YANGAROO INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED DECEMBER 31, 2024

(EXPRESSED IN UNITED STATES DOLLARS)

April 25, 2025

Introduction

Unless the context suggests otherwise, references to "the Company", "Yangaroo", or similar terms refer to YANGAROO Inc. This Management's Discussion & Analysis ("MD&A") is a discussion and review of operations, current financial position, and outlook for Yangaroo and should be read in conjunction with the audited financial statements for the years ended December 31, 2024 and 2023 (the "Financial Statements"), which are prepared in accordance with IFRS Accounting Standards ("IFRS"). The information below is prepared in accordance with IFRS and is presented in United States dollars, unless otherwise noted.

Forward Looking Statements

The Company's reporting structure reflects how it manages its business and how it classifies its operations for planning and for measuring its performance. This MD&A contains assertions about the objectives, strategies, financial conditions, outlook, revenue guidance, EBITDA guidance, and results of operations. These statements are considered "forward-looking" because they are based on current expectations of the Company's business, in those markets in which it operates, and on various estimates and assumptions.

These forward-looking statements describe the Company's expectations at April 25, 2025. The Company's actual results could be materially different from its expectations if known or unknown risks affect the business, or if the Company's estimates or assumptions turn out to be inaccurate. As a result, the Company cannot guarantee that any forward-looking statements will materialize. Forward-looking statements do not take into account the effects that transactions or non-recurring items, announced or occurring after the statements are made, may have on the business. The Company disclaims any intention or obligation to update any forward-looking statements, except as required by law, even if new information becomes available through future events or for any other reason. Risks that could cause the Company's actual results to differ materially from its current expectations are stated in the Risk Management section.

Use of Non-IFRS Financial Measures

The following non-IFRS definitions are used in this MD&A 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 EBTIDA adjusted for one-time non-recurring items or non-cash items such as stock-based compensation expenses, restructuring expenses, acquisition fees, foreign-exchange (gain) loss, revaluation on contingent consideration, revaluation of embedded liability, 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 available capacity in the Company's revolving credit facility.

The Company believes EBITDA, EBITDA margin, Normalized EBITDA, Normalized 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.

Description of the Business

Yangaroo is a technology provider serving the media and entertainment industry through its cloud-based software platforms for the management and distribution of digital media content. The Company's core product, Digital Media Distribution System ("DMDS"), is a patented platform that enables customers to manage, deliver, and promote digital assets through a centralized and fully integrated workflow.

DMDS connects directly with radio and television broadcasters, digital display networks, over-the-top (OTT) and connected TV (CTV) platforms, and video publishers, streamlining the digital asset management and delivery of advertising content, promotional content, music tracks, and music videos. Yangaroo also provides a platform to streamline and coordinate award show submissions and adjudication. Both platforms are designed to improve operational efficiency, reduce turnaround times, and ensure secure, trackable distribution across business-to-business communications.

YANGAROO Inc. is a publicly traded 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.

Outlook and Business Update

The year ended December 31, 2024, demonstrated significant progress for the Company. Adjusted for seasonality, sales volume stabilized and revenue increased by $171,022, or 2%, while operating income posted a solid year-over-year increase of $754,137, and Normalized EBITDA improved by $446,786 to $1,582,361. Net cash flow from operating activities continued its upward momentum, reaching $1,647,983 for the year. These results highlight the Company's enhanced operational efficiency and the effectiveness of its disciplined approach in overcoming a challenging environment. This strong performance was driven by strategic cost reductions across headcount, marketing, technology, and general and administrative expenses.

The Advertising Division experienced increased delivery volumes and sales per customer and increased use of our trafficking, production, and analytics capabilities. The Music Division's revenue declined year-over-year, due to decreased new music video deliveries from major record labels, while music audio track promotional deliveries remained stable. While the Awards Division saw a slight decline compared to the same period last year due to the award show cycle of our customers, we expect to at least meet the prior year's revenue for the Awards Division in 2025. This outlook is bolstered by continual investments in our technology, which enhances the value of our services and drives future business growth.

For the year ended December 31, 2024, the Company also achieved its tenth consecutive quarter of positive Normalized EBITDA, a testament to our stable operations and unwavering commitment to exceptional client service. As we move through 2025, our focus remains on executing our growth strategy, expanding our customer base, and investing in our technology platform. While the advertising and music markets continue to evolve, our business remains well-prepared to capitalize on growth opportunities, both organically and through strategic initiatives.

- Advertising Division
  - Revenue of $1,727,689 in Q4’24 versus revenue of $1,563,622 in Q4’23
  - Revenue of $5,979,057 for the year ended December 31, 2024, versus revenue of $5,676,770 in 2023

- Entertainment Group (Music & Awards Divisions)
  - Revenue of $513,970 in Q4’24 versus revenue of $565,146 in Q4’23
  - Revenue of $2,077,447 for the year ended December 31, 2024, versus $2,208,712 in 2023

- Normalized EBITDA
  - Normalized EBITDA was $1,582,361 for the year ended December 31, 2024, versus $1,135,575 in 2023.
  - Tenth consecutive quarter of positive Normalized EBITDA:

$540,504 in Q4’2024	$266,269 in Q3’2023
$466,458 in Q3’2024	$541,952 in Q2’2023
$337,818 in Q2’2024	$116,293 in Q1’2023
$237,581 in Q1’2024	$833,974 in Q4’2022
$211,061 in Q4’2023	$ 1,927 in Q3’2022

- Cash Flow from Operating Activities
  - Net cash from operating activities was $1,647,983 for the year ended December 31, 2024, an increase of $710,644 compared to the $937,339 generated in 2023.

