsel

Name: Alan C. Ederer
Firm: Westerman Ball Ederer Miller & Sharfstein
Address 1: 1021 RXR Plaza
Address 2: Uniondale, NY 11556
Phone: 516-622-9200
Email: aederer@westermanllp.com

Accountant or Auditor

Name: Steven M. Plumb CPA
Firm: Clear Financial Solutions
Address 1: 7600 West Tidwell, Suite 501
Address 2: Houston TX 77040

Phone: 713-780-0806
Email: steven@clearfinancials.com

10) **Issuer Certification**

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the

format below: I, Richard Granville

certify that:

1. I have reviewed this Quarterly Disclosure Statement of Yippy, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 10, 2021

/s/ Richard Granville CEO

Principal Financial Officer:

I, Dean Valentine certify that:

1. I have reviewed this Quarterly Disclosure Statement of Yippy, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material factor omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 10, 2021

/s/ Dean Valentine

Quarterly Report
Period Ended February 29, 2020



YIPPY, Inc.
(a Nevada corporation)

Current Trading Symbol: **YIPL.PK**

CUSIP Number: **98584Y202** Tax ID Number: **98-0585450**

WE PREVIOUSLY WERE A SHELL COMPANY AND ARE NOT CURRENTLY A REPORTING COMPANY AS THAT TERM IS DEFINED IN THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND THEREFORE, THE SAFE HARBOR EXEMPTION OFFERED PURSUANT TO RULE 144 IS NOT CURRENTLY AVAILABLE. ANYONE WHO PURCHASED SECURITIES DIRECTLY OR INDIRECTLY FROM US OR ANY OF OUR AFFILIATES IN A TRANSACTION OR SERIES OF TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING CANNOT SELL SUCH SECURITIES IN AN OPEN MARKET TRANSACTION.

ITEM I: The Exact Name of the Issuer and its Predecessors.

- Yippy, Inc., a Nevada corporation (hereinafter referred to as the “Company” or “Yippy”).
- Formerly Cinnabar Ventures, Inc. until April 2010 (Certificate of Amendment to the Company’s Articles of Incorporation filed with the Nevada Secretary of State on April 15, 2010, as filed with the United States Securities and Exchange Commission (the “SEC”) as Exhibit 3.1 to the Company’s Current Report on Form 8-K on May 10, 2010).

ITEM II: The Address of the Issuer’s Principal Executive Offices.

Yippy, Inc.
999 Brickell Ave STE 610
Miami, FL 33131

Phone Number: 877-947-7901
Email: info@yippyinc.com
Website: www.yippyinc.com

The Jurisdiction and Date of the Issuer’s Incorporation or Organization.

The Company was originally organized under the corporate laws of the State of Nevada on May 24, 2006.

ITEM III: Share Structure.

The Exact Title and Class of Securities Outstanding.

Trading Symbol: YIPI
Class of Securities: Common
CUSIP Number: 98584Y202
Market: OTC

Par or Stated Value and Description of the Security.

A. Par or Stated Value

Common Stock, par value \$0.001 per share

B. Description of Common Stock

The holders of shares of common stock have no subscription, redemption, subscription, sinking fund or conversion rights. In addition, the holders of shares of common stock have no preemptive rights to maintain their percentage of ownership in future offerings or sales of our stock. The holders of shares of common stock have one vote per share in all elections of directors and on all other matters submitted to a vote of our stockholders. The holders of common stock are entitled to ratably receive dividends, if any, as and when declared from time to time by our board of directors out of funds legally available therefore. Upon liquidation, dissolution or winding up of our affairs, the holders of common stock will be entitled to participate equally and ratably, in proportion to

the number of shares held, in our net assets available for distribution to holders of common stock. The shares of common stock currently outstanding are fully paid and non-assessable. There is no provision in the Company's articles of incorporation or bylaws that would delay, defer, or prevent a change in control of the issuer.

The Number of Shares of the Securities Outstanding for Each Class of Securities Authorized.

PERIOD END DATE	29-Feb-20	31-May-19	31-May-18
(1) Number of Authorized Shares	100,000,000	100,000,000	100,000,000
(2) Number of Outstanding Shares	76,975,377	74,975,377	74,975,377
(3) Public Float	9,180,000	9,180,000	9,180,000
(4) No. of Beneficial Shareholders	1164	1165	1127
(5) Total No. of Shareholders of Record	222	222	221

The Name and Address of the Transfer Agent

PACIFIC STOCK TRANSFER COMPANY
 4045 South Spencer Street, Suite 403 Las Vegas, NV 89119
 Tel: (702) 361-3033
 Fax: (702) 433-1979
 E-mail: info@pacificstocktransfer.com

Pacific Stock Transfer Company is registered under the Exchange Act and is an SEC approved transfer agent, under the regulatory authority of the SEC.

Describe any trading suspension orders issued by the SEC in the past 12 months

NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months

Yippy acquired the assets of the e-commerce businesses owned by Bravera Holdings, LLC on June 17, 2019. Yippy issued 2,000,000 common shares at a valuation of \$0.34 per share for the acquisition. Bravera Holdings, LLC was the owner and operator of various websites that generates customer leads and referral traffic for the purpose of marketing and selling various consumer products.

ITEM IV: Issuance history for the last two fiscal years.

See Financial Footnotes in Exhibit A.

ITEM V: Interim Financial Statements.

The Company's interim financial statements for the period ended February 29, 2020 are attached hereto as Exhibit A.

ITEM VI: Management's Discussion and Analysis of Financial Condition and Results of Operations.

A. A description of the issuer's business operations;

See Plan of Operation.

B. Date and State (or Jurisdiction) of Incorporation:

May 24, 2006 - Nevada

C. The issuer's primary and secondary SIC Codes;

Primary – 7374 Prepackaged Software

Secondary - None

D. The issuer's fiscal year end date;

May 31

E. The principal products or services, and their markets;

See Plan of Operation.

Forward Looking Statements

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this quarterly report. Various statements have been made in this report that may constitute "forward- looking statements." Forward-looking statements may also be made in Yippy's other reports filed with or furnished to the OTC Disclosure and News Service or the United States Securities and Exchange Commission, as well as in other documents. In addition, from time to time, Yippy, through its management, may make oral forward-looking statements. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from such statements. The words "believe," "expect," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely" and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Yippy undertakes no obligation to update or revise any forward-looking statements.

Plan of Operation

The Company has several business and partnership opportunities that are in different stages of development. Each represents a potential role in the future business of Yippy. The business that Yippy represents offers vast opportunities in multiple vertical markets. Since inception, it has always been management's goal to grow the

business through internal development and strategic acquisitions of software, synergistic technology and companies that add value to the intellectual property of the Company and provide revenue growth.

