



## YANGAROO REPORTS Q3'2020 RESULTS

Robust sales recovery and a strong balance sheet and liquidity position

**TORONTO, CANADA, November 25, 2020 – YANGAROO Inc. (“Yangaroo”, “Company”)**, (TSX-V: YOO, OTCBB: YOOIF), the software leader in work-flow management and media distribution solutions, today announced its results for the quarter ended September 30, 2020. The full text of the Financial Statements and Management Discussion & Analysis is available at [www.yangaroo.com](http://www.yangaroo.com) and at [www.sedar.com](http://www.sedar.com). Please note that all currency in this press release is denominated in Canadian dollars.

Consolidated revenue for the third quarter of 2020 was \$1,921,312 compared to \$1,959,312 and \$1,586,695 in the third quarter of 2019 and second quarter of 2020, respectively. The Company generated normalized EBITDA of \$502,299, inclusive of government wage subsidy payments, during the quarter ended September 30, 2020, in comparison to a normalized EBITDA of \$255,834 in the prior year quarter ended September 30, 2019 and normalized EBITDA of \$118,700 in the second quarter of 2020 ended June 30, 2020. The increase in revenue and normalized EBITDA in Q3'2020 is primarily attributed to increased Advertising and Awards revenue resulting from a recovery in customer demand for the use of our workflow platform. The second quarter of 2020 saw a significant advertising industry wide slump in volume of new advertising campaigns and total dollar spend which was attributed to the global COVID-19 pandemic. The third quarter of 2020 observed advertising volumes and total dollar spend recovering to pre-pandemic levels. Awards revenue was also significantly impacted in the first half of 2020, and we saw a strong rebound in award show customers using our platform in the third quarter of 2020 resulting in significantly higher Awards revenues.

Music revenue continued to increase during these comparison periods and partially helped off-set any impact from COVID-19. The Company continued to see strong demand for its Music platform in the form of recurring subscription revenues and on-demand platform usage from independent music artists and music labels. Finally, government wage subsidies and cost management initiatives contributed to a gain in normalized EBITDA earnings during the quarter.

“The third quarter of 2020 saw a swift recovery in the demand for our platform from our advertising and awards customers as the economy continued to rebound from the initial impact of COVID-19 in the first half of 2020”, stated recently appointed Interim CEO of Yangaroo, Grant Schuettrumpf. “We have seen signs of resumption in advertising campaigns across a broad spectrum of clients to pre-pandemic levels and we expect this recovery to continue through to the end of 2020. Awards division revenues increased significantly as many of our clients restarted their award shows from an initial deferral in Q1' and Q2'2020, and we expect this trend to continue through to the end of 2020. Finally, our Music revenues have continued to be a bright spot for Yangaroo as independent music artists and music labels increased their usage of the platform resulting in 20% revenue growth quarter over prior-year quarter.”

Grant Schuettrumpf added, “We ended the third quarter with a strong recovery in revenue and demand for our platform and we expect this trend to continue through to the fourth quarter of 2020. Additionally,

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YANGAROO Inc.

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our balance sheet and cash position has never been stronger with over \$2 million in cash and over \$3 million in working capital on top of an undrawn \$1 million revolving loan facility. We are very optimistic about the future prospects of our business and achieving our previously stated growth targets in 2021, which is in stark contrast to some of the outlook scenarios we were facing at the beginning of the pandemic. Finally, we continue to evaluate and be opportunistic with organic and non-organic growth initiatives.”

As at September 30, 2020, the Company has a cash position of \$2.3 million and a working capital position of \$3.1 million. The Company’s share buy-back program continues to be suspended and will continue to be evaluated on an on-going basis.

Summary of operating results:

	Three Months		Nine Months	
	2020	2019	2020	2019
Revenue	\$ 1,921,312	\$ 1,959,865	\$ 5,880,774	\$ 5,580,655
Gross Margin	93.95%	93.91%	94.60%	94.35%
EBITDA (loss)	\$ 452,666	\$ 250,171	\$ 1,161,366	\$ (3,613)
Normalized EBITDA (loss)	\$ 502,299	\$ 275,820	\$ 1,181,042	\$ 306,648
Net Income (loss)	\$ 384,630	\$ 156,496	\$ 943,408	\$ (312,162)
Basic EPS	\$ 0.01	\$ 0.00	\$ 0.02	\$ (0.01)
Diluted EPS	\$ 0.01	\$ 0.00	\$ 0.02	\$ (0.01)

	As at			
	September 30 2020	June 30 2020	December 31 2019	September 30 2019
Cash	\$ 2,284,104	\$ 1,823,200	\$ 1,570,483	\$ 1,705,416
Liquidity	\$ 3,284,104	\$ 2,823,200	\$ 1,570,483	\$ 1,705,416
Working Capital	\$ 3,122,343	\$ 2,722,421	\$ 2,086,700	\$ 1,845,365

**About YANGAROO:**

Yangaroo is a software leader in work-flow management for advertising, music, and awards industries. YANGAROO’s patented Digital Media Distribution System is a leading secure business to business cloud-based solution that provides clearance, delivery, and secure API integration for various work-flow challenges in media 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 OTCBB: YOOIF.



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**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, neither YANGAROO assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

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