- Financing Activities
  - Reduced the term loan principal by $552,060 for the year ended December 31, 2024, versus a repayment of $177,059 in 2023.

The Advertising Division saw a modest increase in the volume of clients while actively seeking opportunities to expand the use of services by existing clients. Our ancillary production services, including short-form versioning for Direct Response customers and long-form digitization, continued to attract new project-based opportunities. Our closed captioning and analytics services completed a full-service offering, which enabled us to integrate Millenia3's clients into our workflows and technology seamlessly. Innovation has always remained a priority, and with our development team, we continuously improved the DMDS platform to streamline business-to-business workflows and expand platform capabilities for enhanced self-service use. Specifically, we have been focused on optimizing our TV Traffic Instruction workflow and enhancing our TV Legal Clearance offering, connecting the necessary broadcasters across North America. Overall, our advertising platform is evolving into a comprehensive solution for managing advertising logistics across both linear and digital destinations and the advancements in the Advertising Division demonstrate our ability to adapt in a dynamic market environment. We remain optimistic that some of the larger business development prospects will convert to sales, further strengthening our financial performance and market presence.

The Entertainment Group, comprising our Music and Awards divisions, maintained steady customer volumes and revenue throughout the year, experiencing no significant volatility. The slight decline in our Music Division's music video distribution delivery has now stabilized, and we continue to build on expanding our music track promotional and distribution services to major music labels and independent music artists across Canada and the USA. The Award Shows division has several multi-year agreements and long-standing client relationships. Furthermore, in 2024, the development team completed Yangaroo Awards v3, which included updating the submission and administration tools. The development focused on enhanced management features, an improved user interface, and a stronger security posture. The new Awards Platform solution is more accessible, which allows us to offer a broader solution and cater to a larger Award Show market going forward. Overall, both divisions are poised to benefit from our investments in technology.

DMDS saw substantial enhancements across both the Analytics Dashboard and the Clearance Platform. The integration of the Millennia3 team facilitated updates to our traffic management tools and provided more detailed advertising campaign data to destinations, seamlessly connecting to our TV Traffic integration with WideOrbit, where available. The Analytics Dashboard underwent major interface updates, improving visibility into traffic and occurrence data and incorporating additional advertising performance metrics from third-party providers. This is now presented to the customers in a single live dashboard with downloadable reporting. Additionally, the TV Legal Clearance platform has continued to evolve with enhancements to the submission and reporting components, streamlining the tracking of submissions and any ongoing substantiations.

The fourth quarter of the year ended December 31, 2024, represented the tenth consecutive quarter of positive Normalized EBITDA. As mentioned above, this achievement reflects our strategic focus on operational efficiency and client satisfaction, as well as our commitment to organic growth as we explore various opportunities within the advertising and entertainment markets. However, our growth strategy is not only limited to organic growth. We also actively seek merger and acquisition opportunities that align with our vision and enhance our market position. The acquisition of Millenia3 significantly enhanced

Yangaroo's advertising division by expanding its capabilities and market reach. This strategic move allowed Yangaroo to offer more comprehensive advertising solutions, strengthening its competitive position in the industry.

During the year, the Company successfully amended its term loan facility ("Amendment"). The amendment extended the term loan maturity date to June 26, 2025, and requires the Company to maintain a minimum Fixed Charge Coverage Ratio and Interest-Bearing Debt to EBITDA ratio which will not be tested until June 26, 2025. The Company was also required to maintain minimum EBITDA targets for the trailing twelve-month periods in 2024, for which the Company has been in compliance. The Company has continued to strengthen its balance sheet by reducing debt and seeking additional sources of financing to support its business expansion.

Looking into 2025, Yangaroo remains focused on executing its growth strategy, expanding its customer base, and investing in its platforms. Compared to recent previous years, the advertising and entertainment markets have stabilized and become more predictable. As a result, the Company continues to be well-positioned to capitalize on organic and non-organic growth opportunities.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table summarizes the Company's overall performance for the year ended December 31, 2024, 2023, and 2022.

	2024	2023	2022
Revenue	**$8,056,504**	$7,885,482	$7,734,844
Income/(loss) from operations	**767,839**	13,702	(430,352)
Net income/(loss) and comprehensive income/(loss) for the year	**536,413**	(4,136,725)	1,570,289
Normalized EBITDA*	**1,582,361**	1,135,575	536,209
Basic and diluted income (loss) per share	0.01	(0.07)	0.03
Financial position			
Cash	**231,083**	150,928	296,748
Total assets	**5,099,953**	5,089,901	9,138,288
Total liabilities	**4,068,874**	4,595,235	4,506,897
Total shareholder's equity	**1,031,079**	494,666	4,631,391
Common shares outstanding	**62,437,140**	62,437,140	62,437,140

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

Results of Operations for the Quarters and Years Ended December 31, 2024 and 2023