Description of Business

General

Yippy is a data intelligence company committed to helping customers securely search and access data anywhere on earth. Over the past several years, Yippy has entered into a series of strategic partnerships and transactions designed to enhance Yippy's product and service offerings. The Company's foundation is built on its unlimited, perpetual, worldwide, non-exclusive license of the Velocity search platform and associated technologies which Yippy acquired in 2010 from Vivisimo, Inc. ("Vivisimo"). In 2012, International Business Machines Corporation (NYSE: IBM) ("IBM") purchased Vivisimo and rebranded Velocity as IBM Watson Explorer® ("Watson"), and Yippy maintains its worldwide perpetual license of the technology.

Based upon Watson, which Yippy operates autonomously from IBM, and coupled with other internally developed and acquired technologies, the Company has developed a suite of technology solutions which enhance the underlying technology's output while simplifying the deployment process. These solutions range from cloud, enterprise search, business intelligence, document security and data compression for MSS/FSS satellite and terrestrial wireless operators. Additionally, the Company has developed middleware, connectors and associated programs which enable deployments to be successful with substantially less resources and personnel as typically required in the industry.

E-Commerce

Yippy acquired the assets of the e-commerce businesses owned by Bravera Holdings, LLC on June 17, 2019. Bravera Holdings, LLC was the owner and operator of various websites that generates customer leads and referral traffic for the purpose of marketing and selling various consumer products.

EASE 360 Platform

In 2014, the Company released its EASE (Enterprise Application Service Environment) 360 platform. EASE 360 is fully managed in the cloud or on site by Yippy, and excels in five key areas:

1) *Concept Clustering*

Yippy allows users to navigate data sets by topical categories dynamically which surfaces concepts and insights in data not previously known. Additional uses include entity extraction, discovery and language agnostic trending for sentiment analysis visualized to give true insight into an organization's data through proprietary technology.

2) *Structured Navigation*

Yippy delivers faceted navigation filters allowing users to refine search attributes such as by date, price, author, location, content type or other customized filters, allowing for more effective search inquiries. Index filters can be used to create vertical data repositories on subjects, products or competitive businesses, all delivered in real time.

3) *Relevancy Controls*

Yippy offers organizations the flexibility to control the information that is included in the index and displayed in search results including word proximity, synonyms, source, link analysis and relevancy. It allows users to tune the output of data in innovative ways which are unique to Yippy and its proprietary software. This function has proven to be useful for discovery in large volumes of unstructured and structured data simultaneously.

4) *Security*

Flexible access control integration including, SSO, Active Directory (AD), LDAP and ACLs that provides early binding document and field level security. This ensures that only the documents or fields a user or group has permission to access will be available. Field level security is extremely useful in a variety of industries including but not limited to health care, customer service, inside sales, or banking due to the user not having to log in and out of multiple systems to access internal data. Yippy is designed for speed to information and helping organizations lock down abandoned files from their data systems to improve document security.

5) *Managed Content Connectors*

Yippy maintains an unprecedented library of a fully documented connector source factory that monitors, maintains and updates the connectors on a 24/7 basis and that guarantees highly sustainable and scalable use. The Company's content connectors are available for federation and harvesting of public, private, structured or unstructured data in any format, across any location, including enterprise applications, social media and proprietary content sources. The Company's connectors are also platform agnostic, which is extremely helpful for companies with multiple disparate retrieval and information systems.

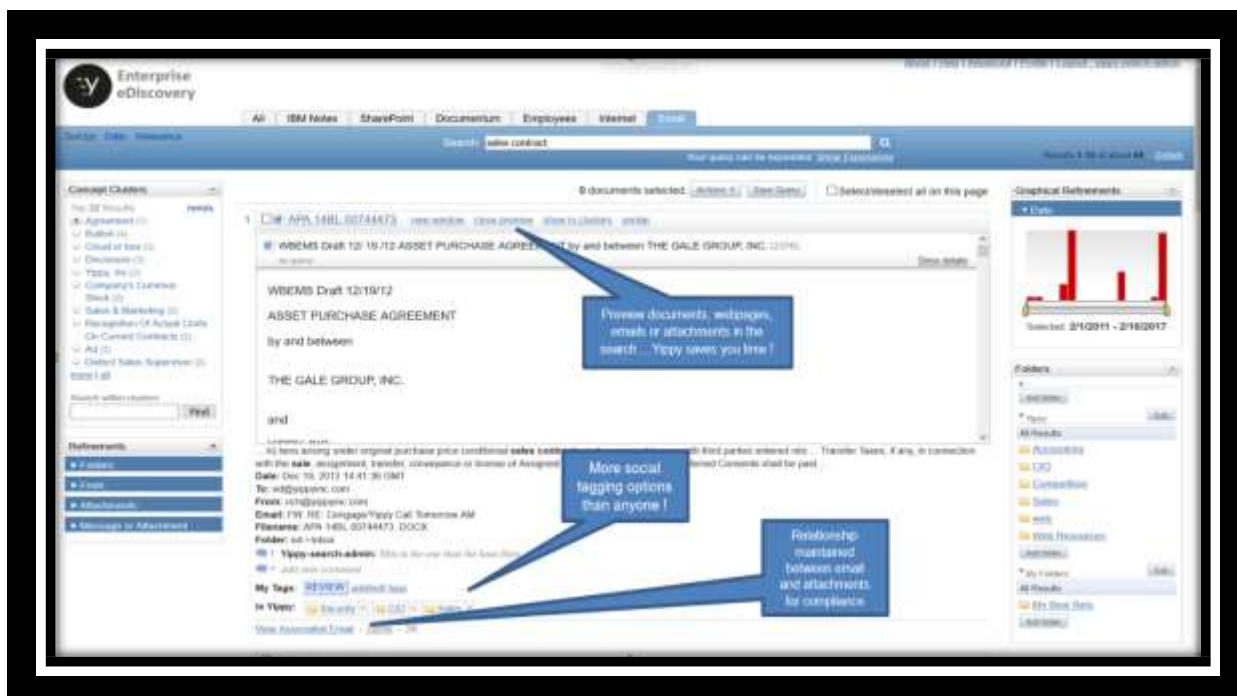
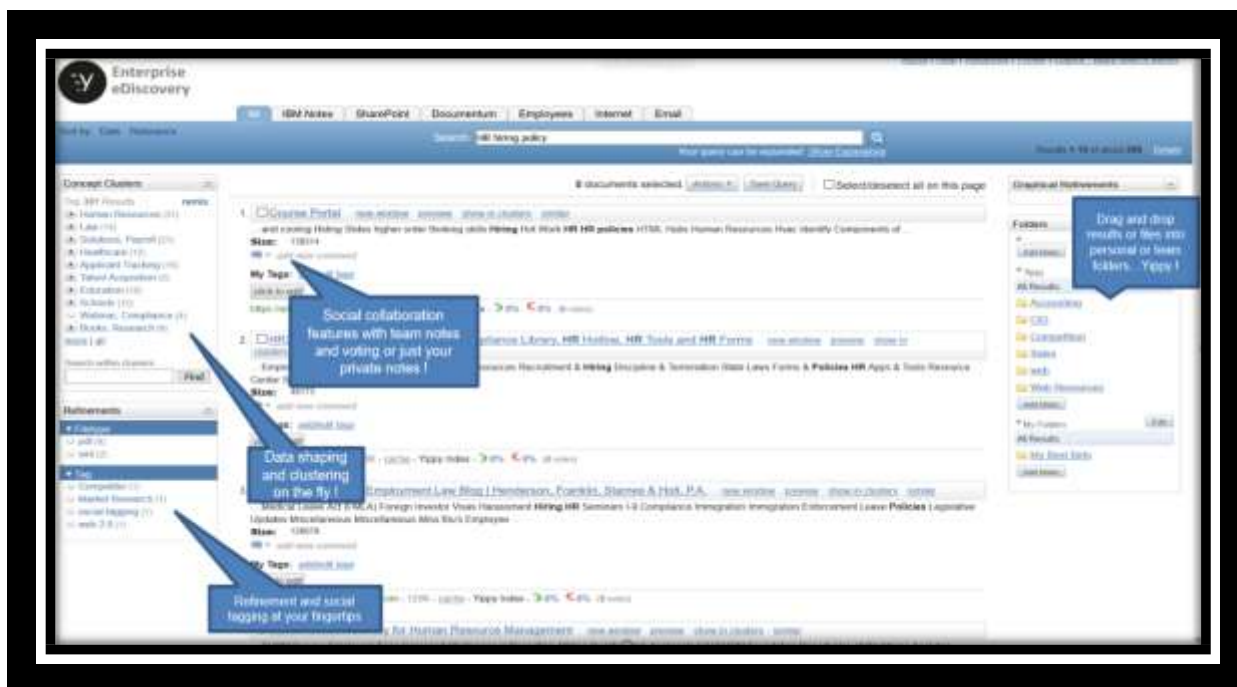
Blue Flame Appliance

