

Yangaroo Inc.

Condensed Interim Financial Statements

For the Three Months Ended March 31, 2026 and 2025
(Expressed in United States Dollars)

(Unaudited)

June 1, 2026

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements ("Interim Financial Statements") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these Interim Financial Statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Yangaroo Inc.

Condensed Interim Statements of Financial Position (Unaudited)

(Expressed in United States Dollars)

	March 31 2026	December 31 2025
Assets		
Current		
Cash	\$213,427	\$161,112
Accounts Receivable (note 5(b))	1,268,799	1,631,024
Contract Assets	81,353	72,986
Prepaid and Other Assets	101,185	83,490
Current Assets	1,664,764	1,948,612
Non-Current		
Government Assistance Receivable (note 19)	429,977	429,977
Property and Equipment and Right of Use Assets (note 7)	265,527	296,140
Intangible Assets (note 8)	1,737,825	1,765,853
Goodwill (note 9)	359,146	359,146
Total Assets	\$4,457,239	\$4,799,728
Liabilities		
Current		
Revolving Credit Facility (note 12)	\$680,288	\$673,624
Trade Payables and Accrued Liabilities (note 10)	667,979	710,655
Contingent Consideration (note 6)	-	78,926
Contract Liabilities	107,164	182,529
Current Portion of Lease Obligations (note 11)	169,104	162,954
Term Loan Facility (note 12)	704,008	827,571
Convertible Debenture – Host Debt (note 13)	434,626	422,417
Convertible Debenture – Embedded Derivative (note 13)	88,504	145,315
Current Liabilities	2,851,673	3,203,991
Non-Current		
Lease Obligations (note 11)	120,868	156,249
Total Liabilities	2,972,541	3,360,240
Shareholders' Equity		
Share Capital (note 14)	27,866,820	27,866,820
Share-Based Payments Reserve	6,013,390	6,005,729
Foreign Currency Translation Reserve	1,157,622	1,157,622
Accumulated Deficit	(33,553,134)	(33,590,683)
Total Shareholders' Equity	1,484,698	1,439,488
Total Shareholders' Equity and Liabilities	\$4,457,239	\$4,799,728

Going concern (note 2(b))

Subsequent events (note 21)

Approved by the Board of Directors

"Shepard Boone"
Director

"Phil Benson"
Director

See accompanying notes, which are an integral part of these condensed interim financial statements

Yangaroo Inc.

Condensed Interim Statements of Net and Comprehensive Income (Loss) (Unaudited)

For the Three Months Ended March 31, 2026 and 2025

(Expressed in United States Dollars)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue (note 17)	\$1,733,004	\$1,782,058
Expenses		
Salaries and Consulting (notes 15 & 18)	1,161,550	1,115,958
Depreciation and Amortization	252,074	215,883
General and Administrative	117,807	217,645
Technology and Production	138,906	152,498
Marketing and Promotion	64,796	55,548
Total Expenses	\$1,735,133	\$1,757,532
Income Before Other Income (Expenses)	(2,129)	24,526
Other Income (Expenses)		
Interest Expense	(53,118)	(70,611)
Foreign Exchange Gain/(Loss)	38,651	(35,546)
Remeasurement of Embedded Derivative Liability (note 13)	54,466	(46,267)
Total Other Income (Expense)	39,999	(152,424)
Net Income (loss) Before Income Tax	37,870	(127,898)
Income Tax Expense	321	909
Total Net and Comprehensive Income/(Loss)	\$37,549	(\$128,807)
Basic Income per Share (note 16)	\$0.00	(\$0.00)
Diluted Income per Share (note 16)	\$0.00	(\$0.00)

See accompanying notes, which are an integral part of these condensed interim financial statements

Yangaroo Inc.

Condensed Interim Statements of Changes in Shareholders' Equity (Unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in United States Dollars)

	Number of Shares	Share Capital	Share- Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Balance at December 31, 2024	62,437,140	\$27,826,282	\$5,971,266	\$1,157,622	(\$33,924,091)	\$1,031,079
Share-Based Compensation			23,842			23,842
Net and Comprehensive Loss for the Period	-	-	-	-	(128,807)	(128,807)
Balance at March 31, 2025	62,437,140	\$27,826,282	\$5,995,108	\$1,157,622	(\$34,052,898)	\$926,114
Balance at December 31, 2025	63,320,275	\$27,866,820	\$6,005,729	\$1,157,622	\$ (33,590,683)	\$1,439,488
Share-Based Compensation	-	-	7,661	-	-	7,661
Net and Comprehensive Income for the Period	-	-	-	-	37,549	37,549
Balance at March 31, 2026	63,320,275	\$27,866,820	\$6,013,390	\$1,157,622	(\$33,553,134)	\$1,484,698

See accompanying notes, which are an integral part of these condensed interim financial statements

Yangaroo Inc.

