

Yangaroo Announces Q1'2025 Financial Results

Eleventh Consecutive Quarterly Positive Normalized EBITDA Driven by Operational Efficiencies

Toronto, Ontario--(Newsfile Corp. - May 30, 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 first quarter ended March 31, 2025. The first quarter financial statements and corresponding management's discussion and analysis (the "First Quarter Filings") are available at www.yangaroo.com and on the Company's profile at www.sedarplus.ca. Please note that all currency in this press release is denominated in United States dollars, unless otherwise noted.

The Company is pleased to report an improvement in both operating income and Normalized EBITDA for the first quarter ended March 31, 2025, demonstrating the Company's strong focus on strategic execution and cost management. These improvements were accompanied by a notable increase in operating income compared to the same period in 2024.

Total revenue for the quarter declined by \$140,573, or 7% year over year. This decline was in part due to a Millena3 client contract not being renewed, ongoing reduced music video deliveries from the music division, and the Company believes the recent geopolitical tensions and trade protectionism measures implemented by the U.S. government contributed to a more cautious spending approach by brands and advertisers, impacting performance with the Advertising division. Despite these events and headwinds, the Company's continued emphasis on operational efficiency and disciplined cost control led to positive operating income.

For the three months ended March 31, 2025, operating income and Normalized EBITDA increased to \$24,526 and \$264,251, respectively, from operating income of \$17,371 and Normalized EBITDA of \$237,581 in Q1'2024.

Grant Schuettrumpf, President and CEO of Yangaroo, commented, "We are excited to announce our eleventh consecutive quarter of positive Normalized EBITDA, which we see as a testament to our stable operations and unwavering commitment to exceptional client service. As we move through 2025, our focus will remain on executing our growth strategy, expanding our customer base, and investing in our technology platform. Despite the challenges and recent uncertainties in the advertising and music markets, we believe we are well-positioned to continue to seize both organic and non-organic growth opportunities across all divisions."

Q1'2025 Financial Highlights

- Revenue in Q1'2025 was \$1,782,058 compared to \$1,922,631 and \$2,241,659 in the first quarter of 2024 and the fourth quarter of 2024, respectively.
 - Revenue decreased by \$140,573, or 7%, versus Q1'2024. The decrease in revenue was primarily driven by lower Advertising and Music revenue, with a decrease of \$130,020, or 9%, and \$51,929, or 19%, respectively, slightly offset by higher Awards revenue year over year with an increase of \$41,376, or 34%.
 - Revenue decreased by \$459,601, or 21%, versus Q4'2024. The decrease in revenue was primarily attributed to lower Advertising revenue of \$333,141, or 19%, as well as decreased Awards revenue of \$151,469, or 48%, offset by higher Music revenue with an increase of \$25,009, or 12%. This decrease in revenue can be attributed to the geopolitical situation as well as seasonality with the fourth quarter typically being the highest volume and spend

period.

- Operating expenses in Q1'2025 were \$1,757,532 compared to \$1,905,260 and \$1,950,876 in the first quarter of 2024 and the fourth quarter of 2024, respectively.
 - Operating expenses decreased by \$147,728, or 8%, versus Q1'2024. The decrease in operating expenses was primarily attributed to reductions across headcount, marketing, and technology expenses, offset by slightly higher general and administrative expenses.
 - Operating expenses decreased by \$193,344, or 10%, versus Q4'2024. The decrease in operating expenses was primarily attributed to the Company's restructuring and cost control initiatives, which resulted in lower salaries, lower technology, and marketing expenses.
- Normalized EBITDA in Q1'2025 was \$264,251 in comparison to Normalized EBITDA of \$237,581 in Q1'2024 and Normalized EBITDA of \$540,504 in Q4'2024.
 - Normalized EBITDA improved by \$26,673, or 11%, compared to Q1'2024. The increase was primarily attributed to improved operating income resulting from Management's operational optimization strategy.
 - Normalized EBITDA decreased by \$276,253, or 51%, compared to Q4'2024. The decrease was primarily attributed to seasonality with the fourth quarter typically being the highest volume and spend period.