Yippy has developed an appliance-based deployment for the EASE 360 platform known as the Blue Flame appliance. We have delivered several appliances over the past year with very high marks from customers. The timing of its development was born through recommendations by CIOs of major international companies we visited with during that period. The message was clear. Few, if any, major companies were going to put their all of their proprietary data on third party managed or shared systems (aka: Cloud) in the foreseeable future.

Yippy's second generation Blue Flame appliance was developed to speed up the development and deployment processes. Some of the biggest logistical challenges in IT are the coordination of multiple departments, analyzing hardware and software solutions, and security checks which increase cost and personnel requirements. Successful deployments require several IT knowledge disciplines for coding, network and hardware architecture, which creates work flows that are not easily managed and inherently flawed in the process.

Management took a logical look at the processes of deploying a big data system and we endeavored to create a software stack from both acquired assets and internally developed technologies to greatly assist big data deployments reducing time on site by as much as 80%. The Company's Blue Flame appliances have been running in businesses for nearly three (3) years and have maintained a 100% uptime record for both software and hardware availability.

Yippy advanced search technologies offer many features in our user interface that our competition fails to provide. This includes social search collaboration, in search preview, concept clustering and complete search of the content in your emails and the attachments to name a few are significant competitive advantages. Our solutions are tailored on the needs of the client and scale easily.



Yippy Search Appliance

For over a decade, the leading on-premises enterprise search solution has been the Google Search Appliance (GSA). In February 2016, Google, Inc. ("Google") announced that it was sun-setting the Google Search

Appliance, its retirement to be effective in early 2019. That means that Chief Information Officers and small business owners alike are suddenly faced with the need to replace their GSA with another search solution. Google has generated significant revenue from the GSA, and based on third party sources and Yippy's internal calculations, the Company estimates the current GSA market to be at least \$500 million per year and along with other third party market researchers, forecasts the search enterprise market to continue to grow exponentially.

Upon the news of Google's departure from on premise appliance business, Yippy retooled its Blue Flame Appliance to create a separate search based model called the Yippy Search Appliance (YSA). The YSA serves as a replacement for the GSA while delivering additional technology features for the benefit of the consumer. The YSA allows users to search and derive insights from all structured and unstructured data anywhere, and allows enhanced data sampling. As an example, the YSA can search all of an organization's content at once, while the GSA is only able to search 1000 files per search.

Google sells the GSA through a network of value added resellers (termed Google for Work partners). These resellers (typically data consulting firms) rely upon GSA sales for their revenue. Yippy's strategy for capturing a portion of the GSA market is to form a series of strategic partnerships with GSA resellers who are now seeking an enterprise search partner as a result of Google's planned departure from the market. The Company's YSA product is a cost-effective alternative to the GSA and, with the YSA's additional features, Yippy believes it to be an upgrade for consumers currently using the GSA.

Hybrid - Private Cloud

Yippy's EASE 360, Blue Flame and YSA technology stack provide organizations with a choice of public, private, and hybrid cloud options for internal and external content. This option and functionality is a key solution for the industry as companies continue to show hesitancy to entrust a cloud-based system as the sole source for storing and maintaining their sensitive and critical information.

Yippy appliance stacks create a premium Cloud with data federation abilities that unite an entire organization's knowledge base globally, without firewall breaches or other complications. Yippy's solution is platform and data agnostic, which means that the appliance stack can unify SAP, Oracle, Microsoft, Google, Jira, Confluence, Stack, Box or any other enterprise class business product without ever having to change the structure or location in which the data resides.

The Private Cloud-based enterprise unification market is growing quickly, at the expense of third party cloud, and the Company believes there is a market opportunity for a hybrid approach, where highly sensitive information is stored securely on-premises, while less sensitive information is stored off-site on the third party cloud. With the majority of information created in knowledge base systems being private in nature, the third party cloud has limited use cases for major enterprises. For large organizations, the ability to migrate to the cloud incrementally without hard deadlines is a strong selling point for the Yippy's hybrid solution.

Data Compression and Optimization

In November 2014, the Company began negotiations with Globalstar (NYSE: GSAT) to provide their subscribers private cloud data services utilizing Globalstar's satellite network and devices. The goal was to enhance Globalstar subscribers' speed to data making it easier to stay connected, efficiently maintain secure business operations and send and receive critical data, thereby making enterprise search accessible to remote workers.

In June 2015, the Company and Globalstar reached an agreement to build out a global ubiquitous network utilizing the Yippy EASE 360 platform. The private cloud architecture allows Globalstar subscribers to access online information as well as corporate data silos with enhanced download and upload speeds. Through proprietary data optimization and compression technology developed by the Company, Yippy has achieved better than 90% reduction of total file size downstream for webpage and document retrieval. These numbers were independently verified by Globalstar and outside consultants. The Company's compression technology has far reaching capabilities beyond MSS operations.

Software Development

The Company engages in software development for hire in special situations that fit the overall objectives of the Company. Over the last five years, the Company has derived revenue from software development and deployment, and this is expected to continue.