Condensed Interim Statements of Cash Flows (Unaudited)

For the three months ended March 31, 2026 and 2025
(Expressed in United States Dollars)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cash Flow from Operating Activities		
Net Income (Loss) for the Period	\$37,549	(\$128,807)
Items Not Affecting Cash:		
Depreciation and Amortization (notes 7 and 8)	252,074	215,883
Share-Based Payments (note 15)	7,661	23,842
Loss Allowance (note 5 (b))	-	15,000
Accrued Interest and Accretion	15,562	36,496
Remeasurement of Embedded Derivative Liability (note 13)	(54,466)	46,613
Unrealized Foreign Exchange (Gain)/Loss	(9,436)	-
Changes in Non-Cash Operating Working Capital:		
Accounts Receivable	362,225	59,429
Prepaid and Other Assets	(17,695)	(24,344)
Contract Assets	(8,367)	(1,441)
Trade and Other Payables	(42,676)	(58,134)
Contract Liabilities	(75,365)	57,905
Net Cash from Operating Activities	467,066	242,442
Cash Flow from (Used) in Investing Activities		
Acquisition of Property and Equipment (note 7)	(1,255)	(1,188)
Expenditures on Software Development Assets (note 8)	(178,574)	(128,720)
Net Cash Used in Investing Activities	(179,829)	(129,908)
Cash Flow from (Used) in Financing Activities		
Payment of Lease Obligations (note 11)	(42,835)	(34,101)
Principal Repayment of Term Loan (note 12)	(119,825)	(101,725)
Proceeds from Revolving Credit Facility (note 12)	6,664	18,020
Payment of Contingent Consideration	(78,926)	(8,723)
Net Cash Used in Financing Activities	(234,922)	(126,529)
Net Increase (Decrease) in Cash	52,315	(13,995)
Cash, Beginning of the Period	161,112	231,083
Cash, End of the Period	\$213,427	\$217,088
Supplemental Cash Flow Information:		
Cash Interest Paid	\$34,360	\$47,433
Taxes Paid (Recovered)	\$321	\$(7,244)
Right of Use Assets Acquired via Lease Obligation	\$13,604	\$7,115

See accompanying notes, which are an integral part of these condensed interim financial statements

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Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026 and 2025
(Expressed in US dollars, unless otherwise noted)

1. Nature of Operations

Yangaroo Inc. ("Yangaroo" or "the Company") 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 centralized and fully integrated workflow directly connecting radio and television broadcasters, digital display networks, and video publishers for centralized 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 under the symbol YOO.V.

The address of the Company's corporate office and principal place of business is 360 Dufferin Street, Suite 203, Toronto, Ontario, M6K 1Z8.

2. Basis of Preparation

(a) Basis of Compliance

These Interim Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted. The preparation of these Interim Financial Statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

These Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended December 31, 2025.

These Interim Financial Statements were authorized for issue by the Board of Directors on June 1, 2026.

(b) Basis of Measurement

The Interim Financial Statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value and on an accrual basis except for cash flow information.

The Interim Financial Statements are presented in United States Dollars ("USD"), which is also the Company's functional currency.

The financial statements were prepared on a going concern basis, which assumes that Yangaroo will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the three months ended March 31, 2026, the Company generated net and comprehensive income of \$37,549 (2025: loss of \$128,807) and positive cash flows from operations of \$467,066 (2025: \$242,442), and has a working capital deficit of \$1,186,909 as at March 31, 2026. The Company's ability to continue as a going concern is dependent upon the Company's ability to successfully refinance the term loan of \$704,008, which is expected to mature on December 31, 2026, or to repay the term loan through equity financing, debt financing, or rights offerings from existing shareholders.

There is no assurance that the Company will successfully raise sufficient funds through equity or debt financing. As

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Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026 and 2025
(Expressed in US dollars, unless otherwise noted)

a result of these conditions, there is material uncertainty that casts significant doubt regarding the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments that might be necessary to the carrying amount of reported assets, liabilities, revenue, and expenses and the statement of financial position classification used if the Company was unable to continue operations in accordance with this assumption. Such adjustments could be material.

(c) Significant Accounting Judgements and Sources of Estimation Uncertainty

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts and the valuation of assets and liabilities and the disclosure of contingent assets and liabilities at the date of these condensed interim financial statements and the reported amounts of revenues and expenditures during the period reported.

The most significant judgements and estimates made by management in preparing the Company's condensed interim financial statements are described as follows:

Judgements:

(i) Revenue Recognition

To the extent a contract includes multiple performance obligations, the Company applies judgement to determine whether these performance obligations are capable of being distinct in the context of the contract. If these criteria are not met, the promised services are accounted for as a combined performance obligation.

(ii) Investment Tax Credits

The Company uses judgement to determine the reasonable assurance of collection and estimates the valuation of investment tax credits to be accrued.

(iii) Collectability of Accounts Receivable

The Company applies judgement to measure estimated credit loss on accounts receivable at an amount equal to the lifetime expected credit loss ("ECL"). The Company applies judgement to evaluate each receivable at year end based on factors such as the age of the receivable, payment risk, and credit risk.

(iv) Collectability of Government Assistance

The Company applies judgement in continuously assessing whether there is reasonable assurance that the grant will be received. In making this assessment, management considers both quantitative and qualitative criteria, including timing since application, observable adverse events, and significant changes in expected performance or financial condition of the counterparty.

