

Yangaroo Announces Q4 2024 & Fiscal 2024 Financial Results

Tenth Consecutive Quarterly Positive Normalized EBITDA and Generated Net Income for 2024

Toronto, Ontario--(Newsfile Corp. - April 29, 2025) - 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 fourth quarter and the fiscal year ended December 31, 2024. The full text of the Financial Statements and Management Discussion & Analysis is 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.

We are pleased to report significant advancements in the fourth quarter of 2024 and fiscal 2024. Operating income has notably improved compared to the prior year, with increased sales volume and revenue after adjusting for seasonality. This growth was driven by the successful acquisition and integration of Millenia3, which has provided additional value for the Advertising Division.

For the three months ended December 31, 2024, operating income and Normalized EBITDA increased to \$290,783 and \$540,504, respectively, from an operating loss of \$43,574 and Normalized EBITDA of \$211,061 in Q4'2023.

For the year ended December 31, 2024, operating income and Normalized EBITDA increased to \$767,839 and \$1,582,361, respectively, from operating income of \$13,702 and Normalized EBITDA of \$1,135,575 in 2023.

The improvement in operating income and Normalized EBITDA is primarily due to our ongoing efforts to enhance operational efficiency and business optimization as well as the full-year inclusion of revenue from the Millenia3 acquisition, which closed in November 2023.

The Advertising Division experienced increased delivery volumes and sales per customer and increased use of our trafficking, production, and analytics capabilities. The Music Division's revenue declined year-over-year, due to decreased new music video deliveries from major record labels, while music audio track promotional deliveries remained stable. While the Awards Division saw a slight decline compared to the same period last year due to the award show cycle of our customers, we expect to at least meet the prior year's revenue for the Awards Division in 2025. This outlook is bolstered by continual investments in our technology, which enhances the value of our services and drives future business growth.

- Advertising Division
 - Revenue of \$1,727,689 in Q4'24 versus revenue of \$1,563,622 in Q4'23
 - Revenue of \$5,979,057 in fiscal 2024 versus revenue of \$5,676,770 in fiscal 2023
- Entertainment Group (Music & Awards Divisions)
 - Revenue of \$513,970 in Q4'24 versus revenue of \$565,146 in Q4'23
 - Revenue of \$2,077,447 in fiscal 2024 versus revenue of \$2,208,712 in fiscal 2023

Grant Schuettrumpf, CEO of Yangaroo, commented, "We are excited to announce our tenth consecutive quarter of positive Normalized EBITDA, a testament to our stable operations and unwavering commitment to exceptional client service. As we move through 2025, our focus remains on executing our growth strategy, expanding our customer base, and investing in our technology platform. While the advertising and music markets continue to evolve, our business remains well-prepared to capitalize on

growth opportunities, both organically and through strategic initiatives.

- Operating Expenses and Normalized EBITDA
 - Operating expenses of \$1,950,876 in Q4'2024 versus an expense of \$2,172,342 in Q4'2023
 - Operating expenses of \$7,288,665 in fiscal 2024 versus operating expenses of \$7,871,780 in fiscal 2023
 - Tenth consecutive quarter of positive Normalized EBITDA; the Company generated \$540,504 of Normalized EBITDA in Q4'24, \$466,458 of Normalized EBITDA in Q3'24, \$337,818 of Normalized EBITDA in Q2'24, \$237,581 of Normalized EBITDA in Q1'24, \$211,061 of Normalized EBITDA in Q4'23, \$266,269 of Normalized EBITDA in Q3'24, \$541,952 of Normalized EBITDA in Q2'23, \$116,293 of Normalized EBITDA in Q1'23, \$833,974 of Normalized EBITDA in Q4'22, and \$1,927 of Normalized EBITDA in Q3'22