Results of Operations

Three and nine months ended February 29, 2020 compared to three and nine months ended February 28, 2019

Revenues

Revenues for the three months ended February 29, 2020 were \$326,776, compared to \$358,100 for the same period ended February 28, 2019. Revenues for the nine months ended February 29, 2020, were \$962,412, compared to \$888,380 for the same period ended February 28, 2019. The slight decrease is attributed to Covid-19 fears that caused an extremely modest sales decrease for the three months ended and the increase in nine months ended is mainly attributed to growth through our e-commerce businesses.

General and Administrative Expenses

General and administrative expenses for the three months ended February 29, 2020, were \$220,810, compared to \$592,241 for the same period ended February 28, 2019. General and administrative expenses for the nine months ended February 29, 2020, were \$955,931, compared to \$1,120,837 for the same period ended February 28, 2019. The decrease for the three and nine months period ended was mainly attributable to reduced international travel costs for personnel and reduction in staff related to an previous acquisition.

Share Based Compensation

Share based compensation was \$0 for the three and nine months ended February 29, 2020, compared to \$0 for the three and nine months ended February 28, 2019.

Depreciation and Amortization Expense

Amortization expense relates primarily to the amortization of intangible assets. Amortization expense was \$126,761 for the three months ended February 29, 2020, compared to \$126,761 for the same period ended February 28, 2019. Amortization expense was \$387,282 for the nine months ended February 29, 2020, compared to \$374,358 for the same period ended February 28, 2019.

Net Loss

The Company experienced a net loss of \$355,414 for the three months ended February 29, 2020, compared to a net loss of \$473,664 for the same period ended February 28, 2019. The Company experienced a net loss of \$1,297,757 for the nine months ended February 29, 2020, compared to a net loss of \$1,028,226 for the same period ended February 28, 2019. The increase in net loss for the three and nine months ended is due to increased interest expenses and higher costs of goods sold.

Liquidity and Capital Resources

As of February 29, 2020, the Company had cash on hand or on deposit funds in the amount of \$85,578 and \$1,155,411 in accounts receivables. The Company had total liabilities of \$3,382,420 and total assets \$5,053,946. We believe that we have sufficient cash on hand to meet our operating expense requirements for the next quarter.

The Company may from time to time access the private or equity markets on a “as needed” basis.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as “special purpose entities” (SPEs).

ITEM VII: Property

The Company does not currently own any facility. The Company currently maintains a leased Class A office Marco Island, FL, located at 999 Brickell Ave., Suite 610, Miami, FL 33131. The Company occupies approximately 2500 sq. ft. of the second floor of the building. The term of the lease is five years ending July 2023. We maintain a network of fulfillment operations in Atlanta, GA, Las Vegas, NV, Singapore, and Barcelona, Spain.

ITEM VIII: The Name of the Chief Executive Officer, Members of the Board of Directors, as well as Control Persons.

A. Officers and Directors

The following table and text sets forth the names and ages of all our directors and executive officers and our key management personnel as of February 29, 2020. All of our directors serve until the next annual meeting of stockholders and until their successors are elected and qualified, or until their earlier death, retirement, resignation or removal. Executive officers serve at the discretion of the board of directors, and are elected or appointed to serve until the next board of directors meeting following the annual meeting of stockholders. Also provided is a brief description of the business experience of each director and executive officer and the key management personnel and an indication of directorships held by each director in other companies subject to the reporting requirements under the Federal securities laws.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Richard Granville	51	Chief Executive Officer, Chairman
Errol Walsh	76	Director
Ken Jolly	56	Director
David Weild	62	Director

Richard Granville, age 51, Chief Executive Officer, Chairman of the Board of Directors

1. Full name

Richard S. Granville III

2. Business address

999 Brickell Ave., Suite 610, Miami, FL 33131

3. Employment history

Mr. Granville, has over twenty five years' experience in new technology development, sales and marketing experience. From November 2008 to present, Mr. Granville has served as the Managing Partner of Yippy Partnership Group and now is the Chief Executive Officer of Yippy, Inc. From November 2006 to September 2008, Mr. Granville served as Chief Executive Officer of Jack9 Entertainment, Inc ("Jack9"). Jack9 was one of the most successful IPTV units online and under Mr. Granville's direction, achieved a top 250 web property. From March 2003 to October 2006, Mr. Granville served as President of Southpaw, Inc., a Florida building contractor that served central Florida for residential and light commercial construction. From June 2001 to March 2003, Mr. Granville served as President of Granville Management Services, where he helped small emerging businesses in the "green" technologies sector. Mr. Granville invested time and capital into green home technology and automation, alternative energy research and grid management in the United States, Dominican Republic, Canada and Mexico.

From 1998 to 2000, Mr. Granville also served as the Chairman and Chief Executive Officer of Grace Development, Inc., a public telecommunications company serving customers in the southeast. Mr. Granville took the company to nearly a billion-dollar market cap before he was succeeded by Ben Holcomb the former President of Bell South International in Feb. 2000. Prior to Grace Development, Mr. Granville held executive and senior management positions for Fortune 500 companies and served honorably in the United States Navy.

4. Board memberships and other affiliations

None.

5. Compensation by the issuer

Mr. Granville received no significant compensation from the Company since inception. Mr. Granville currently operates the business without an employment contract.

6. Number and class of the issuer's securities beneficially owned by each such person.

34,902,376 common shares and 500,000 common stock purchase warrants.

Errol Walsh, age 76, Director

Note: Errol Walsh passed away May 24, 2020. He was very much involved in our company until shortly before his death. We all miss him very much.

1. Full name

Errol F. Walsh

2. Business address

999 Brickell Ave., Suite 610, Miami, FL 33131

3. Employment history

Mr. Walsh worked at IBM for 31 years, ending his career in an executive management role, responsible for a

group of more than 7000 employees and an operating budget of 1.2 billion dollars prior to his retirement in 1993. After retiring from IBM, Errol served as the Chief Executive Officer of Technology Support Corp. ("TSC") until 2006. TSC was a contracted IBM consulting firm, responsible for the integration of all SAP modules together with the IT deliverables that created the IBM Fulfillment SAP Project. This project encompassed the prototype phase, validation of the prototype and the integration testing of newly developed systems and processes. Mr. Walsh most recently served as a chief consultant for Axiom Consulting, LLC ("Axiom"), until 2009. At Axiom, Mr. Walsh worked with applications development and project management to set up support for end users for major corporations such as Fluor and SAP. Mr. Walsh holds a BS in Computer Information Systems from Empire State College.

4. Board memberships and other affiliations

None.

5. Compensation by the issuer

Errol Walsh is to receive 1,500,000 common stock purchase warrants in connection with his appointment to the Company's board of directors and retirement as Chief Operating Officer.

6. Number and class of the issuer's securities beneficially owned by each such person

150,000 common shares and 1,500,000 common stock purchase warrants.