(v) Share-Based Payments

Share-based payments, which include stock options and Restricted Share Units ("RSU") granted to employees, officers, and directors and warrants granted to agents and debenture holders, to the extent that they are not measured at the fair value of the services received, are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes option pricing model, which includes inputs that require management's estimates and assumptions, and judgement with respect to the expected forfeiture rate. Judgment is also used in determining whether the performance indicators associated with RSU vesting dates have been met.

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(Expressed in US dollars, unless otherwise noted)

(vi) Capitalized Software Development Costs

The Company uses judgment to determine when internally generated software development costs are available for intended use and to assess if the expenditures meet the criteria for capitalization under IAS 38. Factors considered for capitalization include the technical and commercial feasibility of the product to generate revenue. Judgment is also applied in the determination of impairment and recoverability of any non-financial assets.

(vii) Income Taxes

The Company recognizes deferred tax assets only to the extent that it considers it probable that those assets will be recoverable. The Company makes assumptions about when deferred tax assets are probable to reverse, the extent to which it is probable that temporary differences will reverse and whether or not there will be sufficient taxable profits available to realize the tax assets when they do reverse. In making these judgments, the Company continually evaluates the magnitude and duration of any past losses, current profitability and whether it is sustainable, and earnings forecasts.

(viii) Going Concern

The Company has applied judgment to determine that the Company will remain a going concern based on management's belief in its ability to continue in operation for the foreseeable future (see note 2(b) for further details).

Estimates:

(i) Goodwill

The Company tests goodwill for impairment annually by comparing the carrying amount of the CGU to the estimated recoverable amount using a discounted cash flow analysis. The Company applies judgment in determining the key estimates used in this calculation such as the discount rate and long-term growth rate (see note 9 for further details).

(ii) Convertible Debenture

The Company measures the embedded derivative liability associated with the convertible debenture at the estimated fair value at each reporting date. The fair value of the embedded derivative liability is estimated using a Black Scholes option model, with the residual being allocated as the host debt liability component, which includes inputs that require management's estimates and assumptions

(ii) Contingent Consideration

The Company measures the contingent consideration payable in a business combination at the estimated fair value at each reporting date. The fair value is estimated using a probability weighted approach, which includes inputs that require management's estimates and assumptions.

3. Material Accounting Policy Information

These Interim Financial Statements follow the same accounting policies and methods of their application as the Company's December 31, 2025, annual audited financial statements.

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Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026 and 2025
(Expressed in US dollars, unless otherwise noted)

4. Capital Risk Management

The Company includes share capital, share-based payments reserve, foreign currency translation reserve, and accumulated deficit in the definition of equity. As at March 31, 2026, the amount of equity was \$1,484,698 (December 31, 2025 - \$1,439,488). The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further develop and market platform services, and to maintain its ongoing operations. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, debt, or by securing strategic partners.

The Company has covenants in relation to the Credit Facility (see note 12). During the three months ended March 31, 2026, the Company was not in compliance with the covenants and the bank waived compliance with certain covenants until after December 31, 2026, the maturity date of the Credit Facility.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2026, the Company has a working capital deficiency of \$1,186,909 but has access to sufficient resources through the revolving portion of the Credit Facility to support its working capital requirements.

5. Risk Management

Financial Instruments and Risk Management

The Company is exposed to a variety of financial risks by virtue of its activities: market risk (including currency risk, interest rate risk, and other price risk), credit risk, and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. 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. The Company's exposure to financial instrument related risks and the methods used to manage those risks have not changed significantly over the last year.

(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 the market prices. Market risk is comprised of three types of risk such as foreign currency risk, interest rate risk, and other price risk. Two types of risk are applicable to the Company:

(i) Currency Risk:

The Company operates internationally, and the US dollar is the presentation currency. The Company, however, does have revenues, expenses, assets, and liabilities denominated in currencies other than USD, primarily the Canadian dollar ("CAD"). The principal foreign currency risk as at March 31, 2026, is therefore the CAD.

A 5% change in exchange rates would result in a \$114,655 impact on profit or loss. Financial instruments and lease obligations in CAD currency at March 31, 2026 and 2025, are as follows:

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Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026 and 2025
(Expressed in US dollars, unless otherwise noted)

	Mar 31, 2026 (CAD)	Mar 31, 2025 (CAD)
Cash	\$51,325	\$54,872
Accounts Receivable	264,465	302,204
Prepaid and Other Assets	53,008	66,466
Contract Assets	8,089	7,777
Total Assets	\$376,887	\$431,319
Trade and Other Payables	\$556,787	\$773,213
Revolving Credit Facility	948,269	1,075,000
Convertible Debentures	729,194	692,263
Term Loan	981,332	1,548,318
Lease Obligation	270,350	351,755
Contract Liabilities	87,356	62,201
Total Liabilities	\$3,573,288	\$4,502,750
Net Liability Exposure	\$3,196,401	\$4,071,431

(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 Credit Facility available to the Company. The Company's Credit Facility and convertible debt are floating interest rate facilities. A 100 bps or 1% increase in the floating rate would result in a \$19,074 impact on profit or loss assuming all other factors are kept stable

(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 non-payment of cash, accounts receivable, contract assets, and government assistance 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 three months ended March 31, 2026, approximately 15% (March 31, 2025 - 17%) of accounts receivable and 16% (March 31, 2025 - 16%) of revenue are from two customers, respectively.