	Quarter vs Quarter Three Months Ended		Year vs Year Twelve Months Ended	
	December 2024	December 2023	**December 2024**	December 2023
Revenue	**$2,241,659**	$2,128,768	**$8,056,504**	$7,885,482
Overhead Expenses				
Salaries and Consulting	**1,069,562**	1,142,841	**4,511,859**	4,925,803
Marketing and Promotion	**47,084**	86,909	**229,146**	251,589
General & Administrative	**196,938**	290,980	**824,878**	786,691
Technology & Production	**407,570**	238,542	**928,260**	627,389
Depreciation of Property and Equipment	**185,944**	241,535	**737,099**	920,877
Acquisition Fees	**(1,463)**	6,049	**-**	6,049
Restructuring Expense	**65,240**	**-**	**77,422**	187,897
Government Subsidy	**(19,999)**	165,486	**(19,999)**	165,485
	1,950,876	2,172,342	**7,288,665**	7,871,780
Income (Loss) from Operations	**290,783**	(43,574)	**767,839**	**13,702**
Other Income (Expenses)				
Interest Income	**294**	**-**	**294**	128
Interest Expense	**(82,945)**	(150,219)	**(392,190)**	(498,064)
Gain on Disposal of Tangible Assets	-	7,050	-	7,050
Foreign Exchange Gain (Loss)	**199,531**	(78,350)	**215,923**	(119,373)
Fair Value Gain/(Loss) on Contingent Consideration	**(61,750)**	(20,856)	**(61,750)**	(20,856)
Fair Value Loss on Revaluation of Foreign Exchange Embedded Derivative	**37,062**	(370)	**31,792**	(2,063)
Loss on Goodwill Impairment	**-**	(3,513,390)	**-**	(3,513,390)
	92,192	(3,756,135)	**(205,931)**	(4,146,568)
Net Income (Loss) before Income Tax	**382,975**	(3,799,709)	**561,908**	(4,132,866)
Corporate Income Tax	**(97,327)**	(135)	**25,495**	3,859
Net Income (Loss) and Comprehensive Income (Loss)	**$480,302**	($3,799,574)	**$536,413**	($4,136,725)

Results of Operations

Q4'2024 Financial Highlights

- Revenue in Q4'2024 was $2,241,659 compared to $1,942,525 and $2,128,768 in the third quarter of 2024 and the fourth quarter of 2023, respectively.

  - Revenue increased by $299,134 or 15% compared to Q3'2024. The increase in revenue was primarily driven by higher Advertising revenue with an increase of $395,817 or 30%, slightly offset by lower Music and Awards revenue with a decrease of $96,683 or 16%. The increase in Advertising revenue can be attributed to business growth from the Millenia3 acquisition and seasonality with the fourth quarter typically being the highest volume and spend period. The decrease in Music revenue was also primarily attributed to seasonality as the fourth quarter is typically a slower period following a strong summer period for independent artists and music labels. The decline in Awards revenue was attributed to the cyclicality in our customers' award show schedules which typically also peak in the summer periods.

  - Revenue increased by $112,891 or 5% year over year compared to Q4'2023. The increase in revenue was primarily driven by higher Advertising revenue with an increase of $164,066 or 10%, slightly offset by lower Music and Awards revenue with their combined decrease of $51,175 or 9%.

- Operating expenses in Q4'2024 were $1,950,876 compared to $1,593,542 and $2,172,342 in the third quarter of 2024 and the fourth quarter of 2023, respectively.

  - Operating expenses increased by $357,334 or 22% versus Q3'2024. The increase in operating expenses was primarily attributed to a one-time restructuring fee of $65,240 and an increase in technology-related costs of $264,572 primarily related to a one-time adjustment to SRED from the prior year.

  - Operating expenses decreased by $221,466 or 10% versus Q4'2023. The decrease in operating expenses was primarily attributed to restructuring and cost control initiatives which resulted in lower salaries and lower technology, marketing, and general & administrative expenses.

- Normalized EBITDA in Q4'2024 was $540,504 compared to Normalized EBITDA of $466,458 in the third quarter of 2024 and Normalized EBITDA of $211,061 in the fourth quarter of 2023.

  - Normalized EBITDA increased by $74,046 compared to Q3 2024. The increase was primarily related to higher advertising revenue due to seasonality, partially offset by the SRED adjustments made during the quarter.

  - Normalized EBITDA increased by $329,443 compared to Q4'2023. The increase was primarily attributed to lower operating expenses and higher overall revenue from Advertising due to the Millenia3 acquisition.

Summary of Quarterly Results The information below was prepared in accordance with IFRS Accounting Standards and is unaudited quarterly information

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Cash	$231,083	$105,906	$86,118	$207,998
Working capital (deficiency)[1]	(1,841,495)	(1,787,761)	(1,932,157)	(1,810,041)
Liquidity[2]	717,583	550,386	378,358	521,092
Revenue	2,241,659	1,942,525	1,949,689	1,922,631
Operating expenses	1,950,876	1,593,542	1,838,985	1,905,260
Other expenses (income)	(92,192)	179,406	118,863	(144)
Income Tax Expense (recovery)	(97,327)	-	120,872	1,950
After-tax income (loss) for the period	480,302	169,577	(129,031)	15,565
Income (loss) per share – basic	$0.01	$0.00	($0.00)	$0.00
Income (loss) per share – diluted	$0.01	$0.00	($0.00)	$0.00
EBITDA	651,570	374,900	307,730	356,704
EBITDA margin %	29.07%	19.30%	15.78%	18.55%
Normalized EBITDA *	**540,504**	**466,458**	**337,818**	**237,581**
Normalized EBITDA Margin % *	**24.11%**	**24.01%**	**17.33%**	**12.36%**

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

[1] **Working Capital Deficiency**	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**
Current Assets	$1,923,459	$1,812,882	$2,017,881	$2,220,576
Current Liabilities	(3,764,954)	(3,600,643)	(3,950,038)	(4,030,617)
Working Capital Deficiency	**(1,841,495)**	**(1,787,761)**	**(1,932,157)**	**(1,810,041)**

