



YANGAROO ANNOUNCES Q1'2021 RESULTS

CONTINUED MUSIC GROWTH AND STRENGTHENED BALANCE SHEET

TORONTO, CANADA - May 31, 2021 – YANGAROO Inc. (“Yangaroo”, “Company”), (TSX-V: YOO, OTCBB: YOOIF), the software leader in media asset workflow and distribution solutions, today announced its financial results for the quarter ended March 31, 2021. The full text of the Financial Statements and Management Discussion & Analysis is available at www.yangaroo.com and at www.sedar.com. Please note that all currency in this press release is denominated in Canadian dollars.

Consolidated revenue for the first quarter of 2021 was \$1,560,547 compared to \$2,372,767 and \$2,067,026 in the first quarter of 2020 and the fourth quarter of 2020, respectively. The Company generated normalized EBITDA of \$453,157, inclusive of government assistance, during the quarter ended March 31, 2021, in comparison to a normalized EBITDA of \$560,042 in the prior year quarter ended March 31, 2020 and normalized EBITDA of \$817,821 in the fourth quarter of 2020 ended December 31, 2020. The decrease in revenue in Q1'2021 is primarily attributed to the onset of COVID-19, beginning in late Q1'2020, as well as non-recurring revenue from customers advertising during the 2020 US Presidential election race, partially off-set by continued strength in our Music division driven by independent music artists use of our platform. The decrease in normalized EBITDA is primarily attributed to lower advertising sales offset by higher government assistance, increase in technology spend and capitalized product development costs, and lower travel, marketing and general and administrative expenses.

The first quarter of 2021 observed continued weakness in advertising volumes and spend, which we attribute to a delayed economic recovery resulting from residual COVID-19 effects on the advertising industry, and which we forecast to be transitory in nature and forecast to rebound post-pandemic. Conversely, Yangaroo's Music division continued strong subscription and recurring revenue growth in the first quarter of 2021. Music revenues grew 15% year-over-year and is attributed to higher spend on delivery volumes and recurring-subscriptions in our platform by independent music artists as the broader music industry continues to experience record revenues and sales.

Subsequent to quarter-end, on May 21, 2021, the Company announced the closing of the acquisition of the business of Digital Media Services Inc (“DMS”). DMS is a video advertising and content management delivery business based in New York City. Total consideration for the DMS business was USD \$5.5 million, inclusive of USD \$2.5 million paid on closing, in addition to customary closing adjustments and expenses,



and USD \$3.0 to be paid over three years contingent on the DMS business hitting certain revenue targets based on its 2019 fiscal year sales. DMS’ annual sales for 2018, 2019, and 2020 were approximately USD \$6.4 million, USD \$6.3 million, and USD \$4.0 million, respectively.

“The recently announced acquisition of DMS was a transformative and historic event for Yangaroo. The acquisition brings together a complementary customer base, creates a stronger USA market presence, and provides the ability to drive Yangaroo’s revenue growth,” stated Grant Schuetrumpf, CEO of Yangaroo. “The structure of this transaction made this acquisition very attractive to us because of its low risk profile resulting from deferred consideration that is only payable dependent on the DMS business hitting pre-pandemic revenue targets. We believe that the current television industry advertising slump, resulting from the COVID-19 pandemic, is transitory in nature and will recover to pre-pandemic levels in due course. The DMS business will provide leverage to the recovery and help accelerate our Advertising division sales.”

Mr. Schuetrumpf further stated, “The acquisition complements our vision for Yangaroo’s Advertising division to be the modern linear, OTT/CTV video management, delivery, and analytics solution through the use of cutting-edge technology including artificial intelligence and big data.”

As at March 31, 2021, the Company has a cash position of \$2.3 million and a working capital position of \$3.3 million. The Company’s share buy-back program continues to be suspended and will continue to be evaluated on an on-going basis.

	Three Months	
	March 31, 2021	March 31, 2020
Revenue	\$ 1,560,547	\$ 2,372,767
Normalized EBITDA	\$ 453,157	\$ 560,042
Normalized EBITDA Margin	29.04%	23.60%
Net Income	\$ 337,782	\$ 628,609
Basic EPS	\$ 0.01	\$ 0.01
Diluted EPS	\$ 0.00	\$ 0.01
	As at	
	March 31, 2021	December 31, 2020
Cash	\$ 2,339,122	\$ 1,861,253
Liquidity	\$ 3,339,122	\$ 2,861,253
Working Capital	\$ 3,300,913	\$ 3,104,469



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 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.