The definition of items that are past due is determined by reference to payment terms agreed to with individual customers, which are normally within 30 to 60 days.

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Notes to the Condensed Interim Financial Statements (Unaudited)
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(Expressed in US dollars, unless otherwise noted)

Aging of trade receivables are as follows:

	March 31, 2026	December 31, 2025
0 to 30 days	\$935,807	\$1,169,027
31 to 60 days	111,241	239,004
Over 60 days	286,858	288,100
Gross Carrying Amount	\$1,333,906	\$1,696,131
Loss Allowance	(65,107)	(65,107)
Total	\$1,268,799	\$1,631,024

The Company estimates credit losses to address any anticipated collectability issues based on the payment history and expected credit loss of each customer.

Continuity of estimated credit losses:

	March 31, 2026	December 31, 2025
Balance, Beginning of Period	\$65,107	\$202,598
Accounts Written Off	-	(150,159)
Bad Debt Recovery	-	2,444
Remeasurement of Loss Allowance	-	10,224
Balance, End of Period	\$65,107	\$65,107

(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 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 analyze financial liabilities and lease obligations by remaining contractual maturity (contractual and undiscounted cash flows).

Yangaroo Inc.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in US dollars, unless otherwise noted)

	Lease Obligations	Contract Liabilities	Term Loan Facility	Trade & Other Payables	Revolving Credit Facility	Convertible Debt	Total
< 1 year	\$186,060	\$107,164	\$704,008	\$667,979	\$680,288	-	\$2,345,499
1- 3 years	119,371	-	-	-	-	441,036	560,407
Balance at March 31, 2026	\$305,431	\$107,164	\$704,008	\$667,979	\$680,288	\$441,036	\$2,905,906

	Lease Obligations	Contract Liabilities	Term Loan Facility	Trade & Other Payables	Revolving Credit Facility	Convertible Debt	Total
< 1 year	\$181,394	\$182,529	\$827,571	\$710,655	\$673,624	-	\$2,575,773
1- 3 years	167,088	-	-	-	-	429,914	597,002
Balance at December 31, 2025	\$348,482	\$182,529	\$827,571	\$710,655	\$673,624	\$429,914	\$3,172,775

At present, the Company expects to pay all liabilities at their contractual maturity. To meet these cash commitments, the Company anticipates generating sufficient cash inflows from operating activities and raising equity capital or obtaining the necessary financing to meet current and future obligations. Additionally, the Company utilizes a Credit Facility to provide cash on an as-needed basis.

6. Contingent Consideration

As part of the Millenia3 acquisition, the Company incurred contingent consideration, consisting of additional cash payments as a result of the following:

(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

Measurement periods: Annual periods ending on the 1st, 2nd, and 3rd of December 31, 2023, December 31, 2024, and December 31, 2025.

During the three months ended March 31, 2026, the Company made its final payment of \$78,926 to the seller of Millenia3 with respect to the earnout payment for fiscal 2025.

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Notes to the Condensed Interim Financial Statements (Unaudited)
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(Expressed in US dollars, unless otherwise noted)

7. Property and Equipment

	Office Equipment	Computer Equipment	Computer Software	Right of Use	Leasehold Improvements	Total
Cost						
Balance, December 31, 2024	\$35,580	\$478,599	\$328,673	\$526,818	\$45,619	\$1,415,289
Additions	1,185	25,414	-	-	-	26,599
Derecognition of Fully Depreciated Assets	(30,577)	(386,197)	(328,673)	-	(12,187)	(757,634)
Balance, December 31, 2025	6,188	117,816	-	526,818	33,432	684,254
Additions	-	14,859	-	-	-	14,859
Balance, March 31, 2026	\$6,188	\$132,675	-	\$526,818	\$33,432	\$699,113
Accumulated Depreciation						
Balance, December 31, 2024	32,594	397,371	327,812	177,356	30,997	966,130
Depreciation Expense	1,313	37,759	861	132,998	6,687	179,618
Derecognition of Fully Depreciated Assets	(30,577)	(386,197)	(328,673)	-	(12,187)	(757,634)
Balance, December 31, 2025	3,330	48,933	-	310,354	25,497	388,114
Depreciation Expense	349	10,201	-	33,250	1,672	45,472
Balance, March 31, 2026	\$3,679	\$59,134	-	\$343,604	\$27,169	\$433,586
Carrying Amounts						
December 31, 2025	\$2,858	\$68,883	-	\$216,464	\$7,935	\$296,140
March 31, 2026	\$2,509	\$73,541	-	\$183,214	\$6,263	\$265,527

Certain computer equipment under lease is included in property and equipment, with a total cost of \$103,808 (2025 - \$90,204). Accumulated depreciation for these assets under lease is \$48,686 (2025 - \$40,791).