Kenneth Jolly, age 56, Director

1. Full name

Kenneth C. Jolly

2. Business address

999 Brickell Ave., Suite 610, Miami, FL 33131

3. Employment history

Mr. Jolly brings extensive board experience to the Company. He previously served as the Chairman of the Board of Directors for the National Football League Former Players Association (the "NFLFPA") in Washington, D.C., and also served as a member of the NFLFPA board from 1999-2006. Since 2006, Mr. Jolly has served as a Director of the Professional Athletes Foundation in Washington, DC, an organization that provides grants to former National Football League ("NFL") players in need, as well as develops programs to assist players as they transition to outside careers once their respective NFL careers conclude.

He has also served as a President and Director with multiple NFL chapter organizations, and is actively involved in promoting the health and wellness for all retired NFL players. Mr. Jolly played 2 years in the NFL and was a two-time special teams player of the year for the Kansas City Chiefs in 1984-1985 seasons. Mr. Jolly has owned

and operated Jolly and Associates a sports apparel marketing firm for the past 20 years. Mr. Jolly graduated from Mid America Nazarene College with a BS in Biology.

4. Board memberships and other affiliations

None.

5. Compensation by the issuer

Mr. Jolly received 500,000 common stock purchase warrants in connection with his appointment to the Company's board of directors.

4. Number and class of the issuer's securities beneficially owned by each such person

500,000 common stock purchase warrants.

David Weild, age 62, Director

1. Full name

David Weild IV

2. Business address

999 Brickell Ave., Suite 610, Miami, FL 33131

3. Employment history

Mr. David Weild IV is the Chairman, CEO and founder of Weild & Co., a New York based investment bank. He is the World's foremost expert on how stock market structure that impacts public companies and capital formation. He was Vice Chairman of NASDAQ and is known for work that inspired a movement in Washington to examine how equity market structure changes can increase the rate of capital formation, entrepreneurship, innovation and quality job creation. As a result of Weild's studies, he is referred to as "The father of the JOBS Act." This Act laid the groundwork for equity crowdfunding, new types of private placements and initial public offerings. It inspired an ongoing bipartisan legislative and policy movement (JOBS Act 2.0 and JOBS Act 3.0) that continues in Washington and at the SEC. Previously, Mr. Weild ran a leading investment bank and equity capital markets group where he priced over one thousand public equity offerings including the first public offering for Blackrock, the IPOs for Nvidia and Chesapeake Energy and an early offering for Celgene

4. Board memberships and other affiliations

NONE

5. Compensation by the issuer

Mr. Weild is to receive 500,000 common stock purchase warrants in connection with his appointment to the Company's board of directors.

6. Number and class of the issuer's securities beneficially owned by each such person

500,000 common stock purchase warrants.

B. *Legal/Disciplinary History*

During the past five years, none of the Company's officers or directors have been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court or competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. *Disclosure of Certain Family Relationships.*

There are no family relationships among the Company's directors, officers, or beneficial owners of more than five percent (5%) of the issuer's common stock.

D. *Disclosure of Related Party Transactions.*

On January 26, 2010, the Company issued 2,340,000 shares of its common stock in exchange for 100% of the issued and outstanding stock of Yippy Soft, Inc. At the time of the transaction, Mr. Granville was the Chief Executive Officer of both companies.

E. *Disclosure of Conflicts of Interest*

There are no conflicts of interest with any of the officers' or directors' personal or professional interests.

F. *Beneficial Owner*

The following table presents information concerning the beneficial ownership of the shares of our common stock as of February 29, 2020, By: (i) each of our named executive officers and current directors, (ii) all of our current executive officers and directors as a group and (iii) each person we know to be the beneficial owner of 5% or more of our outstanding shares of common stock. Unless otherwise specified, the address of each beneficial owner listed in the table is c/o Yippy, Inc., 999 Brickell Ave., Suite 610, Miami, FL 33131.

Name	Current Share Ownership	Percent of Class (1)	Total Beneficial Ownership	Percent of Class (2)
Richard Granville CEO - Chairman of the Board	35,001,979	45.47%	35,501,979	44.39%
Ken Jolly Director	0	0.00%	500,000	0.63%
Errol Walsh Director	150,000	0.19%	1,650,000	2.06%
David Weild Director	0	0.00%	500,000	0.63%
All directors and officers as a Group (4 persons)	35,151,979	45.67%	38,151,979	47.70%
International Business Machines, Inc. (IBM)	5,250,000	6.82%	5,250,000	6.56%
Globalstar, Inc. (GSAT)	14,430,000	18.75%	14,430,000	18.04%
All directors, officers and 5% holders	54,831,979	45.67%	57,831,979	44.39%

(1) Based on 76,975,377 shares outstanding as of February 29, 2020.

(2) Based on a total of 79,975,377 which includes (i) 76,975,377 shares outstanding as of November 30, 2019 and (ii) 3,000,000 common stock purchase warrants outstanding held by officers or directors.

(3) Richard Granville is the current owner of 35,001,979 shares of the Company's common stock by virtue of his direct ownership of 23,324,376 shares and his control of entities that directly own 11,677,603. During the previous period Mr. Granville purchased shares 30,000 in the open market. In addition, Mr. Granville is the beneficial owner of 35,501,979 by virtue of Granville's aforementioned current ownership and his beneficial ownership of common stock purchase warrant to purchase 500,000 shares of the Company's common stock.

(4) Mr. Jolly and Mr. Weild do not directly own any common stock of the Company. Mr. Walsh owns directly approximately 147,000 shares of common stock. Mr. Walsh holds 1,500,000 warrants and Mr. Jolly and Mr. Weild hold 500,000 warrants respectively.

ITEM IX: The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure.

1. Investment Banker_

NONE

2. Promoters.

NONE

Counsel

Westerman Ball Ederer Miller
& Sharfstein, LLP

Law Offices of Mark L.
Cortegiano

Greene, Fidler & Chaplan
LLP

1021 RXR Plaza

65-12 69th Place

2719 Wilshire Blvd., Suite
200

Uniondale, NY 11556

Middle Village, NY 11379

Santa Monica, CA 90403

Tel.: (516) 622-9200

Tel: (212) 856-7280

Tel.: (310) 315-1700

Fax: (516) 622-9212

Fax: (646) 304-9230

Fax: (310) 315-1701

www.westermanllp.com

www.cortegianolaw.com

www.gfcllp.com

3. Accountant or Auditor

Accountant:

Clear Financial Solutions, Inc.

710 N. Post Oak Rd., Suite
410

Houston, TX 77096

Tel.: (713) 780-0806

Fax: (800) 861-1175

www.clearfinancials.com

4. Public Relations Consultant.

NONE

5. Investor Relations Consultant.

NONE

6. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

NONE

ITEM X: Legal Proceedings.

From time to time we may become involved in legal proceedings which could adversely affect us. We are currently not involved in any litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our company's or our company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

ITEM XI: Defaults Upon Senior Securities.

NONE

ITEM XII: Other Information.

