YANGAROO ANNOUNCES Q1'2023 RESULTS

CONSECUTIVE QUARTERLY POSITIVE NORMALIZED EBITDA

TORONTO, CANADA – May 30, 2023 – YANGAROO Inc. ("**Yangaroo**", "**Company**"), (TSX-V: YOO, OTCBB: YOOIF), a software leader in media asset workflow and distribution solutions, today announced its financial results for the first quarter ended March 31, 2023. 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 United States dollars, unless otherwise noted.

We are pleased to report that the first quarter is off to a positive start for 2023. The first quarter of 2023 showed significant advancements with respect to operating income and cash-flow generation, as compared to prior-year quarter losses, and improved sales volume and revenue, when adjusted for seasonality. Although sales were down on a year-on-year basis, each division is showing positive signs of recovery from a challenging previous 12-months.

The Advertising Division increased delivery volumes and sales on a per customer basis which is a positive sign of a market recovery in advertising creative production and campaign volumes. The Awards Division results were marginally down compared to this time in the prior-year, however, the result attributed to the timing of our award show customers and we expect to recover and exceed prior-year Awards Division revenue in 2023. The Music Division revenue was down, on a year-over-year basis, mostly due to fewer new music video deliveries by the major record labels. Music audio deliveries were relatively flat on a year-over-year basis.

- Advertising Division
    - Revenue of $1,434,590 in Q1'23 versus revenue of $1,466,655 in Q1'22

- Entertainment Group (Music & Awards Divisions)
    - Revenue of $410,663 in Q1'23 versus revenue of $522,387 in Q1'22

Grant Schuetrumpf, CEO of Yangaroo, commented, "We are encouraged by the progress made in stabilizing our business after a challenging 2022, as reflected in the consecutive and sequential quarters of Normalized EBITDA generation. Moreover, we have observed modest improvements in business development and sales opportunities compared to the same period in the previous year. With a cautious

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and realistic approach, we remain committed to carefully capitalizing on these prospects to foster steady growth in the future.

To drive new revenues across our divisions, we have taken a measured and realistic approach to capture the new opportunities. With the Advertising Division, we have expanded our solution to include TV Legal Clearance, Analytics, increased post-production capabilities, and overall platform improvements and other technology integrations. We expect this expansion to create greater opportunities. For the Music Division, we acknowledge the volume challenges faced in early Q1'23, specifically with large record-label music video releases. However, we are pleased to note an improvement in volume towards the end of the quarter. We remain dedicated to developing the music division and enhancing the user experience to maximize their music promotion opportunities. Furthermore, our Award Shows Division is actively working on completing the new Awards technology, which will enable us to offer a comprehensive solution to a broader market, thereby extending our reach and potential."

- Operating Expenses and Normalized EBITDA

  - The Company completed additional head-count reductions in the current quarter and incurred restructuring expenses of $138,513. Continued reductions in head-count resulted in a salary expenses of $1,233,466 or a savings of $563,071 versus the first quarter of 2022.

  - Technology, production, and marketing and promotional expenses continued to decline with savings of $103,177 versus the first quarter of 2022 resulting from continued efforts to reduce over-head expenditures.

  - Second consecutive quarter of significant Normalized EBITDA; the Company generated $116,143 of Normalized EBITDA in Q1'23 and $833,974 of Normalized EBITDA in Q4'22.

Dom Kizek, CFO of Yangaroo, commented, "We continued to right-size the business in the first quarter of 2023 with the implementation of an additional restructuring round. This included another round of head-count reductions and elimination of non-core over-head expenditures. Additionally, we generated strong positive EBITDA for the second consecutive quarter and continue to be focused on generating strong cash-flows and EBITDA on a go forward basis."

Looking into the remainder of 2023, Yangaroo remains focused on executing its growth strategy, expanding its customer base, and continuing to invest in its platform. While the advertising and entertainment markets remain unstable and uncertain, the Company is well-positioned to capitalize on organic and non-organic growth opportunities.

Q1'2023 Financial Highlights

- Revenue in Q1'2023 was $1,845,253 compared to $2,097,353 and $1,989,042 in the fourth quarter of 2022 and the first quarter of 2022, respectively.

    - Revenue decreased by $252,100 or 12% versus Q4'2022. The decrease in revenue was due to lower Advertising revenue with a decrease of $85,306 or 6%, and by lower Music and Awards revenue with a decrease of $166,794 or 29%. The decrease in Advertising revenue is attributed to seasonality with the prior fourth quarter typically being the highest volume and spend period while the first quarter of the year is typically much lower volume period. The decrease in Music revenue is also primarily attributed to seasonality as the first quarter is typically a slower period for independent artists and music labels. The decline in Awards revenue is primarily attributed to cyclicality in our customer's award show schedules which typically peak in the summer periods.