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8. Intangible Assets

	Brand	Customer Relationships	Development Costs	Total
Cost				
Balance, December 31, 2024	\$70,000	\$1,098,000	\$2,461,123	\$3,629,123
Additions	-	-	630,922	630,922
Derecognition of Fully Amortized Assets	(62,000)	(969,000)	(696,102)	(1,727,102)
Balance, December 31, 2025	8,000	129,000	2,395,943	2,532,943
Additions	-	-	178,574	178,574
Balance at March 31, 2026	\$8,000	\$129,000	\$2,574,517	\$2,711,517
Accumulated Amortization				
Balance, December 31, 2024	65,111	1,019,166	606,634	1,690,911
Amortization Expense	2,667	43,000	757,614	803,281
Derecognition of Fully Amortized Assets	(62,000)	(969,000)	(696,102)	(1,727,102)
Balance, December 31, 2025	5,778	93,166	668,146	767,090
Amortization Expense	667	10,750	195,185	206,602
Balance at March 31, 2026	\$6,445	\$103,916	\$863,331	\$973,692
Carrying Amounts				
December 31, 2025	\$2,222	\$35,834	\$1,727,797	\$1,765,853
March 31, 2026	\$1,555	\$25,084	\$1,711,186	\$1,737,825

During the three months ended March 31, 2026, the Company capitalized internally generated software development costs of \$178,574 (March 31, 2025 - \$128,720). Costs capitalized include employee costs incurred on software development. Amortization expense of \$195,185 was expensed to development costs during the three months ended March 31, 2026 (March 31, 2025 - \$158,568).

9. Goodwill

	March 31, 2026	December 31, 2025
Balance, Beginning of Period	\$359,146	\$359,146
Balance, End of Period	\$359,146	\$359,146

The goodwill balance of \$359,146 is related to the business acquisitions of Digital Media Services ("DMS") in fiscal year 2021 and Millenia3 in fiscal 2023. The Company tests goodwill for impairment on an annual basis or whenever there is an indication that the goodwill may be impaired. There has been no indication that the goodwill may be impaired since the annual impairment analysis performed at December 31, 2025.

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10. Trade and Other Payables

	March 31, 2026	December 31, 2025
Trade Payables	\$349,333	\$346,563
Accrued Liabilities	318,646	364,092
Total	\$667,979	\$710,655

During the year ended of December 31, 2023, the Company recognized Canadian Federal Government's Canada Emergency Wage Subsidy ("CEWS") CEWS expense of \$165,485 due to a Canada Revenue Agency audit of the Company's claims from prior years. The Company has been reducing the payable and \$39,823 remains in accrued liabilities at March 31, 2026.

11. Lease Obligations

The Company has lease obligations until 2029 for computer equipment and property, with purchase options at the end of each lease term for computer equipment. The lease agreements have terms ranging between 3 to 4 years at inception and carry a weighted average incremental borrowing rate of 9.15% per annum (2025 – 8.44%). The remaining contractual balance on the lease obligations at March 31, 2026, was \$305,431.

	Computer Equipment	Property	Total Lease Liability
Balance at December 31, 2024	\$78,266	\$369,793	\$448,059
Additions During the Period	7,114	-	7,114
Principal Payments	(4,731)	(29,370)	(34,101)
Balance at March 31, 2025	\$80,649	\$340,423	\$421,072
Current Lease Obligation	18,787	131,143	149,930
Long-Term Lease Obligation	61,862	209,280	271,142
Balance at March 31, 2025	\$80,649	\$340,423	\$421,072
Effective Annual Rate of Interest	10.77%	6.47%	8.44%
Amount of Interest Recognized in Profit or Loss	2,226	5,299	7,525

	Computer Equipment	Property	Total Lease Liability
Balance at December 31, 2025	\$69,605	\$249,598	\$319,203
Additions During the Period	13,604	-	13,604
Principal Payments	(6,065)	(36,770)	(42,835)
Balance at March 31, 2026	\$77,144	\$212,828	\$289,972
Current Lease Obligation	22,010	147,094	169,104
Long-Term Lease Obligation	55,133	65,735	120,868
Balance at March 31, 2026	\$77,143	\$212,829	\$289,972
Effective Annual Rate of Interest	11.72%	6.31%	9.15%
Amount of Interest Recognized in Profit or Loss	1,958	3,913	5,871

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12. Loan Facility

The Company has a credit agreement (the "Credit Facility") with a tier-1 Canadian financial institution (the "Bank"). The Credit Facility is secured by a first ranking security over all present and future assets and property of the Company.

The Credit Facility includes a revolving credit facility in the amount of CAD \$1,750,000 and a term loan facility with an initial principal balance of CAD \$3,250,000.

Revolving Credit Facility

The revolving credit facility of USD \$1,255,450 (CAD \$1,750,000) is available by loan advances and is subject to standard borrowing base calculations and margining against trade accounts receivable. Interest payments are based on the Bank's prime rate plus 1.95% per annum. As at March 31, 2026, the Company has drawn USD \$680,288 (March 31, 2025 - \$747,770) of the revolving credit facility.

Term Loan Facility

The term loan facility of CAD \$3,250,000 was fully advanced on May 21, 2021, and was used for the purchase of DMS and for general corporate purposes. The term of the loan is 42 months, amortized over 72 months, and had an initial 6-month interest only payment component. Interest payments are based on the Bank's prime rate plus 2.45%. The term loan facility is secured by the assets of the Company.