[2] **Liquidity**	**Q4 2024**	**Q3 2024**	**Q2 2024**	**Q1 2024**
Available Capacity in Credit Facility	$486,500	$444,480	$292,240	$313,094
Cash on Hand	231,083	105,906	86,118	207,998
Liquidity	**$717,583**	**$550,386**	**$378,358**	**$521,092**

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Cash	$150,928	$254,720	$284,178	$204,604
Working capital (deficiency)[3]	(1,758,949)	(115,884)	(94,749)	(224,819)
Liquidity[4]	623,506	975,794	552,960	781,378
Revenue	2,128,768	1,708,931	2,172,530	1,875,253
Operating expenses	2,172,342	1,708,684	1,890,089	2,100,665
Other expenses (income)	3,756,134	20,217	230,473	139,744
Income tax expense (recovery)	(134)	(11,907)	15,750	150
After-tax income (loss) for the period	(3,799,574)	(8,063)	36,218	(365,306)
Income (loss) per share – basic	($0.06)	$0.00	$0.00	($0.01)
Income (loss) per share – diluted	($0.06)	$0.00	$0.00	($0.01)
EBITDA	(3,407,954)	322,585	384,490	(13,174)
EBITDA Margin %	(160%)	18.88%	17.70%	(0.71%)
Normalized EBITDA *	**211,061**	**266,269**	**541,952**	**116,293**
Normalized EBITDA Margin % *	**9.91%**	**15.58%**	**24.95%**	**6.30%**

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

[3] **Working Capital Deficiency**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
Current Assets	$2,132,814	$1,872,473	$2,719,144	$2,129,209
Current Liabilities	(3,891,763)	(1,988,357)	(2,813,893)	(2,354,028)
Working Capital Deficiency	**(1,758,949)**	**(115,884)**	**(94,749)**	**(224,819)**

[4] **Liquidity**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
Available Capacity in Credit Facility	$472,578	$721,074	$268,782	$576,774
Cash on Hand	150,928	254,720	284,178	204,604
Liquidity	**$623,506**	**$975,794**	**$552,960**	**$781,378**

Year ended December 31, 2024, Financial Highlights

Revenue

Revenue was $8,056,504 for the year ended December 31, 2024, an increase of $171,022 over the $7,885,482 earned in 2023. This increase was largely driven by the increased advertising revenue, partially offset by the lower entertainment revenue.

	2024	2023	$ Change	% Change
Advertising Division	**$5,979,057**	$5,676,770	$302,287	5%
Entertainment Division	**2,077,447**	2,208,712	(131,265)	(6%)
Total Revenue	**$8,056,504**	$7,885,482	$171,022	2%

(i) Advertising
The Company earned advertising revenue of $5,979,057 in the year ended December 31, 2024, an increase of $302,287 over the same period in 2023. The increase from the previous year was primarily attributed to additional revenue from the Millenia3 acquisition, offset by a slight slow-down in the advertising industry and corresponding decline in our customer volumes.

(ii) Entertainment
The Company earned entertainment revenue of $2,077,447 in the year ended December 31, 2024, representing a decrease of $131,265 over the same period in 2023. The decrease from the prior year was primarily attributed to slower activity in the Awards division and lower volumes amongst Music customers.

Operating Expenses

Total operating expenses for the year ended December 31, 2024, were $7,288,665, a decrease of $583,115 over the prior year period.

	2024	2023	**$ Change**	**% Change**
Salaries and consulting	**$4,511,859**	$4,925,803	($413,944)	(8%)
Marketing and promotion	**229,146**	251,589	(22,443)	(9%)
General and administrative	**824,878**	786,691	38,187	5%
Technology development	**928,260**	627,389	300,871	48%
Depreciation of property and equipment	**737,099**	920,877	(183,778)	(20%)
Acquisition fees	**-**	6,049	(6,049)	(100%)
Restructuring	**77,422**	187,897	(110,475)	(59%)
Government subsidy	**(19,999)**	165,485	(185,484)	(112%)
Total operating expenses	**$7,288,665**	$7,871,780	(583,115)	(7%)

(i) Salaries and Consulting and Restructuring

Salaries, consulting, and restructuring expenses for the year ended December 31, 2024, were $4,511,859, representing a significant decrease of $413,944 over the same period in the prior year. This decrease was due to the ongoing efforts to streamline headcount and the strategic optimization plan to improve operating efficiency.

(ii) Marketing and Promotion

Marketing and promotion expenses for the year ended December 31, 2024, were $229,146, representing a decrease of $22,443 compared to the prior year. The decrease from the prior year was primarily due to reduced marketing and sales activities as the Company focused on business optimization.

(iii) General and Administrative

General and administrative expenses for the year ended December 31, 2024, were $824,878, an increase of $38,187 over the prior year. The increase was primarily related to higher professional service fees associated with legal matters.

(iv) Technology Development

Technology development expenses for the year ended December 31, 2024, were $928,260, representing an increase of $300,871 over the same period for the prior year. The increase was primarily attributed to the full year of technology costs related to Millenia3, compared to only 2 months in 2023 in addition to the one-time adjustment to SRED from the prior year made during the fourth quarter.

Net Income and Comprehensive Income

The Company generated net and comprehensive income of $536,413 in the year ended December 31, 2024, an increase of $4,673,138 from the prior year. Details are provided in the "Results of Operations for the year ended December 31, 2024".

