NEWS RELEASE

Stingray Reports Fourth Quarter and Full Year Results for Fiscal 2023

Adjusted EBITDA for the Broadcasting and Commercial Music Division up by 40.6% in the fourth quarter.

Fourth Quarter Highlights

- Organic growth of 3.3% year-over-year in Broadcast and Recurring Commercial Music Revenues(1), including 7.6% in the United States;
- Revenues increased 8.7% to $78.9 million from $72.6 million;
- Adjusted EBITDA(2) increased 26.4% to $26.6 million from $21.0 million. Adjusted EBITDA(2) by segment was $20.4 million or 40.8% of revenues for Broadcasting and Commercial Music, $7.7 million or 26.6% of revenues for Radio and $(1.5) million for Corporate;
- Net income was $4.4 million ($0.06 per share) compared to $4.5 million ($0.06 per share);
- Adjusted Net income(2) increased 24.5% to $14.7 million ($0.21 per share) from $11.8 million ($0.17 per share);
- Cash flow from operating activities increased 24.5% to $27.6 million ($0.40 per share) from $22.1 million ($0.31 per share);
- Adjusted free cash flow(2) increased 26.0% to $14.9 million ($0.21 per share) from $11.8 million ($0.17 per share);
- Net debt to Pro Forma Adjusted EBITDA(2) ratio of 3.19x, compared to 3.16x; and
- 53,300 shares were repurchased and cancelled for a total of $0.3 million compared to 80,200 shares for a total of $0.6 million.

Full Year Highlights

- Organic growth of 7.5% year-over-year in Broadcast and Recurring Commercial Music Revenues(1), including 17.9% in the United States;
- Revenues increased 14.6% to $323.9 million from $282.6 million;
- Adjusted EBITDA(2) increased 15.0% to $114.1 million from $99.3 million. Adjusted EBITDA(2) by segment was $76.7 million or 39.3% of revenues for Broadcasting and Commercial Music, $42.9 million or 33.3% of revenues for Radio and $(5.5) million for Corporate;
- Net income was $30.1 million ($0.43 per share) compared with $33.3 million ($0.47 per share);
- Adjusted Net income(2) of $55.2 million ($0.79 per share) compared with $56.4 million ($0.79 per share);
- Cash flow from operating activities increased 3.9% to $86.9 million ($1.25 per share) from $83.7 million ($1.17 per share);
- Adjusted free cash flow(2) increased 11.8% to $63.7 million ($0.90 per share) from $56.9 million ($0.80 per share);
- 786,100 shares repurchased and cancelled for a total of $4.4 million compared to 2,106,000 shares for a total of $15.0 million.

Montreal, June 6, 2023 – Stingray Group Inc. (TSX: RAY.A; RAY.B) (the "Corporation"; "Stingray"), a leading distributor of audio and video music brands in the world, today announced its financial results for the fourth quarter and fiscal year ended March 31, 2023.

Financial Highlights (in thousands of Canadian dollars, except per share data)	**Three months ended March 31**			**Twelve months ended March 31**		
	2023	2022	%	**2023**	2022	%
Revenues	**78,931**	72,644	8.7	**323,944**	282,626	14.6
Adjusted EBITDA(2)	**26,573**	21,023	26.4	**114,140**	99,269	15.0
Net income	**4,447**	4,466	(0.4)	**30,119**	33,287	(9.5)
Per share – diluted ($)	**0.06**	0.06	(0.0)	**0.43**	0.47	(8.5)
Adjusted Net income(2)	**14,668**	11,780	24.5	**55,202**	56,389	(2.1)
Per share – diluted ($)(2)	**0.21**	0.17	23.5	**0.79**	0.79	(0.0)
Cash flow from operating activities	**27,552**	22,127	24.5	**86,949**	83,663	3.9
Adjusted free cash flow(2)	**14,909**	11,833	26.0	**63,662**	56,933	11.8

(1) Recurring Commercial Music revenues include subscriptions and usage in addition to fixed fees charged to our customers on a monthly, quarterly and annual basis for continuous music, advertising and digital signage services and excludes credits to clients related to the COVID-19 pandemic. Non-recurring revenues mainly include support, installation, equipment, one-time fees and discontinued operations. Non-recurring revenues are excluded from the organic growth, as well as the impact of foreign exchange and revenues from subsidiary DJ Matic.