On March 23, 2026, the Bank entered into a fourth amendment agreement with the Company such that the Company will be in good standing with the modified covenants related to the term loan facility. The Company incurred CAD \$12,500 of amendment fees and has recorded these as deferred financing costs that are being amortized over the expected duration of the term loan facility. The amendment extended the term loan maturity date to December 31, 2026, and the Company must maintain a minimum Fixed Charge Coverage Ratio and Interest-Bearing Debt to EBITDA ratio which shall not be tested until December 31, 2026. The Company must maintain a minimum EBITDA target for the three months ended March 31, 2026, and each of quarterly periods until December 31, 2026.

	March 31, 2026	December 31, 2025
Term Loan Balance, Beginning of Period	\$827,571	\$1,159,680
Add: Accrued Interest	17,349	99,259
Less: Interest Paid	(17,349)	(98,024)
Less: Principal Repayments	(119,825)	(371,486)
Deferred Financing Costs	(3,738)	38,142
Term Loan Balance, End of Period	\$704,008	\$827,571
Current Portion of Term Loan	704,008	827,571
Long-Term Portion of Term Loan	-	-
Term Loan Balance, End of Period	\$704,008	\$827,571
Revolving Credit Facility Balance, End of Period	\$680,288	\$673,624

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13. Convertible Debentures

On December 2, 2022, the Company completed a non-brokered private placement offering of unsecured, convertible debentures (“the Debentures”) for gross proceeds of CAD \$500,000. The Debentures will mature on November 30, 2027, and each CAD \$1,000 Debenture will bear interest at a simple rate of Bank’s prime plus 8.00% per annum (subject to increase to Bank’s prime plus 10.00% per annum in the event of certain defaults). The holders of the Debentures were required to exercise a Subordination and Postponement Agreement in favour of the Credit Facility. During the term of the Subordination and Postponement Agreement, no payments to the holders of the Debentures in the form of cash will be permitted except for payments of interest. The holders of the Debentures will be entitled to convert the principal amount of the Debentures at any time on or prior to the maturity date into common shares of the Company at a conversion price of CAD \$0.10. Interest will be payable within 30 days of the end of each semi-annual period ended November 30th and May 31st throughout the term of the Debentures in cash or common shares of the Company, at the discretion of the Company. As certain directors of the Company participated in the Debenture financing, the Debenture is considered a “related party” transaction. See note 18 - Related Party Transactions.

During the three months ended March 31, 2026, \$963 (March 31, 2025 - \$923) of deferred financing fees were amortized.

For accounting purposes, the debenture has been separated into a host debt liability and an embedded derivative liability component. The host debt is considered a liability as there is an unavoidable contractual obligation to pay cash. The book value of the conversion feature is variable as the Company’s functional currency is USD and the CAD liability would vary based on FX, therefore the conversion feature is an FX embedded derivative liability. The fair value of the derivative is calculated using a Black Scholes option model and remeasured at every period through profit or loss, with the residual being allocated as the host debt liability component. The host debt is measured subsequently at amortized cost using the effective interest rate method.

	Host Debt Liability	Embedded Derivative Liability
Convertible Debenture Balance - December 31, 2024	\$331,090	\$86,394
Accretion of Convertible Debentures	22,288	-
Interest Accrued	51,126	-
Fair Value Loss on Remeasurement of Embedded Derivative Liability	-	84,258
Foreign Exchange Loss (Gain)	13,120	(25,337)
Amortization of Issuance Costs	4,793	-
Convertible Debenture Balance - December 31, 2025	\$422,417	\$145,315
Accretion of Convertible Debentures	7,155	-
Interest Accrued	11,182	-
Fair Value Loss on Remeasurement of Embedded Derivative Liability	-	(54,466)
Foreign Exchange Loss (Gain)	(7,091)	(2,345)
Amortization of Issuance Costs	963	-
Convertible Debenture Balance - March 31, 2026	\$434,626	\$88,504

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14. Share Capital

The Company is authorized to issue an unlimited number of common shares, without par value.

The following is a summary of changes in common share capital:

	Number of Shares	Value
Balance at December 31, 2024	62,437,140	\$27,826,282
Exercise of Stock Options	500,000	\$24,365
Issuance of Shares	383,135	\$16,173
Balance at December 31, 2025	63,320,275	\$27,866,820
Exercise of Stock Options	-	-
Issuance of Shares	-	-
Balance at March 31, 2026	63,320,275	\$27,866,820

15. Share-Based Payments

The Company has an Omnibus Equity Incentive Plan (the "OEI Plan"), which was originally approved on June 29, 2021, and subsequently amended most recently in 2025. The OEI Plan permits the grant of stock options as well as restricted share units, deferred share units, performance share units and share appreciation rights (all awards other than options referred to as the "Non-Option Awards"). Pursuant to the terms of the OEI Plan, the maximum number of common shares issuable pursuant to new options together with options granted under the Plan cannot exceed 2,622,360 in the aggregate, being 4.2% of the issued and outstanding common shares of the Company at the time of amendment. The Non-Option Awards may be settled, if and when vested, in common shares of the Company or the cash equivalent, at the election of the Company on issuance of the awards.

