



## YANGAROO ANNOUNCES Q1'2022 RESULTS

**TORONTO, CANADA - May 30, 2022** – YANGAROO Inc. (“Yangaroo”, “Company”), (TSX-V: YOO, OTCQK: YOOIF), a software leader in media asset workflow and distribution solutions, today announced its financial results for the quarter ended March 31, 2022. The full text of the Financial Statements and Management Discussion & Analysis is available at [www.yangaroo.com](http://www.yangaroo.com) and on the Company’s profile at [www.sedar.com](http://www.sedar.com). Please note that all currency in this press release is denominated in United States dollars.

### ***Q1'2022 Management Commentary***

Grant Schuettrumpf, CEO of Yangaroo, stated, “During the first quarter of 2022, we continued to work towards completing three critical objectives for the business - the completion of the DMS acquisition integration, the development of our new data analytics solution and a significant upgrade of our core DMDS technology platform.”

“We have now completed the integration and rationalization of the DMS business into Yangaroo. The unification of the businesses under the Yangaroo brand has provided the Company with meaningful operating synergies. With this, alongside the completion of certain key development projects that enhance our operating efficiency, we have been able to reduce our staffing levels in this segment of our business by over 10%. We now believe that the combined Yangaroo/DMS solution suite is well positioned to better compete in an increasingly competitive marketplace moving forward.”

“In addition to the completion of the DMS integration, I am pleased to share that we have successfully launched our new data analytics product suite. While this offering is still in its early stages and clients are only now beginning to evaluate the product, we are very optimistic that there will be significant interest once we have completed its trial phase.”

“On the technology side we have made some significant investments in the past few months. Our advertising production and delivery services have been significantly enhanced by the addition of our TV Clearance platform as well as new digital ad-serving capabilities required for the CTV market. As you may recall, we have partnered with Innovid, the leading digital ad-serving platform in the market. With the Innovid integration now complete, we are currently presenting our new solutions to the market, both directly to our clients and prospects, as well as at in-person industry conferences”.



Mr. Schuettrumpf further stated, “With the continued improvement of our core technology, we have been able to expand upon our offerings in the music business. Recently we announced a novel partnership with ShineX, a leader in music royalty tracking. The partnership and its seamless technology integration allows us to provide our independent music artists with the ability to better track their performance in digital radio and provide improved accuracy on their subsequent royalty payments.”

“In closing, we believe that the completion of the DMS integration coupled with our recent investments in technology development have solidified our commercial foundation and positioned us well to weather the current challenging economic environment. We look forward to updating the community on our progress over the coming months.”

### ***Q1'2022 Operational Highlights***

#### **Business Developments & Advancements**

- The Company completed the integration of the DMS acquisition which has resulted in a rationalization of the Company's work force by over 10%. Cost savings from these changes are anticipated to drive improved cash-flow generation in the second half of the year.
- Yangaroo launched its new data analytics solution and is receiving positive customer feedback. It is anticipated that the data analytics trial period will conclude later this summer and that the solution will become a more significant contributor in the latter part of 2022.
- Yangaroo Music announced a partnership with ShineX, a third-party analytics provider of satellite radio tracking data. The integration allows for a seamless product offering to independent artists that to obtain key information and data on outstanding royalty payments from satellite radio.
- Yangaroo is a proud vendor of the 53<sup>rd</sup> NAACP Image Awards, which aired on BET during February 2022. Yangaroo's Awards platform powered the submission and judging process of the awards show.
- Yangaroo exhibited at the Performance Marketing-Driven Institute's (PDMI) bi-annual conference for USA's Direct Response advertising industry, showcasing our latest advertising solution and ongoing technology improvements.



## Technology Development

We continued to significantly invest in our technology advancements in the first quarter of 2022 with the following:

- Advertising: Yangaroo released a new iteration of its Clearance Platform to clients, providing self-serve and real-time collaboration between an advertiser and TV broadcasters for the review and approvals of legal clearance submissions required for TV advertising.
- Awards: Yangaroo continued with critical updates on the existing Awards platform to make it highly scalable to drive efficiency and its competitiveness.
- Music: Yangaroo released important development to improve third-party integrations, including the new partnership with ShineX.

### Q1'2022 Financial Highlights (\$USD)

	Q1 2022	Q1 2021
<b>BALANCE SHEET KPIs</b>		
Cash and cash equivalents	\$ 783,159	\$ 1,860,137
Working capital**	\$ (1,649,976)	\$ 2,624,981
Liquidity	\$ 1,862,483	\$ 2,655,365
<b>INCOME STATEMENT KPIs</b>		
Revenue	\$ 1,989,042	\$ 1,232,315
Operating expenses	\$ 2,492,222	\$ 932,843
Other expenses (income)	\$ 94,395	\$ 32,889
Income (loss) for the period	\$ (597,586)	\$ 266,587
EBITDA	\$ (340,174)	\$ 319,734
EBITDA Margin %	-17.10%	25.95%
Normalized EBITDA (loss)	\$ (259,849)	\$ 360,799
Normalized EBITDA Margin %	-13.06%	29.28%



## **Term Loan Facility**

The Company has a term-loan facility with a principal balance outstanding of \$2,353,106 with a term of 42 months from May 21 2021, with payment amortization of 72 months. The Company is required to comply with certain covenants, terms and conditions, including certain non-IFRS measures, under the term loan facility. This includes a covenant that requires the Company to maintain, on a rolling four-quarter basis, a minimum Fixed Charge Coverage Ratio of not less than 1.20:1.00 and an Interest-Bearing Debt to EBITDA ratio of no more than 2.75 times between May 21, 2021 and December 31, 2022. The Company was not in compliance with the covenants as of at March 31, 2022. The Company is actively working on obtaining a waiver and amending the terms of the loan facility, including additional waiver(s) of the covenant violations if required, on a prospective basis, however, the ability of the Company to negotiate an amendment on terms that are favourable to the Company, or at all, are not guaranteed. If the Company is unable to negotiate an amendment or secure additional waiver(s) if required, this may have a material adverse impact on the Company's financial position and operations generally.

\*\*Accordingly, the term loan facility has been presented as current on the condensed interim statement of financial position as at March 31, 2022 which has negatively impacted working capital.

## **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 incorporates production services, traffic, clearance, delivery, analytics, and secure API integration for the industries various video and audio work-flow challenges.

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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## **Use of Non-IFRS Financial Measures**

The non-IFRS definitions described below are used in this 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, and other nonrecurring items. 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 and administration expenses. Normalized EBITDA as defined by the Company means EBITDA adjusted for one-time non-recurring items or non-cash item such as stock based compensation expenses and foreign-exchange expenses. EBITDA Margin and Normalized EBITDA Margin as defined by the Company means EBITDA and Normalized EBITDA, respectively, as a percentage of revenue. The Company believes EBITDA, EBITDA margin, Normalized EBITDA, and Normalized EBITDA Margin, are useful measures because they provide information to both management and investors with respect to the operating and financial performance of the Company.

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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.*

**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 ability of the Company to



compete as a result of the acquisition and implementation of DMS; the ability to garner significant interest with respect to the Company's data analytics product suite following completion of its trial phase; future updates to be provided by the Company; the timing of the conclusion of the data analytics trial period and the solution will become a more significant contributor in the latter part of 2022; the effect of recent critical updates to the existing Awards platform being able to drive efficiency and competitiveness; and the ability of the Company to continue to work with its lender on amendments to the term loan facility, including additional waiver(s) of the covenant violations if required, on a prospective basis. 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.