(2) This is a non-IFRS measure and is not a standardized financial measure. Our method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Supplemental Information on Non-IFRS Measures" on pages 31-32 of our Q4 2023 MD&A for more information on each non-IFRS measure. For reconciliations to the most directly comparable IFRS financial measure, refer to "Non-IFRS Measures" further into this news release.

Reporting on Stingray's fiscal 2023 and fourth quarter performance, President, Co-Founder and CEO Eric Boyko stated: "Fiscal 2023 has proven to be a transformational year with the InStore Audio Network (ISAN) acquisition becoming a cornerstone of our Broadcasting and Commercial Music segment and the streamlining of operations sharpening our focus on high-growth drivers like retail media, FAST channels, in-car entertainment, and B2B-driven subscription video on demand (SVOD). These strategic initiatives contributed to increasing our revenues by 14.6% to $323.9 million in 2023, while Adjusted EBITDA improved 15.0% to $114.1 million. Equally important, these actions have positioned Stingray for sustained, long-term profitable growth."

"Broadcasting and Commercial Music revenues grew 22.7% to $195.2 million in 2023, primarily driven by the acquisition of InStore Audio Network, increased equipment and installation sales related to digital signage, in- car revenues increasing and a positive foreign exchange impact partially offset by decrease in B2C and Music Video on Demand revenues. Radio revenues, meanwhile, progressed 4.2% year-over-year to $128.7 million largely due to growth in local airtime and digital revenues."

"In the fourth quarter, consolidated revenues rose 8.7% year-over-year to $78.9 million on the strength of increased equipment and installation sales related to digital signage, an increase in InStore Audio Network revenues and greater Radio revenues. Adjusted EBITDA in the fourth quarter surged 26.4% to $26.6 million on higher revenues combined with a lower operational cost base."

"Looking ahead, we intend to accelerate our sell-through with existing customers and secure new accounts to grow our Broadcasting and Commercial Music business, which is operating on an Adjusted EBITDA run-rate of $80.0 million for 2024. We will continue generating healthy cash flows from our Radio segment to fund our growth strategy. We will also maintain our financial discipline to keep our consolidated Adjusted EBITDA margin above 35%. Finally, we will reduce our debt level to create added flexibility in order to target acquisitions on an opportunistic basis. To sum up, the future looks promising for Stingray with ample room for expansion as strategic growth revenues have slightly reached over the 50-50 parity with cash flow revenues from our traditional cable and radio activities," Mr. Boyko concluded.

Fourth Quarter Results
Revenues in the fourth quarter increased $6.3 million, or 8.7%, to $78.9 million from $72.6 million in the fourth quarter of 2022. The growth was mainly due to an increase in equipment and installation sales related to digital signage, an increase in InStore Audio Network revenues, to an increase in Radio revenues driven by growth in digital sales and a positive foreign exchange impact.

Revenues in Canada improved $3.1 million, or 7.9%, to $43.6 million from $40.5 million in the same period in 2022. The growth can be attributed to an increase in Radio revenues based on higher digital sales and an increase in equipment and installation sales related to digital signage.

Revenues in the United States grew $2.9 million, or 14.7%, to $22.0 million from $19.1 million in the fourth quarter of 2022. The increase was primarily due to the acquisition of InStore Audio Network and a positive foreign exchange impact. Revenues in Other countries improved $0.3 million, or 1.9%, to $13.3 million from $13.0 million in the fourth quarter of 2022. The growth can be attributed to a positive foreign exchange rate impact.

Broadcasting and Commercial Music revenues in the fourth quarter of 2023 increased $4.4 million, or 9.8%, to $50.0 million from $45.6 million in the fourth quarter of 2022. The growth was driven by higher equipment and installation sales related to digital signage and a positive foreign exchange impact.

For the fourth quarter of 2023, Radio revenues grew $1.8 million, or 6.7%, to $28.9 million from $27.1 million in the same period of 2022. This increase was largely due to growth in local airtime and digital revenues.