Stock Options

The Company has issued stock options to acquire common shares as follows:

	Weighted Average Exercise Price (CAD)	Outstanding Options	Vested Options	Weighted Average Remaining Life (Years)
Balance at December 31, 2024	\$0.11	533,000	533,000	0.14
Granted	\$0.04	500,000	500,000	
Expired	\$0.11	(533,000)	(533,000)	
Exercised	\$0.04	(500,000)	(500,000)	
Balance at December 31, 2025	-	-	-	-
Granted	-	-	-	
Balance at March 31, 2026	-	-	-	-

No stock options were issued or exercised during the three months ended March 31, 2026.

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During the three months ended March 31, 2025, 500,000 options were issued with an estimated fair value of \$10,638. All 500,000 options were exercised later in June 2025 with an exercise price of \$0.0375 CAD per share. 500,000 common shares were issued, the value of the Company's share capital increased by \$24,365, \$13,727 in proceeds were received, and the deduction to share-based payment reserves relating to the stock options was \$10,638.

Restricted Share Units

The Company may grant Restricted Share Units ("RSUs") to any participant under the Omnibus Equity Incentive Plan.

The fair value of RSUs is based on the closing price of the common shares of the Company on the trading day immediately preceding the date of the award and are recognized over the vesting period.

On January 2, 2025, the Company issued 500,000 RSUs to Mr. Kanniah, the Company's Chief Financial Officer. These RSUs vest fully on the second anniversary of the grant date, upon which they will be payable in cash or in common shares, or a combination of both, at the discretion of the Company, subject to the terms of the Plan. The estimated fair value has been based on the quoted market price on the date of issuance of \$0.04 per common share.

On March 10, 2025, the Company issued 2,000,000 RSUs to Mr. Schuetrumpf, the Company's Chief Executive Officer. These restricted share units are expected to be settled through the issuance of 2,000,000 common shares of the Company. 1,000,000 of these RSUs are subject to certain performance requirements and as such will vest on the later of either the satisfaction of the performance requirements or March 10, 2026 (the "Performance RSUs"). Management has analyzed the performance of the key performance indicators related to the vesting date of the Performance RSUs and assessed that the probability they will be met at 25% based on historical data in meeting the KPIs. The remaining 1,000,000 RSUs will vest on December 31, 2026 (the "Service RSUs").

The estimated fair value of the RSUs has been based on the quoted market price on the date of issuance of \$0.04 per common share for the Performance RSUs and \$0.05 for the Service RSUs

The compensation expense and charge to share-based payment reserves relating to the RSUs for the three months ended March 31, 2026, was \$7,661 (March 31, 2025 - \$10,582).

The following table shows the RSUs outstanding as at March 31, 2026:

Number of Units	March 31, 2026	December 31, 2025
Balance, Beginning of Period	2,500,000	-
Granted	-	2,500,000
Balance, End of Period	2,500,000	2,500,000
Vested	-	-

Shares for Services Arrangement

As of March 10, 2025, the Company has also agreed to a Shares for Services Arrangement with Grant Schuetrumpf, CEO, with respect to a portion of Mr. Schuetrumpf's compensation, in lieu of cash. The lesser of USD \$2,500 per month and CAD \$5,000 per month (less applicable withholding taxes) is to be paid in addition to Mr. Schuetrumpf's existing salary, by way of share issuance (the "Shares for Services Arrangement"). Pursuant to the Shares for

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Services Arrangement, common shares of the Company will be issued each month over a period of two years effective as of January 1, 2025, to Mr. Schuettrumpf, the number of Shares to be calculated using the Market Price on the last trading day of each month, except with respect to the month of January 2025, which was calculated using the Discounted Market Price as at March 10, 2025. The issuance of any shares under the Shares for Services Arrangement was approved by the Toronto Venture Exchange and will be subject to applicable hold periods. No new insiders will be created, nor will any change of control occur, as a result of the issuance of these shares.

For the months of January through October 2025, the Company issued a total of 383,135 common shares of the Company as follows:

- January 2025: 62,469 shares at a price of \$0.0375 CAD per share,
- February, March, and April 2025: 137,881 shares at a price of \$0.05 CAD per share,
- June 2025: 31,520 shares at a price of \$0.07 CAD per share,
- May and July 2025: 49,603 shares at a price of \$0.09 CAD per share,
- August and October 2025: 64,136 shares at a price of \$0.07 CAD per share,
- September 2025: 37,526 shares at a price of \$0.06 CAD per share.

Subsequent to the three months ended March 31, 2026, the Company issued 256,187 common shares of the Company for the months of November 2025 through March 2026. See note 21 for further details.