Normalized EBITDA

The Company defines EBITDA as net income or loss before interest, income taxes, and amortization. Normalized EBITDA removes the fair value adjustment of convertible debt, the fair value adjustment of contingent consideration, any restructuring expenses, share-based compensation, foreign exchange gains and losses, and the impairment loss on Goodwill from EBITDA. Management uses these measures in managing the business and making operational decisions. EBITDA and Normalized EBITDA are not intended as substitutes for IFRS measures.

For the year ended December 31, 2024, the Company's Normalized EBITDA was $1,582,361 in comparison to a Normalized EBITDA of $1,135,575 in 2023. The increase in Normalized EBITDA year over year was primarily attributed to the higher revenues generated, lower headcount costs, and increased operational efficiency.

	Year vs Year Twelve Months Ended	
EBITDA	**2024**	2023
Net income (loss) for the period	**$536,413**	($4,136,725)
Less: Interest income	**(294)**	(128)
Add: Interest expense	**392,190**	498,064
Add: Income tax	**25,495**	3,859
Add: Depreciation of property & equip	**737,099**	920,877
EBITDA income (loss) *	**1,690,903**	(2,714,053)

Normalized EBITDA		
EBITDA (loss)	**$1,690,903**	($2,714,053)
Add: Contractual severance/ restructure	**77,422**	187,897
Add: Acquisition fees	**-**	6,049
Add/Less:		
Foreign exchange (gain)/loss	**(215,923)**	119,373
Fair value (gain)/loss on contingent consideration	**61,750**	20,856
Fair value loss on revaluation of FX embedded derivative	**(31,792)**	2,063
Goodwill impairment loss	**-**	3,513,390
Normalized EBITDA *	**$1,582,361**	$1,135,575

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

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Income (loss) for the period	**$480,302**	**$169,577**	**($129,031)**	**$15,565**
Reconciling items:				
Interest income	(294)	-	-	-
Interest expense	82,945	87,848	102,421	118,977
Depreciation and amortization	185,944	117,475	213,468	220,212
Income tax expense (recovery)	(97,327)	-	120,872	1,950
EBITDA *	**$651,570**	**$374,900**	**$307,730**	**$356,704**
Reconciling items:				
Acquisition fees	(1,463)	-	1,463	-
Restructuring expenses	65,240	-	12,182	-
Foreign exchange loss (gain)	(199,531)	58,039	15,847	(90,278)
Fair value (gain)/loss on revaluation of FX embedded derivative	(37,062)	33,519	596	(28,845)
Fair value (gain)/loss on contingent consideration	61,750	-	-	-
Goodwill impairment loss	-	-	-	-
Normalized EBITDA *	**$540,504**	**$466,458**	**$337,818**	**$237,581**
Normalized EBITDA Margin %	**24.11%**	**24.03%**	**17.33%**	**12.36%**

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Income (Loss) for the period	**($3,799,574)**	**($8,063)**	**$36,218**	**($364,619)**
Reconciling items:				
Interest income	-	-	(128)	-
Interest expense	150,219	106,527	122,523	118,795
Depreciation and amortization	241,535	236,028	210,127	232,500
Income tax expense (recovery)	(134)	(11,907)	15,750	150
EBITDA Income (Loss)	**($3,407,954)**	**$322,585**	**$384,490**	**($13,174)**
Reconciling items:				
Acquisition fees	6,049	-	-	-
Restructuring expenses	-	-	49,384	138,513
Foreign exchange loss (gain)	78,350	(58,530)	80,108	19,445
Fair value (gain)/loss on revaluation of FX embedded derivative	370	2,214	27,970	(28,491)
Fair value (gain)/loss on contingent consideration	20,856	-	-	-
Goodwill Impairment	3,513,390	-	-	-
Normalized EBITDA	**$211,061**	**$266,269**	**$541,952**	**$116,293**
Normalized EBITDA Margin %	**9.91%**	**15.58%**	**24.95%**	**6.30%**

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

Intangible Assets – Development Costs

During the year ended December 31, 2024, the Company capitalized product development costs of $647,830 (2023 – $563,756). Significant capitalized projects for the year ended December 31, 2024, consisted of developing new features in the Advertising, Awards, and Music platforms, such as the continued development of the Analytics and Clearance solutions, the integration of Millenia3’s functionality into the DMDS platform, and the redesigned Judge and Submission platforms for Awards. In assessing whether costs can be capitalized for improvements, we exercised significant judgment when considering the extent of the improvement and whether it was substantial, sufficiently separable, and expected to derive future economic benefits from the improvement itself. Factors considered in assessing the extent of the improvement include, but are not limited to, the degree of change in functionality, the impact of the project on our ability to attract customers to our products, and the increase in customer engagement with our products. Costs that do not meet these criteria, such as enhancements and routine maintenance, are expensed when incurred. Future economic benefits from these capitalized projects include net cash flows from future advertising and music revenue, which are dependent upon our ability to attract customers to our products and increase customer engagement with our products, and may also include anticipated cost savings, depending upon the nature of the development project.