Financial Highlights

	Q1 2025		Q4 2024		Q3 2024	Q2 2024
Cash	\$	217,088	\$	231,083	105,906	86,118
Working Capital (Deficiency)		(1,900,378)		(1,841,495)	(1,787,761)	(1,932,157)
Liquidity		686,618		717,583	550,386	378,358
Revenue		1,782,058		2,241,659	1,942,525	1,949,689
Operating Expenses		1,757,532		1,950,876	1,593,542	1,838,985
Other Expenses (Income)		152,424		(92,192)	179,406	118,863
Income Tax Expense (Recovery)		909		(97,327)	-	120,872
After-Tax Income (Loss) for the Period		(128,807)		480,302	169,577	(129,031)
Income (Loss) per Share - Basic	\$	(0.00)	\$	0.01	\$ 0.00	\$ (0.00)
Income (Loss) per Share - Diluted	\$	(0.00)	\$	0.01	\$ 0.00	\$ (0.00)
EBITDA		158,596		651,570	374,900	307,730
EBITDA Margin %		8.90%		29.07%	19.30%	15.78%
Normalized EBITDA *		264,251		540,504	466,458	337,818
Normalized EBITDA Margin % *		14.83%		24.11%	24.01%	17.33%

	Q1 2024		Q4 2023		Q3 2023	Q2 2023
Cash	\$	207,998	\$	150,928	\$ 254,720	\$ 284,178
Working Capital (Deficiency)		(1,810,041)		(1,758,949)	(115,884)	(94,749)
Liquidity		521,092		623,506	975,794	552,960
Revenue		1,922,631		2,128,768	1,708,931	2,172,530
Operating Expenses		1,905,260		2,172,342	1,708,684	1,890,089
Other Expenses (Income)		(144)		3,756,134	20,217	230,473
Income Tax Expense (Recovery)		1,950		(134)	(11,907)	15,750
After-Tax Income (Loss) for the Period		15,565		(3,799,574)	(8,063)	36,218
Income (Loss) per Share - Basic	\$	0.00		(\$0.06)	(\$0.00)	\$ 0.00
Income (Loss) per Share - Diluted	\$	0.00		(\$0.06)	(\$0.00)	\$ 0.00
EBITDA		356,704		(3,407,954)	322,585	384,490
EBITDA Margin %		18.55%		(160%)	18.88%	17.70%
Normalized EBITDA*		237,581		211,061	266,269	541,952
Normalized EBITDA Margin % *		12.36%		9.91%	15.58%	24.95%

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

OTC Markets Listing

The Company received a notice from OTC Markets Group indicating that the OTC Pink Market will be discontinued as of July 1, 2025. YANGAROO's shares currently trade on the OTC Pink Market under the symbol YOOIF. The Company does not intend to take the necessary steps to upgrade the Company's shares to the OTCID Basic Market at this time however may elect to do so at a future time. This may affect the liquidity of the Company's shares on the OTC Markets.

Shares for Services

The TSX Venture Exchange (the "**Exchange**") has conditionally approved a previously disclosed shares for services arrangement (the "**Shares for Services Arrangement**") entered into between the Company and Grant Schuetrumpf, whereby the Company had agreed to pay to Mr. Schuetrumpf the lesser of USD \$2,500 per month and CAD \$5,000 per month (less applicable withholding taxes) (the "**Monthly Share Compensation Value**") in addition to Mr. Schuetrumpf's existing salary, by way of share issuance. For the months of January through April 2025, the Company will issue 200,350 common shares of the Company (the "**Shares**"), at a price per share of \$0.0375 with respect to 62,469 Shares for the month of January and \$0.05 per share with respect to the remaining Shares for the months of February through April. The Shares will be subject to hold period of 4 months imposed by the policies of the Exchange, expiring July 11, 2025. No new insiders will be created, nor will any change of control occur, as a result of the issuance of the Shares. Additional issuances under the Shares for Services Arrangement will be disclosed in future news releases.

As Mr. Schuetrumpf is an officer and director of the Company, the issuance of the Shares under the Shares for Services Arrangement is considered a "related party transaction" under *Multilateral Instrument 61-101 - Protection of Minority Security Holders In Special Transactions* ("**MI 61-101**") and the TSXV. The Company is relying on the exemptions from the formal valuation and the minority shareholder approval requirements of MI-61-101 contained in section 5.5 (a) and Section 5.7 (1)(a) as the fair market value of the common shares being issued to insiders in connection with the Shares for Services Arrangement does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

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.

The address of the Company's corporate office and principal place of business is 360 Dufferin Street, Suite 203, Toronto, Ontario, M6K 1Z8.

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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, 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 share-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. 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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