16. Basic and Diluted Income (Loss) per Share

The income (loss) and weighted average number of common shares used in the calculation of basic and fully diluted income (loss) per share for the three months ended March 31, 2026 and 2025, were as follows:

	March 31, 2026	March 31, 2025
Numerator:		
Net Income	\$37,549	\$(128,807)
Denominator:		
Opening Number of Common Shares – Basic	63,320,275	62,437,140
Issuance of Common Shares	-	-
Total Basic Number of Common Shares	63,320,275	62,437,140
Adjustments for Calculation of Diluted Income per Share:		
Options and RSU in the Money	1,875,000	-
Weighted Average Number of Common Shares – Fully Diluted	65,195,275	62,437,140
Basic Income per Share	\$0.00	(\$0.00)
Fully Diluted Income per Share	\$0.00	(\$0.00)

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17. Segmented Information

The Company has only one reportable segment and provides Advertising, Music, and Awards Management software workflow solutions to customers across multiple geographic regions. It considers the basis on which it is organized, including geographic areas and service offerings, in identifying its reportable segments. Operating segments of the Company are defined as components of the Company for which separate financial information is available and is evaluated regularly by the chief operating decision maker in allocating resources and assessing performance. The chief operating decision maker is the Chief Executive Officer of the Company. For revenues, the amounts included are from the originating country.

Below is the breakdown of revenue, long-term assets, and payables by operating segment:

For the Three Months Ended	Canada	US	Total
March 31, 2026			
Advertising	\$103,747	\$1,194,413	\$1,298,160
Music	118,858	74,140	\$192,998
Awards Management	18,872	222,974	\$241,846
Total Revenue	\$241,477	\$1,491,527	\$1,733,004
Property and Equipment	168,315	97,212	265,527
Intangible Assets	1,711,186	26,639	1,737,825
Goodwill	-	359,146	359,146

For the Three Months Ended	Canada	US	Total
March 31, 2025			
Advertising	\$100,968	\$1,293,580	\$1,394,548
Music	103,547	122,403	225,950
Awards Management	13,242	148,318	161,560
Total Revenue	\$217,757	\$1,564,301	\$1,782,058
Property and Equipment	236,584	174,980	411,564
Intangible Assets	1,824,641	72,306	1,896,947
Goodwill	-	359,146	359,146

The Company also recognizes revenue at a point in time or over a period of time depending on the nature of the performance obligations satisfied. Revenue recognized over time includes monthly subscription fees for Music and Advertising, as well as the Award contract revenue. Everything else is recognized at a point in time.

The breakdown based on timing is as follows:

For the Three Months Ended March 31,	2026	2025
Revenue Recognized at a Point in Time	\$1,395,250	\$1,518,721
Revenue Recognized Over a Period of Time	337,754	263,337
Total Revenue	\$1,733,004	\$1,782,058

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18. Related Party Transactions

Key management personnel are comprised of the Company's directors and executive officers. In addition to their salaries, key management personnel also participate in the Company's Omnibus Incentive Plan (note 15).

Key management personnel compensation for the three months ended March 31, 2026 and 2025, was:

	March 31, 2026	March 31, 2025
Salaries and Short-Term Employee Benefits ⁽ⁱ⁾	\$174,468	\$170,282
Share Based Payments	7,661	23,842
	\$182,129	\$194,124

(i) Short-term employee benefits include bonuses, vacation pay, and commission.

As at March 31, 2026, \$27,837 (March 31, 2025 - \$25,216) owing to officers and directors of the Company was included in trade and other payables. The amounts owing are unsecured, non-interest bearing, and due on demand.

19. Government Assistance

The Company has recognized \$429,977 in government assistance receivable relating to the refundable Employee Retention Credit ("ERTC") in the United States. ERTC claims are processed by the United States Internal Revenue Service and there is currently a processing backlog that has caused a delay in processing the Company's claim. Management believes that this amount is collectible and will continue to assess its claim status each reporting period.

20. Commitments and Contingencies

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers, and former employees.

The Company is party to certain management employment agreements that provide severance in the event of termination without cause or in some cases change of control of the Company. Under these agreements, the Company would be required to pay severance for up to an aggregate total of \$765,000. As at March 31, 2026, no amounts have been accrued as no triggering events have occurred.

There were no material litigation and claims against the Company as at and during the three months ended March 31, 2026.

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21. Events After Reporting Period

On May 4, 2026, pursuant to the Shares for Services agreement between the Company and Grant Schuettrumpf, the Company issued 256,187 common shares of the Company for the months of November 2025 through March 2026 as follows:

- November 2025: 37,681 shares at a price of \$0.06 CAD per share,
- December 2025 and January 2026: 88,202 shares at a price of \$0.05 CAD per share,
- February 2026: 55,158 shares at a price of \$0.04 CAD per share,
- March 2026: 75,146 shares at a price of \$0.03 CAD per share.

Upon the issuance of these Shares, the Company will have issued a cumulative total of 639,322 shares for the months of January 2025 through March 2026 under the Shares for Services Arrangement.

On May 8, 2026, the Company granted an aggregate of 2,060,000 restricted share units ("RSUs") and 400,000 deferred share units ("DSUs") to certain directors, officers, and employees of the Company pursuant to the Company's Omnibus Equity Incentive Plan (the "Plan"). The RSUs will vest one year from the date of grant and will be settled in common shares of the Company upon vesting, subject to and in accordance with the terms of the Plan. Except as provided under the Plan, the DSUs will vest and be settled in accordance with the terms of the Plan following the holder's cessation of service with the Company and not earlier than May 8, 2027.