Corporate Activities

- On November 8, 2023 (the “Closing Date”), the Company closed its business acquisition of Millenia3 Communication Inc. (“Millenia3”). The Company acquired Millenia3’s customer lists and contracts, trade name, and computer hardware, along with a highly skilled team of employees located in the United States, pursuant to the Purchase Agreement dated November 8, 2023 (the “Asset Purchase Agreement”). The total purchase price consisted of the following:

  (a) Cash consideration of $100; and,

- (b) Contingent consideration payable in cashBased in Atlanta, Georgia, United States of America, Millenia3 was a specialized media trafficking and deployment services company for broadcast and digital advertising and a provider of content management solutions for global brands and business customers. Millenia3’s customer service ensures that advertising reaches the right audience at the right time and within the right format. Millenia3 offers exceptional services as a one-stop shop for all traffic needs of the advertising industry and acts as an extension of their clients' teams, offering consulting, customization, production, distribution, and tracking services to assist advertisers to maximize viewership, engagement, and performance. The Company’s strategic view is that the transaction will facilitate its future expansion in business services through both the acquisition of Millennia3’s customer list in the US market and the expertise of Millenia3’s staff.

- The contingent consideration consisted of additional cash payments as follows:
  - (a) Fiscal 2023
    - (i) 5% of revenues if revenues for the months of November and December 2023 combined are less than $166,667; or
    - (ii) 10% of revenues if revenues for the months of November and December 2023 combined are at least $166,667 and less than $250,000; or
    - (iii) 15% of revenues if revenues for the months of November and December 2023 combined are at least $250,000
  - (b) Fiscal 2024 and 2025
    - (iv) 5% of revenues if revenues for the applicable 12-month period are less than $1,000,000;
    - (v) 10% of revenues if revenues for the applicable 12-month period are at least $1,000,000 and less than $1,500,000; or
    - (vi) 15% of revenues if revenues for the applicable 12-month period are at least $1,500,000

- On February 16, 2024, the Company announced the resignation of its CFO, Jeff Wagner.

- On March 13, 2024, the Company announced the appointment of a new CFO, Frank Guo.

- As of March 31, 2024, the Company was not in compliance with the financial covenants pursuant to the second amendment agreement of the term loan facility, and financial reporting requirements.

- On August 21, 2024, the Bank entered into a third amendment agreement with the Company such that the Company would be in good standing with the modified covenants related to the term loan facility. The amendment extended the term loan maturity date to June 26, 2025, and the Company must now maintain a minimum Fixed Charge Coverage Ratio and Interest-Bearing Debt to EBITDA ratio, which shall not be tested until September 2025 after the maturity of the loan. The Company was required to maintain minimum EBITDA targets for the three months ended June 30, 2024, and each of quarterly periods until June 30, 2025. The Company was in compliance with the EBITDA targets pursuant to the third amendment agreement of the term loan facility as of December 31, 2024.

- On November 13, 2024, the Company announced the resignation of Frank Guo, the Company's Chief Financial Officer, effective November 30, 2024.

- On December 11, 2024, the Company announced the appointment of the new CFO**,** Peter Kanniah.

Events After the Reporting Period

On March 10, 2025, the Company granted 500,000 stock options and 2,000,000 RSU to Mr. Schuetrumpf, Chief Executive Officer of the Company. In addition, the Company agreed to provide additional compensation in the form of monthly share issuances equivalent to the lesser of USD $2,500 or CAD $5,000, effective January 1, 2025, for a period of two years. The number of shares to be issued monthly will be based on the quoted market price on the last trading day of each month.

The issuance of these shares is subject to the approval of the TSX Venture Exchange and will be subject to applicable regulatory hold periods. As of the date of issuance of these financial statements, the TSX Venture Exchange approval is still pending.

On January 2, 2025, the Company granted 500,000 RSU to Mr. Kanniah, the Company's Chief Financial Officer. The RSUs vest 100% on the second anniversary of the grant date, upon which they will be payable in cash or common shares, or a combination of both, at the discretion of the Company, subject to the terms of the Plan.

Share Capital

The following securities were outstanding as of the date of this MD&A:

Common Shares	62,437,140
Warrants	-
Stock Options	535,000
Restricted Share Units	2,500,000

Capital Resources

As at December 31, 2024, the Company had a cash balance of $231,083 and working capital deficiency of $1,841,495. As at December 31, 2024, the Company had no capital commitments other than as disclosed in the financial statements.

The Company has a revolving demand loan facility in the amount of $1,216,250 with $729,750 drawn down as at December 31, 2024. Borrowings are due on demand and bear interest at the bank's prime rate plus 1.95% per annum.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements, other than as disclosed in the financial statements.

Related Party Transactions

Key management personnel include the persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer, and Chief Technology Officer.

In addition to their salaries, key management personnel also participate in the Company's share option program. During the twelve months ended December 31, 2024, there were no other related party transactions.

During the year ended December 31, 2024, the Company entered into the following transactions with related parties:

Management fees of $275,000 (2023 – $275,000) were paid to Grant Schuetrumpf, the Company's Chief Executive Officer.

Management fees of $160,607 (2023 – $162,999) were paid to Richard Klosa, the Company's Chief Technology Officer.

Management fees of $98,767 (2023 – $102,174) were paid to Adam Hunt, the Company's Executive Vice President of Music.

Management fees of $11,177 (2023 – $32,144) were paid to Jeff Wagner, the former Chief Financial Officer of the Company.

Management fees of $111,358 (2023 – $Nil) were paid to Frank Guo, the former Chief Financial Officer of the Company.

Management fees of $nil (2023 – $135,144 were paid to Dom Kizek, the former Chief Financial Officer of the Company.

Director fees of $14,601 (2023 - $14,818) were paid to Philip Benson, a company director.

Director fees of $18,251 (2023 - $14,818) were paid to Shepard Boone, a company director.

Director fees of $nil (2023 - $18,523) were paid to Anthony Miller, a company director.

As at December 31, 2024, $54,223 (December 31, 2023 - $54,740) was included in accounts payable and accrued liabilities owing to officers and directors of the Company.

