Yangaroo Announces Q3'2024 Financial Results

Ninth Consecutive Quarterly Positive Normalized EBITDA

Toronto, Ontario--(Newsfile Corp. - November 28, 2024) - YANGAROO Inc. (TSXV: YOO) (OTC Pink: YOOIF) ("**Yangaroo**", "**Company**"), a software leader in media asset workflow and distribution solutions, today announced its financial results for the third quarter ended September 30, 2024. The third quarter financial statements and corresponding management's discussion and analysis (the "Third Quarter Filings") are available at www.yangaroo.com and at www.sedarplus.ca. Please note that all currency in this press release is denominated in United States dollars, unless otherwise noted.

The third quarter of 2024 demonstrated significant progress for the company. Adjusted for seasonality, both sales volume and revenue climbed 12%, while operating income posted a solid year-over-year increase of $319,512. Net cash flow from operating activities continued its upward momentum, reaching $982,838 for the first nine months of the year. These results highlight the company's enhanced operational efficiency and the effectiveness of its disciplined approach in overcoming a challenging environment.

In the three months ended September 30, 2024, operating income soared to $348,983, while normalized EBITDA climbed to $466,458 - significant increases from $110,704 and $337,815, respectively, in Q2 2024. This strong performance was driven by strategic cost reductions across headcount, marketing, technology, and general and administrative expenses.

The Advertising Division sustained steady delivery volumes and sales per customer, bolstered by growth from new advertiser delivery accounts and incremental revenue driven by the Millenia3 acquisition. Meanwhile, the Music Division experienced a slight year-over-year revenue decline. Similarly, the Awards Division saw a modest dip in revenue due a client cancelling one of their three shows this year. However, the Awards Division has secured two new contracts set to be completed later this year.

Grant Schuetrumpf, CEO of Yangaroo, commented, "The third quarter of 2024 reflects the strength and resilience of our business as we continue to navigate a challenging environment. Our consistent performance across divisions, coupled with strategic investments and cost discipline, has driven notable improvements in profitability and cash flow. The Advertising Division delivered strong results, fueled by growth from new accounts and synergies from the Millenia3 acquisition. The Music Division, although audio track promotions remained steady, faced headwinds by a decline in music video delivery orders. The Awards Division remains stable, with two new Awards Show's being added to its recurring roster of clients.

"As we move forward, our focus remains on continuing our software development investment, optimizing operations, enhancing customer value, and executing on our growth strategies to deliver sustainable long-term success for our stakeholders."

Q3'2024 Financial Highlights

- Revenue in Q3'2024 was $1,942,525 compared to $1,739,056 in the third quarter of 2023.
    - Q3'2024 revenue increased by $203,469 or 12% versus Q3'2023. The increase in revenue was primarily due to higher Advertising revenue with an increase of $281,895 or 27%, offset by lower entertainment revenue with a decrease of $78,426 or 11%. The increase in Advertising revenue is due to business growth from Millenia3 acquisition and the decrease in entertainment revenue is due to lower revenue from Music and Award.

- Operating expenses in Q3'2024 were $1,593,542 compared $1,709,585 the third quarter of 2023,

respectively.
    - Q3'2024 operating expenses decreased by $116,043 or 7% versus Q3'2023. The decrease in operating expenses is primarily attributed to lower headcount and depreciation expenses, offset by higher general & administrative and technology expenses.

- Normalized EBITDA in Q3'2024 was $466,458 in comparison to normalized EBITDA of $266,181 in the third quarter of 2023.
    - Q3'2024 normalized EBITDA increased by $200,277 or 75% compared to Q3'2023. The increase is primarily attributed to higher Advertising revenue and lower headcount expenses, offset by lower entertainment revenue and higher general & administrative and technology expenses.

First Nine-Month of 2024 Financial Highlights

- Revenue in the first nine months of 2024 was $5,814,845 compared to $5,756,714 in the first nine months of 2023.
    - Revenue slightly increased by $58,131 or 1% in the first nine months of 2024, compared to the same period of 2023. The increase in revenue is primarily attributed to higher Advertising revenue by $210,659 or 5%, offset by decreased Music and Award revenue by $43,010 or 5% and $109,518 or 14%, respectively.

- Operating expenses in the first nine months of 2024 were $5,337,789 compared to $5,699,440 in the first nine months of 2023, respectively.
    - Operating expenses decreased by $361,651 or 6% in the first nine months of 2024, compared to the same period of 2023. The decrease in operating expenses is primarily attributed to lower headcount and depreciation expenses, offset by higher marketing, general & administrative and technology expenses.

- Normalized EBITDA in the first nine months of 2024 was $1,041,856 in comparison to normalized EBITDA of $924,513 in the first nine months of 2023.
    - Normalized EBITDA increased by $117,343 or 13% in the first nine months of 2024, compared to the same period of 2023. The increase is primarily attributed to higher Advertising revenue and lower headcount expenses, offset by lower entertainment revenue and higher general & administrative and technology expenses.

- The Company generated positive operating cash flow of $982,838 in the first nine months of 2024 versus operating cash flow of $996,973 in the same period of 2023, and reduced term loan principal by $363,688 in the first nine months of 2024 versus a repayment of $108,432 in the same period of 2023.