Not applicable.

ITEM XIII: Exhibits.

Exhibit A – Interim Financial Statements for February 29, 2020

ITEM XIV: Issuer's Certifications.

I, Richard Granville, certify that:

1. I have reviewed this disclosure statement of Yippy, Inc. for period ending February 29, 2020;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 8, 2021

/s/ Richard Granville

Richard Granville

Chief Executive Officer

Yippy, Inc.
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Yippy, Inc.
Consolidated Balance Sheets
(Unaudited)

	February 29, 2020	May 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 85,578	\$ 81,836
Accounts receivable, net	1,155,411	1,148,537
Other Current Assets	65,462	-
Deposit	6,712	6,712
Total current assets	<u>1,313,163</u>	<u>1,237,085</u>
Property and equipment, net	52,429	30,602
Intangible assets:		
Software and Software Licenses	7,788,573	7,780,187
Tradenames, brands and domains	1,529,789	1,528,380
Total intangible assets	<u>9,318,362</u>	<u>9,308,567</u>
Less: Accumulated depreciation	(6,504,852)	(6,251,330)
Net intangible assets	<u>2,813,511</u>	<u>3,057,237</u>
Other assets:		
Acquisitions	674,844	-
Other	200,000	200,000
Total other assets	<u>874,844</u>	<u>200,000</u>
Total assets	<u><u>\$ 5,053,946</u></u>	<u><u>\$ 4,524,924</u></u>
Liabilities and Stockholders' Equity (Deficit)		
Liabilities:		
Accounts payable and accrued liabilities	\$ 39,352	\$ 118,348
Advances from related party	19,970	18,810
Accrued interest payable	915,920	480,802
Convertible notes payable, net	2,000,322	1,565,666
Notes payable	406,856	211,454
Total current liabilities	<u>3,382,420</u>	<u>2,395,080</u>
Total liabilities	<u>3,382,420</u>	<u>2,395,080</u>
Commitments		
Stockholders' equity		
Common stock, (\$0.001 par value, 100,000,000 shares authorized)	76,976	74,976
Additional paid in capital	29,956,711	29,290,711
Accumulated deficit	(28,362,161)	(27,235,843)
Total stockholders' equity	<u>1,671,526</u>	<u>2,129,844</u>
Total liabilities and stockholders' equity	<u><u>\$ 5,053,946</u></u>	<u><u>\$ 4,524,924</u></u>

The accompanying footnotes are an integral part of these consolidated financial statements.

Yippy, Inc.
Consolidated Statements of Operations
Three and nine months ended February 29, 2020 and 2019
(Unaudited)

	Three months ended February,		Nine months ended February,	
	2020	2019	2020	2019
Revenues	\$ 326,776	\$ 358,100	\$ 962,412	\$ 888,380
Operating expenses				
General and administrative expense	220,810	592,241	955,931	1,120,837
Costs of Goods Sold	143,645	-	397,373	-
Depreciation and amortization expense	129,094	126,761	387,282	380,283
Total operating expenses	<u>493,549</u>	<u>719,002</u>	<u>1,740,585</u>	<u>1,501,120</u>
Income (Loss) from operations	(166,773)	(360,902)	(778,174)	(612,740)
Other (income) expense				
Interest expense	167,518	114,804	500,253	387,528
Other expenses	21,124	(2,042)	19,330	(2,042)
Loss on investments	-	-	-	30,000
Total other expense	<u>188,641</u>	<u>112,762</u>	<u>519,583</u>	<u>415,486</u>
Net loss	\$ (355,414)	\$ (473,664)	\$(1,297,757)	\$(1,028,226)
Net loss per common share - basic and diluted	(\$0.00)	(\$0.01)	(\$0.02)	(\$0.01)
Weighted average number of shares				
outstanding - basic and diluted	76,975,377	76,975,377	76,975,377	76,975,377

The accompanying footnotes are an integral part of these consolidated financial statements.

Yippy, Inc
Consolidated Statements of Stockholders' Equity (Unaudited)

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in	Deficit	Stockholders'
			Capital		Equity
Balances, May 31, 2018	74,975,377	\$ 74,976	\$ 29,275,011	\$ (25,888,344)	\$ 3,461,643
Warrant exercise	-	-	-	-	-
Debt discount	-	-	15,700	-	15,700
Net loss	-	-	-	(1,347,499)	(1,347,499)
Balances, May 31, 2019	74,975,377	74,976	29,290,711	(27,235,843)	2,129,844
Shares Issued	2,000,000	2,000	-	-	2,000
Acquisition	-	-	666,000	-	666,000
Net loss	-	-	-	(1,297,757)	(1,297,757)
Balances, February 29, 2020	76,975,377	\$ 76,976	\$ 29,956,711	\$ (28,533,600)	\$ 1,671,526

The accompanying footnotes are an integral part of these consolidated financial statements.

Yippy, Inc.
Consolidated Statements of Cash Flow
Nine months ended February 2020 and 2019
(Unaudited)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (1,297,757)	\$ (1,028,226)
Adjustments to Reconcile Net Income (Loss) to Net Cash Used in Operating Activities		
Amortization and depreciation	387,282	374,358
Acquired assets	(674,844)	-
Amortization of debt discount on convertible notes payable	-	198,906
Stock based compensation	-	-
Bad debt expense	-	370,000
Changes in Operating Assets and Liabilities		
Accounts receivable	(35,939)	(228,820)
Accounts payable and accrued liabilities	495,661	177,627
Net Cash Generated by/(Used in) Operating Activities	<u>(1,125,597)</u>	<u>(136,155)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Intangible Assets	(35,104)	-
Net Cash Provided / (Used) for Investing Activities	<u>(35,104)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additional paid in capital	666,000	-
Common stock	2,000	-
Net Proceeds from convertible notes payable	310,263	357,777
Proceeds from short term credit lines	186,180	-
Other financing activities	-	-
Net Cash Provided from Financing Activities	<u>1,164,443</u>	<u>357,777</u>
Net Increase (Decrease) in Cash	3,742	221,622
Cash - Beginning of Period	<u>81,836</u>	<u>408,113</u>
Cash - End of Period	<u>\$ 85,578</u>	<u>\$ 629,735</u>

The accompanying footnotes are an integral part of these consolidated financial statements.

Yippy, Inc.
Notes to Consolidated Financial Statements
Three and Nine Months Ended February 29, 2020 and 2018

Note 1. The Company and Summary of Significant Accounting Policies

The Company

Yippy, Inc. (formerly known as Cinnabar Ventures, Inc.) (the “Company”) was incorporated in the State of Nevada on May 24, 2006. Yippy Soft, Inc., a Delaware corporation (formerly known as Yippy, Inc.), was incorporated in the State of Delaware on October 6, 2009, and was renamed Yippy Soft, Inc. on April 23, 2010. On January 26, 2010, the Company acquired Yippy Soft, Inc. for 4,680,000 common shares. The acquisition was accounted for as a combination of entities under common control. All historical financial information is presented as combined for all periods presented. On April 15, 2010, the Company changed its name from Cinnabar Ventures, Inc. to Yippy, Inc.