Critical Accounting Policies and Estimates

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements include the following: share-based payments, revenue recognition, investment tax credits, functional currency, collectability of accounts receivable, and capitalized development costs. Please refer to the Financial Statements for further information.

Internal Controls

Disclosure controls and procedures within the Company have been designed to provide reasonable assurance that all relevant information is identified to its management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow required disclosures to be made in a timely fashion.

Internal controls over financial reporting have been designed by management, under the supervision of and with the participation of the Company's CEO and CFO, to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the financial statements do not contain any untrue statements of material fact or omit to state a material fact that is required or that is necessary to ensure a statement is not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations, and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such a certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings, or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Management

The Company is exposed to a variety of risks, including, but not limited to the risks set out below. The Company considers these risks to be the most significant to potential investors, but not all of the risks associated with an investment in securities of YANGAROO Inc.

Financial Risk Management

Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Market Risk:

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk, foreign currency risk, interest rate risk, and other price risk. Two types of these risks are applicable to the Company:

(i) Currency Risk:

The Company operates internationally, and the US Dollar is the functional and presentation currency. The Company, however, does have revenues, expenses, assets, and liabilities denominated in currencies other than USD, primarily CAD. The principal foreign currency risk as at December 31, 2024, is therefore the CAD.

A 5% change in exchange rates would result in a $144,900 impact on profit or loss. Balances in foreign currencies at December 31, 2024, are as follows:

	USD
Cash	$26,312
Accounts receivable	167,199
Total assets	**$193,511**
Trade and other payables	586,175
Revolving credit facility	729,750
Convertible debentures	361,775
Term loan	1,159,680
Capital lease obligation	254,290
Total liabilities	**$3,091,670**
Net exposure	**$2,898,159**

(ii) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions and potential increases on the prime rate applied on the revolving credit facility available to the Company. The Company's revolving credit facility, term loan, and convertible debt are floating interest rate facilities. A 100 bps change or 1% increase in the floating rate would result in a $22,249 impact on profit or loss.

(b) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of the non-payment of our accounts receivable.

The Company mitigates this risk by monitoring the credit worthiness of its customers and by offering the platform service to numerous smaller customers. As at and during the year ended December 31, 2024, approximately 20% (2023 - 16%) of accounts receivable and 18% (2023 - 20%) of revenue are from two customers, respectively.

The definition of items that are past due is determined by reference to the payment terms agreed to with individual customers, which are normally within 30 to 90 days.

Aging of trade receivables are as follows:

	December 31, 2024	December 31, 2023
0 to 30 days	**$1,097,142**	$1,071,374
31 to 60 days	**105,355**	238,260
Over 60 days	**293,978**	377,709
Total	**$1,496,475**	$1,687,343

Continuity of estimated credit losses:

	December 31, 2024	December 31, 2023
Balance, beginning of the year	**$179,684**	$214,170
Accounts written off	**-**	144,777
Remeasurement of loss allowance	**22,914**	(179,263)
Balance, end of year	**$202,598**	$179,684

The Company's allowance for doubtful accounts as of December 31, 2024, is $202,598 (December 31, 2023 - $179,684). The Company didn't write off any receivables during the year, so the allowance for doubtful accounts was slightly higher than in the prior year. Management believes that the expected credit loss allowance is adequate.

(c) Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

The Company manages liquidity risk on the basis of expected maturity dates.

The following tables present the financial liabilities at year end by their remaining contractual maturity (contractual and undiscounted cash flows).

	Lease Obligations	Contract Liabilities	Term Loan Facility	Trade & Other Payables	Revolving Credit Facility	Convertible Debt	Total
< 1 year	$172,828	$129,437	$1,197,822	$1,138,063	$729,750	-	$3,367,900
1- 3 years	330,880	-	-	-	-	361,775	692,655
Balance at December 31, 2024	**$503,708**	**$129,437**	**$1,197,822**	**$1,138,063**	**$729,750**	**$361,775**	**$4,060,555**

	Lease Obligations	Contract Liabilities	Term Loan Facility	Trade & Other Payables	Revolving Credit Facility	Convertible Debt	Total
< 1 year	$87,797	$159,501	$1,749,822	$1,041,251	$850,597	-	$3,888,968
1- 3 years	205,175	-	-	-	-	410,197	615,372
Balance at December 31, 2023	**$292,972**	**$159,501**	**$1,749,822**	**$1,041,251**	**$850,597**	**$410,197**	**$4,504,340**

At present, the Company expects to either pay its liabilities or renew its debts at their contractual maturity. In order to meet such cash commitments, the Company expects to complete modifications of its existing debt during fiscal year 2025 and that operating activities will generate sufficient cash inflows to cover the rest.

Operational Risks

- Seasonality of advertising revenue. Advertising rates and revenues are impacted by seasonal cycles, which may cause our quarterly earnings to vary. Generally, lower revenue is generated in the 1st and 3rd quarters of the year and higher revenue is generated in the 2nd and 4th quarters of the year. This seasonality could impact our ability to generate predictable revenue and our ability to effectively manage such cycles may adversely impact our business, financial condition, and results of operations, including cash flow.

- Dependency on the internet as a medium for business and communication. Our business depends on the use of the internet. It's possible that delays in technological or procedure development to support internet use, increased government regulation, or other issues or interruptions that could affect internet use could impact our business.