    - Revenue decreased by $143,789 or 7% versus Q1'2022. The decrease in revenue is primarily attributed to lower Advertising revenue of $32,066 or 2% as well as decreased Awards and Music revenue of $111,724 or 21%. The primary factors affecting advertising sales in the current quarter were an expectation of a recession in the United States and Canada, which adversely impacts our customers' marketing and advertising budgets, inflationary environment adversely impacting consumer spending power, and the macro-environment and supply chain issues adversely impacting inventory in the automotive and other manufacturing industries. The decline in Awards revenue is primarily attributed to structural changes to award show schedules resulting from a COVID-19 to a post-COVID-19 environment.

- Operating expenses in Q1'2023 were $2,100,123 compared to $1,426,919 and $2,492,222 in the fourth quarter of 2022 and the first quarter of 2022, respectively.

    - Operating expenses increased by $673,204 or 47% versus Q4'2022. The increase in operating expenses is primarily attributed to significantly higher salaries and related costs partially off-set by lower legal and professional services fees. The increase in salaries and related costs is primarily attributed to one-time employment tax credit of approximately

$538,019 that the Company recognized in the fourth quarter of 2022. This employment tax-credit is non-recurring and we expect to collect the full proceeds by the end of the second half of 2023.

- Operating expenses decreased by $392,099 or 16% versus Q1'2022. The decrease in operating expenses is primarily attributed to a reduction of employee headcount, enacted primarily in the first half of 2022, which is fully realized in 2023, and a continued focus on lower marketing and technology spend as part of the Company's cash saving measures. Savings in salaries, technology, and marketing expenditures were off set by higher legal and professional fees related to ongoing acquisition and restructuring matters.

- Normalized EBITDA in Q1'2023 was $116,143 in comparison to normalized EBITDA of $833,974 in the fourth quarter of 2022 and normalized EBITDA loss of $259,847 in the first quarter of 2022.

  - Normalized EBITDA decreased by $717,831 compared to Q4'2022. The decrease is primarily attributed to the lower Advertising revenues, primarily attributed to seasonality and lower customer volumes, and significantly higher operating expenses, primarily attributed to previous quarter's employment tax credit recognition.

  - Normalized EBITDA increased by $375,990 compared to Q1'2022. The increase is primarily attributed to significantly lower operating expenses, primarily attributed to reduced salaries and marketing and technology costs, as discussed in further detail above.

Financial Highlights

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Cash and cash equivalents	$ 204,604	$ 296,748	$ 346,744	$ 607,289
Working capital (deficiency)	$ (224,819)	$ 217,710	$ (1,701,222)	$ (1,517,889)
Liquidity	$ 781,378	$ 737,680	$ 639,320	$ 1,033,533
Revenue	$ 1,845,253	$ 2,097,353	$ 1,733,140	$ 1,915,307
Operating expenses	$ 2,100,123	$ 1,426,919	$ 1,987,591	$ 2,259,186
Other expenses (income)	$ 109,749	$ 148,123	$ (109,995)	$ (2,133,145)
Income (loss) for the period	$ (364,619)	$ 522,311	$ (144,456)	$ 1,789,266
EBITDA	$ (13,324)	$ 816,075	$ 108,087	$ 2,047,149
EBITDA Margin %	-0.72%	38.91%	6.24%	106.88%
Normalized EBITDA (loss)	$ 116,143	$ 833,974	$ 2,205	$ (42,766)
Normalized EBITDA Margin %	6.29%	39.76%	0.13%	-2.23%

	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Cash and cash equivalents	$ 783,159	$ 768,251	$ 1,271,871	$ 1,036,381
Working capital	$ (1,649,976)	$ 911,861	$ 1,985,484	$ 1,996,580
Liquidity	$ 1,862,483	$ 2,148,594	$ 2,645,390	$ 2,448,355
Revenue	$ 1,989,042	$ 2,305,594	$ 2,429,867	$ 1,759,691
Operating expenses	$ 2,492,222	$ 2,611,535	$ 2,405,178	$ 1,659,981
Other expenses (income)	$ 94,395	$ 24,783	$ (33,797)	$ 147,983
Income (loss) for the period	$ (597,575)	$ (330,724)	$ 58,486	$ (48,273)
EBITDA	$ (340,172)	$ (99,125)	$ 329,554	$ 92,454
EBITDA Margin %	-17.10%	-4.30%	13.56%	5.25%
Normalized EBITDA (loss)	$ (259,847)	$ (164,899)	$ 338,404	$ 528,285
Normalized EBITDA (loss) Margin %	-13.06%	-7.15%	13.93%	30.02%

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 centralised and fully integrated workflow directly connecting radio and television broadcasters, digital display networks, and video publishers for centralised 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 OTCPK: 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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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.