Q4'2024 Financial Highlights

- Revenue in Q4'2024 was \$2,241,659 compared to \$2,128,768 and \$1,942,525 in the fourth quarter of 2023 and the third quarter of 2024, respectively.
 - Revenue increased by \$112,891 or 5% compared to Q4'2023. The increase in revenue is primarily attributed to higher Advertising revenue, which increased \$164,066 or 10%, offset by lower Music and Awards revenue with a combined decrease of \$51,175 or 9%. The increase in Advertising revenue is attributed to business growth from the Millenia3 acquisition.
 - Revenue increased by \$299,134 or 15% sequentially compared to Q3'2024. The increase in revenue was primarily driven by higher Advertising revenue with an increase of \$395,817 or 30%, slightly offset by lower Music and Awards revenue with a decrease of \$90,579 or 31% and \$6,104 or 1%, respectively. The increase in Advertising revenue is attributed to seasonality with the fourth quarter typically being the highest volume and spend period. The decline in Music and Awards revenue is attributed to fewer new music video deliveries from major record labels as well as the cyclical nature in our customers' award show schedules, which typically peak during the summer.
- Operating expenses in Q4'2024 were \$1,950,876 compared to \$2,172,342 and \$1,593,542 in the fourth quarter of 2023 and the third quarter of 2024, respectively.
 - Operating expenses decreased by \$221,466 or 10% versus Q4'2023. The decrease in operating expenses was primarily attributed to restructuring and cost control initiatives which resulted in lower salaries as well as lower technology, marketing, and general & administrative expenses.
 - Operating expenses increased by \$357,334 or 22% versus Q3'2024. The increase in operating expenses was primarily attributed to a one-time restructuring fee and a one-time adjustment related to SR&ED tax incentives.
- Normalized EBITDA in Q4'2024 was \$540,504 compared to Normalized EBITDA of \$211,061 in Q4'2023 and Normalized EBITDA of \$466,458 in Q3'2024.
 - Normalized EBITDA increased by \$329,443 compared to Q4'2023. The increase was primarily attributed to the higher revenue from the Advertising division as well as the lower operating expenses year over year due to Management's operations optimization strategy.
 - Normalized EBITDA increased by \$74,046 compared to Q3'2024. This increase was also primarily attributed to the improved operating income.

Fiscal 2024 Financial Highlights

- Revenue in fiscal 2024 was \$8,056,504, an increase of \$171,022 over the \$7,885,482 in 2023. This was driven by increased advertising revenue, partially offset by lower entertainment revenue.
 - i. Advertising
The Company earned advertising revenue of \$5,979,057 in the year ended December 31,

2024, an increase of \$302,287 over the same period in 2023. The increase from the previous year was primarily attributed to the additional revenue earned from the Millenia3 acquisition, offset by a slight slowdown in the advertising industry and corresponding decline in our customer volumes.

ii. Entertainment

The Company earned entertainment revenue of \$2,077,447 in the year ended December 31, 2024, representing a decrease of \$131,265 over the same period in 2023. The decrease from the prior year was primarily attributed to slower activity in the Awards division as well as lower volumes amongst Music customers.

- Total operating expenses for the year ended December 31, 2024, were \$7,288,665, a decrease of \$583,115 over the prior year period.

i. Salaries and Consulting

Salaries and consulting expenses for the year ended December 31, 2024, were \$4,511,859, representing a significant decrease of \$413,944 or 8% over the same period in the prior year. This decrease was a result of efforts made to streamline headcount and improve operating efficiency throughout 2024.

ii. Marketing and Promotion

Marketing and promotion expenses for the year ended December 31, 2024, were \$229,146, a decrease of \$22,443 or 9% over the prior year period. The decrease was primarily due to reduced marketing and sales activities as the business focused on business optimization.

iii. General and Administrative

General and administrative expenses for the year ended December 31, 2024, were \$824,878, representing an increase of \$38,187 or 5% over the prior year. The increase was the result of additional professional service fees related to legal and restructuring matters.

iv. Technology Development

Technology development expenses for the year ended December 31, 2024, were \$928,260, an increase of \$300,871 or 48% over the same period in the prior year. The increase was primarily attributed to the full year of required technology costs related to Millenia3 compared to the 2 months after it was acquired in 2023, as well as a one-time adjustment related to SR&ED tax incentives.