- Online commerce security. Successful online commerce and communications must provide a secure transmission of confidential information over public networks. Despite implementation of security measures, it's possible our security measures may not prevent security breaches that could harm our business. It's possible that a party could illicitly obtain a user's password and access the user's personal data. In addition, any parties that can circumvent our security measures could acquire proprietary information, or cause interruptions in our operations or otherwise damage our reputation and business. Any such compromise of our security could harm our reputation and, therefore, our business.

- Network security. Despite the implementation of security measures, our network infrastructure could be vulnerable to unforeseen issues. It's possible we could experience service interruptions in service due to accidental or deliberate actions of third parties or current and former employees. Unknown security risks may present themselves and the Company could face liability for this. This could also deter new customers. All of the foregoing could have a material adverse effect on our business, financial condition, or results of operations.

- The ability to generate revenue and control operating costs. Although we have experienced a tenth consecutive quarter of positive Normalized EBITDA generation, there is no guarantee that this will continue or that we will continue to be able to generate steady revenues or control operating costs, especially if we expand our business.

- Impact of human error. Despite implementing robust training programs and operational protocols, our organization remains vulnerable to human error. Mistakes made by employees, whether due to insufficient training, oversight, or simple human fallibility, can lead to disruptions in our operations. These errors can result in data breaches, compliance failures, and operational inefficiencies, potentially causing financial losses and damage to our reputation. Additionally, human errors can undermine customer trust and deter potential clients, ultimately having a material adverse effect on our business, financial condition, or results of operations.

- Customer concentration risk. The Company is making efforts to grow its business, including its customer base, however the concentration of a significant portion of revenues in a small number of customers from time to time could have a material adverse effect on the Company in the event of the loss of any one or more of these customers.

- Intellectual property. The Company's business is based on its proprietary technology and the success of the Company's business depends in part upon protection of its intellectual property rights and technology. Despite efforts to protect our intellectual property, including the use of restrictive language in our customer agreements and confidentiality provisions in our employment and contractor agreements, there is no guarantee that we will be successful in protecting and enforcing our intellectual property rights. Third parties may infringe on our intellectual property rights, which we may or may not discover, and if such infringements are discovered, engaging in litigation is likely to be costly and will not necessarily result in a favorable outcome for the Company.

Non-Financial Risks

- Heavy reliance on upper management and key personnel. We rely heavily on a small group of management and key personnel. Any inability to retain such personnel could impact our ability to manage and grow our operations and could have a significant material adverse impact on the Company's operations and financial condition.

- Management of growth. As we are continually seeking organic growth opportunities, success in these efforts may require some or significant growth in operations, which may place further demands on our management, operational capacity, and financial resources and may require the recruitment of additional qualified personnel in all areas of its operations, including management, sales, marketing, and software development. We may not be able to attract and retain additional qualified personnel and/or otherwise effectively expand the business to support this growth, including the expansion of our current procedures and controls, which could have a material adverse effect on our business, financial condition, and results of operations.

- Competition risks. We operate in a highly competitive industry. We may lose audience or market share to competitors offering similar services, which could have a material adverse effect on our business, financial condition, and results of operations.

- Price and volatility of public stock. The market price of Yangaroo's shares may fluctuate or decline significantly in response to various factors beyond our control. The fluctuation may occur in response to business operations or other actions made by the Company or they may do so in ways unrelated or disproportionate to our performance. Declining share prices may result in difficulty in obtaining financing if required and may have other material adverse impacts on the Company.

- Global conditions. We operate primarily in North America but also offer our services internationally and are subject to related risks, such as changes in regulatory requirements, potential adverse tax consequences, limitations with respect to our ability to enforce our intellectual property rights, limitations on fund transfers, and other legal and political risks, any or all of which could have a material adverse effect on our business.

- Litigation risk. The Company may be subject to claims and legal proceedings that arise in the ordinary course of business. There can be no guarantee that the outcome of any legal matter will be decided in favour of the Company, which may have a material adverse effect upon the Company's reputation, business, operations, and financial condition.

Approval by the Board of Directors

The Board of Directors, on recommendation of the Audit Committee, approved the content of this MD&A on April 25, 2025. Disclosure contained in this document is current to this date, unless otherwise stated.

Other Information

Additional information relating to the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

CORPORATE INFORMATION

Address
YANGAROO Inc.
360 Dufferin Street, Suite 203
Toronto, Ontario, Canada, M6K 3G1
Phone: 416-534-0607
Website: www.yangaroo.com

Board of Directors

H. Shepard Boone	*Chair of the Board of Directors, Chair of Compensation Committee, Member Of Audit Committee*
Phil Benson	*Chair of Audit Committee & Member of Compensation Committee*
Grant Schuetrumpf	*Chief Executive Officer, President*

Officers

Grant Schuetrumpf	*Chief Executive Officer, President*
Richard Klosa	*Chief Technology Officer*
Adam Hunt	*Senior Vice President, Entertainment*

Stock Exchange Listing

TSX Venture Exchange	*Stock Symbol – YOO*
OTCPK	*Stock Symbol – YOOIF*

Registrar and Transfer Agent
Computershare
100 University Ave., 8th Floor
Toronto, Ontario, Canada M5J 2Y1
Phone: 1-800-564-6253 Fax: 1-888-453-0330

Auditors
Baker Tilly WM LLP
401 Bay Street, Suite 1500
Toronto, Ontario, M5H 2Y4
Phone: 416-368-7990 Fax: 416-368-0886

Legal Counsel
ECS Law
2425 Matheson Boulevard E., 8th Floor, Mississauga, ON L4W 5K4
Phone: 416-996-2188 Fax: 866-295-9834