Financial Highlights

		Q3 2024		Q2 2024		Q1 2024		Q4 2023
Cash	$	105,906	$	86,118	$	207,998	$	150,928
Working capital (deficiency)		($1,787,761)		($1,932,157)		($1,810,041)		($1,758,949)
Liquidity	$	550,386	$	378,358	$	521,092	$	623,506
Revenue	$	1,942,525	$	1,949,689	$	1,922,631	$	2,128,768
Operating expenses	$	1,593,542	$	1,838,985	$	1,905,259	$	2,172,208
Other expenses (income)	$	179,406	$	118,863		($144)	$	3,756,134
Income (loss) for the period	$	169,577		($129,038)	$	15,565		($3,799,574)
Income (loss) per share - basic	$	0.00		($0.00)	$	0.00		($0.06)
Income (loss) per share - diluted	$	0.00		($0.00)	$	0.00		($0.06)
EBITDA	$	374,900	$	307,723	$	356,704		($3,407,954)
EBITDA Margin %		19.30%		15.78%		18.55%		(160%)

Normalized EBITDA (loss) *	$ 466,458	$ 337,815	$ 237,583	$ 211,061
Normalized EBITDA Margin % *	24.01%	17.33%	12.36%	9.91%

* A non-IFRS measure. See "Non-IFRS financial measures" for definitions and reconciliation non-IFRS measures to the relevant IFRS measures

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Cash	$ 255,002	$ 284,178	$ 204,604	$ 296,748
Working capital	($1,115,884)	($94,749)	($224,819)	$ 217,710
Liquidity	$ 975,794	$ 552,960	$ 781,378	$ 737,680
Revenue	$ 1,739,056	$ 2,172,493	$ 1,845,165	$ 2,097,353
Operating expenses	$ 1,709,585	$ 2,103,819	$ 2,099,975	$ 1,426,921
Other expenses (income)	$ 50,215	$ 229,689	$ 110,528	$ 148,124
Income (loss) for the period	($8,837)	$ 37,174	($365,487)	$ 522,308
Income (loss) per share - basic	($0.00)	$ 0.00	($0.01)	$ 0.01
Income (loss) per share - diluted	($0.00)	$ 0.00	($0.01)	$ 0.01
EBITDA	$ 322,492	$ 385,449	($14,041)	$ 816,075
EBITDA Margin %	18.54%	17.74%	(0.71%)	38.91%
Normalized EBITDA (loss) *	$ 266,181	$ 542,129	$ 116,203	$ 833,974
Normalized EBITDA Margin % *	15.31%	24.95%	6.30%	39.76%

* A non-IFRS measure. See "Non-IFRS financial measures" for definitions and reconciliation non-IFRS measures to the relevant IFRS measures

About YANGAROO

Yangaroo is a technology provider in the media and entertainment industry, offering a cloud-based software platform for the management and distribution of digital media content. Yangaroo's Digital Media Distribution System ("DMDS") platform is a patented cloud-based platform that provides customers with a centralised and fully integrated workflow directly connecting radio and television broadcasters, digital display networks, and video publishers for centralised digital asset management, delivery and promotion. DMDS is used across the advertising, music, and entertainment awards show markets.

YANGAROO Inc. is a publicly listed company incorporated on July 28, 1999 under the laws of Ontario as Musicrypt.com Inc. and changed to its present name on July 17, 2007. YANGAROO trades on the TSX Venture Exchange ("TSX-V") under the symbol YOO and in the U.S. under OTCPK: YOOIF.

The address of the Company's corporate office and principal place of business is 360 Dufferin Street, Suite 203, Toronto, Ontario, M6K 3G1.

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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.

Use of Non-IFRS Financial Measures

The following non-IFRS definitions are used in the press release because management believes that they provide useful information regarding the Company's ongoing operations. Readers are cautioned that the definitions are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to revenues and net earnings determined in accordance with IFRS or as an indicator of performance, liquidity or cash flows. The Company's method of calculating these measures may differ from the methods used by other entities and accordingly, these measures may not be comparable to similarly titled measures used by other entities or in other jurisdictions.

EBITDA as defined by the Company means Earnings Before Interest and financing costs (net of interest income), Income Taxes, Depreciation and Amortization. EBITDA is derived from the statements of comprehensive income (loss) and can be computed as revenues less salaries and consulting expenses and property, technology, marketing, administration expenses and any non-recurring items.

Normalized EBITDA as defined by the Company means EBTIDA adjusted for one-time non-recurring items or non-cash item such as stock-based compensation expenses, foreign-exchange expenses, and gain on revaluation of contingent consideration.

EBITDA Margin and Normalized EBITDA Margin as defined by the Company means EBITDA and Normalized EBITDA, respectively, as a percentage of revenue.

Working capital as defined by the Company means current assets less current liabilities.

Liquidity as defined by the Company means cash plus available capacity in the Company's revolving credit facility.

The Company believes EBITDA, EBITDA margin, liquidity, and working capital, are useful measures because they provide information to both management and investors with respect to the operating and financial performance of the Company.

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, including but not limited to: management's business strategy for 2024; the revocation of the FFCTO; and the filing of the reinstatement application to the TSXV. 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.