- For the year ended December 31, 2024, the Company's Normalized EBITDA was \$1,582,361 compared to Normalized EBITDA of \$1,135,575 in 2023. The increase in Normalized EBITDA versus the prior year was primarily attributed to the higher revenue generated in 2024 as well as the lower headcount and improved operating efficiency.

Financial Highlights

	Q4 2024		Q3 2024		Q2 2024		Q1 2024	
Cash	\$	231,083	\$	105,906	\$	86,118	\$	207,998
Working capital (deficiency)		(\$1,841,495)		(\$1,787,761)		(\$1,932,157)		(\$1,810,041)
Liquidity	\$	717,583	\$	550,386	\$	378,358	\$	521,092
Revenue	\$	2,241,659	\$	1,942,525	\$	1,949,689	\$	1,922,631
Operating expenses	\$	1,950,876	\$	1,593,542	\$	1,838,985	\$	1,905,260
Other expenses (income)		(\$92,192)	\$	179,406	\$	118,863		(\$144)
Income Tax Expense (recovery)		(\$97,327)		-	\$	120,872	\$	1,950
After-Tax Income (loss) for the period	\$	480,302	\$	169,577		(\$129,031)	\$	15,565
Income (loss) per share - basic	\$	0.01	\$	0.00		(\$0.00)	\$	0.00
Income (loss) per share - diluted	\$	0.01	\$	0.00		(\$0.00)	\$	0.00
EBITDA	\$	651,570	\$	374,900	\$	307,730	\$	356,704
EBITDA Margin %		29.07%		19.30%		15.78%		18.55%
Normalized EBITDA (loss) *	\$	540,504	\$	466,458	\$	337,818	\$	237,581
Normalized EBITDA Margin % *		24.11%		24.01%		17.33%		12.36%

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

	Q4 2023		Q3 2023		Q2 2023		Q1 2023
Cash	\$	150,928	\$	254,720	\$	284,178	\$ 204,604
Working capital (deficiency)		(\$1,758,949)		(\$115,884)		(\$94,749)	(\$224,819)
Liquidity	\$	623,506	\$	975,794	\$	552,960	\$ 781,378
Revenue	\$	2,128,768	\$	1,708,931	\$	2,172,530	\$ 1,875,253
Operating expenses	\$	2,172,342	\$	1,708,684	\$	1,890,089	\$ 2,100,665
Other expenses (income)	\$	3,756,134	\$	20,217	\$	230,473	\$ 139,744
Income Tax Expense (recovery)		(\$134)		(\$11,907)		15,750	150
After-Tax Income (loss) for the period		(\$3,799,574)		(\$8,063)		36,218	(\$365,306)
Income (loss) per share - basic		(\$0.06)		0.00		0.00	(\$0.01)
Income (loss) per share - diluted		(\$0.06)		0.00		0.00	(\$0.01)
EBITDA		(\$3,407,954)		322,585		384,490	(\$13,174)
EBITDA Margin %		(160%)		18.88%		17.70%	(0.71%)
Normalized EBITDA (loss) *	\$	211,061	\$	266,269	\$	541,952	\$ 116,293
Normalized EBITDA Margin % *		9.91%		15.58%		24.95%	6.30%

* A non-IFRS measure. See "Non-IFRS financial measures" for definitions and reconciliation of 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 centralized and fully integrated workflow directly connecting radio and television broadcasters, digital display networks, and video publishers for centralized 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 OTC PK: 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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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, technology and production expenses, marketing and promotion expenses, general and administrative expenses, any gain (loss) on the remeasurement of fair value and contingent consideration, foreign exchange (gain) loss, and any non-recurring items such as restructuring expenses, government subsidies, and goodwill impairment.

Normalized EBITDA, as defined by the Company, means EBITDA adjusted for one-time non-recurring or non-cash items such as stock-based compensation expenses, acquisition fees, restructuring fees, foreign-exchange expenses, revaluation of embedded derivative liability, revaluation on contingent consideration, and goodwill impairment.

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 the 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: the use of proceeds of the offering, receipt of all necessary approvals of the offering, general business, economic, competitive, political and social uncertainties; negotiation uncertainties and other risks of the technology industry. 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, YANGAROO assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.



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