On December 5, 2011, the Company declared a 2-for-1 forward stock split. All per share and share amounts have been restated to reflect the forward stock split in the amounts presented.

On July 30, 2012, the Company formed a wholly owned subsidiary, Yippy Labs, Inc., (“Yippy Labs”) a corporation incorporated in British Columbia, Canada. On August 1, 2012, Yippy Labs acquired 100% of the issued and outstanding common stock of Macte! Labs, Inc. (“Macte”), a corporation incorporated in British Columbia, Canada. On March 31, 2013, Yippy Labs sold its interest in Macte.

On November 30, 2018, the Company formed a wholly owned subsidiary, Yippy SG PTE LTD, (“Yippy SG”) a corporation incorporated in Singapore, for the purpose of conducting business in Singapore.

On June 17, 2019, the Company acquired the assets of the e-commerce businesses owned by Bravera Holdings, LLC. Yippy issued 2,000,000 common shares at a valuation of \$0.34 per share for the acquisition. Bravera Holdings, LLC was the owner and operator of various websites that generates customer leads and referral traffic for the purpose of marketing and selling consumer products.

Yippy provides specializes in the development of search-based applications, data normalization and aggregation through enterprise application service environments (EASE). Yippy's proprietary appliance and cloud-based product suites are deployed over private and/or public architecture providing all consumers secure, redundant and maintained data access services.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from estimates.

Yippy, Inc.
Notes to Consolidated Financial Statements
Three and Nine Months Ended February 29, 2020 and 2018

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term investments purchased with original maturities of three months or less at the date of purchase to be cash equivalents.

Intangible Assets

Intangible assets include software license agreements with independent parties. Intangible assets have a definite life and are amortized on a straight-line basis, with estimated useful lives of two to seven years. Intangible assets with a definite life are tested for impairment whenever events or circumstances indicate that the carrying amount of an asset (asset group) may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds the estimated undiscounted cash flows used in determining the fair value of the asset. The amount of the impairment loss to be recorded is calculated by the excess of the asset's carrying value over its fair value. No impairment was recognized during the nine months ended February 29, 2020.

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income taxes and liabilities are determined based on the difference between financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

Revenue Recognition

Revenue is recognized when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed, and/or collectability of the related fee is reasonably assured. Revenue is derived primarily from IT consulting contracts, software development projects and equipment contracts and our contract with Globalstar, Inc. for compression technology.

Accounts Receivable and Allowances

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains allowances for bad debts. The allowance for doubtful accounts is based on the best estimate of the amount of probable credit losses in existing accounts receivable. The Company determines the allowances based on historical write-off experience by industry and regional economic data and historical sales returns. The Company reviews the allowance for doubtful accounts periodically. The Company does not have any significant off-balance-sheet credit exposure related to its customers.

Fair Value of Financial Instruments

Yippy, Inc.
Notes to Consolidated Financial Statements
Three and Nine Months Ended February 29, 2020 and 2018

Under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, “*Fair Value Measurements and Disclosures*”, we are permitted to elect to measure financial instruments and certain other items at fair value, with the change in fair value recorded in earnings. We elected not to measure any eligible items using the fair value option. Consistent with the Fair Value Measurement Topic of the FASB ASC 820, we implemented guidelines relating to the disclosure of our methodology for periodic measurement of our assets and liabilities recorded at fair market value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier fair value hierarchy prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one more significant inputs or significant value drivers are unobservable.

The carrying amounts of trade and other accounts receivable, trade accounts payable, accrued payroll, bonuses and team member benefits, and other accrued expenses approximate fair value because of the short maturity of those instruments.

Earnings Per Share

In accordance with accounting guidance now codified as ASC Topic 260, “*Earnings per Share*,” basic earnings (loss) per share is computed by dividing net income (loss) by weighted average number of shares of common stock outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

Since the Company reflected net losses for the nine months ended February 29, 2020 and 2018, the effect of considering any common stock equivalents, if outstanding, would have been anti-dilutive. A separate computation of diluted earnings (loss) per share is not presented.

New Accounting Pronouncements

Management does not expect adoption of recently issued but not yet effective pronouncements to have a material impact on the Company’s financial statements.

Note 2. Accounts receivable

At February 29, 2020, the Company the allowance for doubtful accounts was \$670,000. Accounts receivable at

Yippy, Inc.
Notes to Consolidated Financial Statements
Three and Nine Months Ended February 29, 2020 and 2018

February 29, 2020 and May 31, 2018 consists of:

	November 30, 2019	May 31, 2019
Accounts receivable	\$ 1,825,411	\$ 1,818,537
Less: Allowance for doubtful accounts	670,000	670,000
Balance, accounts receivable	\$ 1,155,411	\$ 1,148,537

Note 3. Intangible Assets

On May 17, 2010, the Company entered into a license agreement (the “License Agreement”) with Vivisimo, Inc. (“Vivisimo”), granting the Company a non-exclusive, world-wide right to the use of “Velocity,” a software information optimization platform that unifies access to secure business repositories, presents relevant information and enables knowledge sharing across an enterprise, for use in connection with computer applications currently being developed by the Company. In connection with the License Agreement, the Company acquired the domain Clusty.com, a metasearch engine, and all sub-domains and scripts related thereto, pursuant to a related purchase agreement (the “Purchase Agreement”). Vivisimo agreed not to compete with the Company in the consumer search area for a period of two years. Total consideration paid to Vivisimo under the Purchase Agreement and License Agreement was approximately \$5,550,000 (the “Acquisition Price”). In May 2012, Vivisimo was acquired by IBM.

On December 10, 2015, the Company entered into a 20-year license agreement with Globalstar, Inc. (“Globalstar”) whereby the Company granted a limited exclusive (MSS industry) license to Globalstar for the use of the Company’s technology and Globalstar granted to the Company the right to market its services to Globalstar’s customers. The Company also received a carrier sales agreement for Globalstar services up to 20% of the network capacity with colocation and hosting in all the Globalstar network operation centers worldwide. The Company issued 14,430,000 shares of its common stock to Globalstar in exchange for the license agreement. The common stock had a market value of \$3,028,857 on the date of issuance.

The intangible assets included in the table below:

Description	February 29, 2020	May 31, 2019	Estimated Useful Life
Software license	\$ 3,614,795	\$ 3,849,180	5 - 7 years
Developed software	1,146,330	902,150	5 years
Trademarks, brands and domains	1,500,000	1,500,000	5 - 7 years
Domain names	28,380	28,380	10 years
Globalstar license	3,028,857	3,028,857	20 years
Total	9,318,362	9,308,567	
Less: accumulated amortization	(6,504,852)	(5,762,001)	
Intangible assets, net	\$ 2,813,511	\$ 3,546,566	

Yippy, Inc.
Notes to Consolidated Financial Statements
Three and Nine Months Ended February 29, 2020 and 2018

On an annual basis the Company will evaluate the carrying value of intangible assets and determine if impairment has occurred and if so, record a charge for impairment. Management has concluded no impairment exists as of February 29, 2020.

