

Yangaroo Completes Acquisition of Digital Media Services

YANGAROO'S FIRST EVER ACQUISITION TO ADD TO ITS NORTH AMERICAN CUSTOMER FOOTPRINT

Toronto, Ontario--(Newsfile Corp. - May 21, 2021) - YANGAROO Inc. (TSXV: YOO) (OTC Pink: YOOIF) ("**Yangaroo**", "**Company**"), a software leader in media asset workflow and distribution solutions, today announced the acquisition of Digital Media Services Inc. ("**DMS**"), a TV/OTT/CTV and video advertising and content management delivery business based in New York City.

The acquisition brings together two industry-recognized organizations. The collaborative cloud-based platforms, broadcast and digital delivery networks, video and audio production services, and local market expertise provide its existing and new valued customers with a more robust solution offering and a greater level of service managing and delivering creative to traditional broadcasting and digital destinations across North America and abroad.

"DMS, our first strategic acquisition for Yangaroo, brings together a complementary customer base, creates a stronger USA market presence, and provides the ability to drive Yangaroo's revenue growth further," said Grant Schuettrumpf, Chief Executive Officer of Yangaroo. "This now presents us with a compelling opportunity to significantly scale our service offering for advertisers delivering creative and promotional content to destinations across the linear, OTT, and CTV broadcasters, and the radio broadcasting and streaming networks."

"We have strong conviction around the prospects and future opportunities by combining Yangaroo and DMS within a single solution offering," said Jeff Louisot, former CEO and President of DMS and newly appointed President, Digital Media Services of Yangaroo. "We are excited to join Yangaroo and continuing this growth strategy across North America."

"Our combined clients' service needs are our priority, so it's business as usual as we retain all of DMS's talented and competent employees," concludes Grant Schuettrumpf. "We will do our best to ensure every client expectation is achieved while carefully integrating our work practices, technologies, platforms, and services through the course of the transition."

Details of Transaction

Yangaroo will acquire the business of DMS for a total consideration of USD \$2.5 million paid on closing ("**Base Consideration**") with an additional USD \$3.0 million to be paid over three years and contingent on the DMS business hitting certain revenue targets based on the 2019 fiscal year ("**Earn-Out Consideration**"). Total consideration of USD \$5.5 million is inclusive of the Base Consideration and Earn-Out Consideration, if applicable. DMS generated revenue of approximately USD \$4.0 million in 2020. Additionally, DMS' revenues totaled USD \$6.4 million and USD \$6.3 million in 2018 and 2019, respectively, prior to the on-set of the COVID-19 pandemic.

Yangaroo will acquire certain assets and liabilities of the DMS entities, including all technology and intellectual property, customers and employees, and office leases.

The acquisition is expected to generate significant synergies resulting from the integration of technology platforms and a reduction of certain overhead expenditures in the combined businesses.

Debt Financing

The acquisition and related transaction costs are to be funded through a committed debt financing

package underwritten by the National Bank of Canada ("NBC") and Yangaroo's existing cash on hand. The debt financing package includes an acquisition term loan facility, a revolving line of credit, and other day to day banking facilities. The package represents a total commitment from NBC of CAD \$5.5 million ("**Acquisition Facility**") and will facilitate Yangaroo with the DMS acquisition, working capital requirements, and assist with future commercial and strategic banking.

"We are pleased to have partnered with NBC, and specifically with NBC's Technology and Innovation Banking Group, on the acquisition of DMS," stated Dom Kizek, Chief Financial Officer of Yangaroo. "The NBC Acquisition Facility is a reflection of the work we have done over the past 24-months to strengthen Yangaroo's board and management team, our improved balance sheet, and our renewed strategic focus on accretive growth through opportunistic acquisitions and organic expansion. NBC is a fantastic partner on this acquisition, and we look forward to developing the banking relationship on a go-forward basis."

"National Bank's Technology and Innovation Banking Group is delighted to partner with Yangaroo in support of this strategic transaction. As one of Canada's leading tech companies, Yangaroo provides innovative solutions for the entertainment industry and is entering its next growth phase with this acquisition. Our Group is proud to support companies like Yangaroo with our differentiated offering that is based on tailored advice and our sector expertise," said Nik Rasskazovskiy, Director at National Bank's Technology and Innovation Banking Group.

Yangaroo will finance the Base Consideration with the Acquisition Facility and cash on hand. Earn-Out Consideration, if triggered by revenue targets, will be financed through cash-flow expected to be generated over the three year earn-out period.

Conference Call & Webcast Information

Yangaroo will host a conference call and webcast to discuss the Company's acquisition of the DMS business at 10:00am ET on Friday, May 21, 2021. To access:

Webcast Link: <https://www.gowebcasting.com/11316>

Canada/USA Toll Free Number: 1-800-319-4610

The conference call and webcast will be available for streaming on the Investor Relations website at: <https://yangaroo.com/investor-relations/>.

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 platform that provides clearance, delivery, and secure API integration for various work-flow challenges in media asset distribution.

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 OTC Pink: YOOIF.

About DMS

DMS, through its offices in New York, New Jersey, and Los Angeles, provides media asset distribution and content management services to marketers, advertisers, media agencies, broadcasters, publishers, and film makers, amongst others, throughout the life cycle of a media asset. The services include advertising distribution and other post-production services.

About National Bank of Canada

With \$344 billion in assets as at January 31, 2021, [National Bank of Canada](https://www.nbc.com), together with its subsidiaries, forms one of Canada's leading integrated financial groups. It has more than 26,000

employees in knowledge-intensive positions and has been recognized numerous times as a top employer and for its commitment to diversity. Its securities are listed on the Toronto Stock Exchange. Follow the Bank's activities at nbc.ca or via social media such as [Facebook](#), [LinkedIn](#) and [Twitter](#).

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities laws, which reflects the Company's current expectations regarding future events, including with respect to the Company's acquisition strategy, the impact of the acquisition, expected total consideration, and expected synergies. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information.

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