The Company recorded amortization expense of \$387,282 and \$380,282 for the nine months ended February 29, 2020 and 2019, respectively, related to the intangible assets.

Note 4. Property and equipment

Property and equipment consist of the following at February 29, 2020 and May 31, 2018:

Description	February 29, 2020	May 31, 2019	Estimated Useful Life
Sailing vessels	\$ 18,117	\$ 18,117	15 years
Furniture and equipment	23,851	23,406	5 years
Vehicle	7,750	7,750	5 years
Total	49,718	49,273	
Less: accumulated amortization	(25,669)	(18,670)	
Property and Equipment, net	\$ 24,049	\$ 30,603	

Yippy, Inc.
Notes to Consolidated Financial Statements
Three and Nine Months Ended February 29, 2020 and 2018

Note 5. Convertible Notes Payable

Convertible notes payable consists of the following at February 29, 2020 and May 31, 2018, respectively:

	February 29, 2020	May 31, 2019
Loan payable, dated June 2, 2016, bearing interest at 18% due on July 1, 2017, convertible to common stock at \$0.20 per share.	\$ 120,000	\$ 120,000
Loan payable, dated June 2, 2016, bearing interest at 18% due on June 2, 2017, convertible to common stock at \$0.20 per share.	50,000	50,000
Loan payable, dated May 2, 2017, bearing interest at 18% due on May 2, 2018, convertible to common stock at \$0.60 per share.	175,000	150,000
Loan payable, dated May 2, 2017, bearing interest at 18% due on May 2, 2018, convertible to common stock at \$0.60 per share.	12,200	18,200
Loan payable, dated August 24, 2017, bearing interest at 18% due on August 24, 2018, convertible to common stock at \$0.60 per share.	115,000	115,000
Loan payable, dated August 29, 2017, bearing interest at 18% due on August 29, 2018, convertible to common stock at \$0.60 per share.	135,000	135,000
Loan payable, dated October 31, 2017, bearing interest at 18% due on October 31, 2018, convertible to common stock at \$0.60 per share.	25,000	25,000
Loan payable, dated May 31, 2018, bearing interest at 18% due on May 31, 2019, convertible to common stock at \$0.60 per share.	65,000	65,000
Loan payable, dated January 9, 2018, bearing interest at 18% due on January 9, 2019, convertible to common stock at \$0.30 per share. The Company pays interest of \$2,250 per quarter to the note holder.	16,900	35,650
Loan payable, dated August 14, 2017, bearing interest at 18% due on August 14, 2018, convertible to common stock at \$0.30 per share.	300,000	300,000
Loan payable, dated February 22, 2018, bearing interest at 18.5% due on February 22, 2019, convertible to common stock at \$0.30 per share.	67,304	80,000
Loan payable, dated August 16, 2018, bearing interest at 18% due on August 15, 2019, convertible to common stock at \$0.20 per share.	200,000	200,000
Loan payable, dated February 25, 2019, bearing interest at 12% due on August 25, 2019, convertible to common stock at \$0.30 per share.	125,000	275,000
Loan payable, dated August 1, 2019, bearing interest at 15% due on July 31, 2020, convertible to common stock at \$0.25 per share.	250,000	-
Loan payable, dated August 19, 2019, bearing interest at 15% due on August 19, 2020, convertible to common stock at \$0.25 per share.	200,000	-
Loan payable, dated January 14, 2020, bearing interest at 18% due on January 14, 2021, convertible to common stock at \$0.25 per share.	75,000	-
Less: Discounts	(972,904)	(972,904)
Plus: Amortization of Discounts	1,041,822	969,720
Total Convertible Notes Payable	<u>\$ 2,000,322</u>	<u>\$ 1,565,666</u>

Accrued interest on convertible notes payable was \$915,920 and \$480,802 at February 29, 2020 and May 31, 2019, respectively.

Yippy, Inc.
Notes to Consolidated Financial Statements
Three and Nine Months Ended February 29, 2020 and 2018

Note 6. Notes Payable

Notes and short-term loans payable consisted of the following at February 29, 2020 and May 31, 2019, respectively:

	<u>February 29,</u> <u>2020</u>	<u>May 31,</u> <u>2019</u>
Loan payable, dated May 16, 2018, bearing interest at 0% due on February 15, 2019, with a face value of \$300,000 and an original issue discount of \$50,000, payable in monthly installments of \$33,333.33 per month, starting June 15, 2018.	-	\$ 33,327
Revolving lines of credit, with various inception dates, bearing interest of 9% to 18% due on August 28, 2021	426,826	25,000
Loan payable, dated October 15, 2018, bearing 0%, due on July 15, 2019, with a face value of \$250,000 and an original issue discount of \$50,000, payable in monthly installments of \$27,778 per month, starting November 15, 2018.	-	64,444
Line of credit, dated April 16, 2019, bearing interest at 64.4%, due on January 20, 2020	-	17,728
Line of credit, dated May 13, 2019, bearing interest at 18%, due on May 13, 2020	-	45,000
Line of credit, dated March 28, 2019, bearing interest at 3%, due on March 28, 2020		34,197
Less: Discounts	-	(45,950)
Plus: Amortization of Discounts	-	37,708
Total Notes Payable	<u>\$ 426,826</u>	<u>\$ 211,454</u>

Accrued interest on notes payable was \$0 and \$4,537 at February 29, 2020 and May 31, 2019, respectively.

Note 7. Going Concern

As reflected in the accompanying financial statements, the Company has accumulated net losses of \$28,362,161 since inception and a net loss of \$1,297,757 for the nine months ended February 29, 2020.

The Company may seek additional funds to finance its immediate and long-term operations through debt and/or equity financing. The successful outcome of future financing activities cannot be determined at this time and there is no assurance that if achieved, the Company will have sufficient funds to execute its intended business plan or generate positive operating results.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments related to recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Note 8. Related Party Transactions

Yippy, Inc.
Notes to Consolidated Financial Statements
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An officer and director of the Company and a shareholder advance funds to and from the Company from time to time. The balance due /(from) the sole director and officer and the shareholder, which is included in accounts receivable, was \$(1,160) and \$(1,160) at February 29, 2020 and May 31, 2019, respectively.

Note 9. Stockholders' Equity (Deficit) Warrants

The Company has issued warrants under employment agreements. The following warrants are outstanding as of February 29, 2020:

<u>Date</u>	<u>Warrants</u>	<u>Price (\$)</u>	<u>Term</u>
30-Dec-14	1,500,000	0.15	5 years
1-Jul-16	1,000,000	0.35	5 years
4-Aug-16	500,000	0.53	5 years