Adjusted EBITDA in the fourth quarter of 2023 increased $5.6 million, or 26.4%, to $26.6 million from $21.0 million in the fourth quarter of 2022. Adjusted EBITDA margin in the fourth quarter of 2023 improved to 33.7% from 28.9% in the same period last year. The increase in Adjusted EBITDA was mainly due to higher revenues year-over-year, while the improvement in Adjusted EBITDA margin can be attributed to lower operating costs in the Broadcasting and Commercial Music segment following cost-saving initiatives implemented in fiscal 2023.

For the fourth quarter of 2022, net income totaled $4.4 million ($0.06 per share) compared to $4.5 million ($0.06 per share) in the fourth quarter of 2022. The decrease was mainly related to a higher interest expense and lower gain on the fair value of derivative financial instruments and on the fair value of contingent consideration, partially offset by higher operating results. Adjusted net income amounted to $14.7 million ($0.21 per share) in the fourth quarter compared to $11.8 million ($0.17 per share) in the same period last year. The increase can be attributed to higher operating results, partially offset by a greater interest expense and a lower gain in the fair value of contingent consideration.

Cash flow generated from operating activities amounted to $27.6 million in the fourth quarter of 2023 compared to $22.1 million in the fourth quarter of 2022. The increased was primarily due to improved operating results. Adjusted free cash flow generated in the fourth quarter of 2023 totaled $14.9 million compared to $11.8 million in the same period last year. The increased was mainly related to improved operating results, partially offset by higher interest paid.

As of March 31, 2023, the Corporation had cash and cash equivalents of $15.5 million, subordinated debt of $25.5 million and credit facilities of $361.0 million, of which approximately $68.6 million was available.

Full Year Results
Fiscal 2023 revenues increased $41.3 million, or 14.6%, to $323.9 million from $282.6 million in fiscal 2022. The growth was primarily due to the acquisition of InStore Audio Network, improved Radio revenues, higher equipment and installation sales related to digital signage, in-car revenues increasing and a positive foreign exchange impact. These factors were partially offset by a decrease in B2C and Music Video on Demand revenues.

Adjusted EBITDA in fiscal 2023 increased $14.8 million, or 15.0%, to $114.1 million from $99.3 million in 2022. Adjusted EBITDA margin in 2023 reached 35.2% compared to 35.1% in 2022. The improvement in Adjusted EBITDA and EBITDA Margin can mainly be attributed to the InStore Audio Network acquisition and higher revenues partially offset by the Canadian Emergency Wage Subsidy (CEWS) in the comparable period.

Net income in fiscal 2023 totaled $30.1 million ($0.43 per share) compared to $33.3 million ($0.47 per share) in 2022. The decline was mainly due to a gain on the fair value of contingent consideration in the comparative period and to higher interest expense, partially offset by higher operating results.

Adjusted net income in fiscal 2023 amounted to $55.2 million ($0.79 per share) compared to $56.4 million ($0.79 per share) in 2022. The decline was mainly related to a gain on the fair value of contingent consideration in the comparative period and to higher interest expense, partially offset by higher operating results.

Declaration of Dividend
The Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share on March 22, 2023. The dividend will be payable on or around June 15, 2023, to shareholders on record as of May 31, 2023.

The Corporation's dividend policy is at the discretion of the Board of Directors and may vary depending upon, among other things, our available cash flow, results of operations, financial condition, business growth opportunities and other factors that the Board of Directors may deem relevant.

The dividends paid are designated as "eligible" dividends for the purposes of the Income Tax Act (Canada) and any corresponding provisions of provincial and territorial tax legislation.

Business Highlights

- On March 31, 2023, the Corporation acquired the assets and business of the Ultimate Trivia Network, a move that paves the way for the launch of an exciting new product, Ultimate Trivia by Stingray. Initially launching as an ad-supported linear channel, Ultimate Trivia by Stingray promises to deliver a captivating and interactive experience for kids and adults of all ages.

- On March 15, 2023, the Corporation announced that Qello Concerts, the premium streaming service that offers full-length concerts and award-winning music documentaries across all genres and eras, is now available on Verizon's +play- the cutting-edge platform built by Verizon for customers to shop for, manage and save on their favorite subscriptions, all in one place.

- On March 1, 2023, the Corporation announced a global deal with Harman, the premier connected technologies company for automotive, consumer and enterprise markets, and CARIAD, Volkswagen Group's software company, to bring its popular Stingray Karaoke product to selected Audi models around the globe.

- On February 7, 2023, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend was paid on March 15, 2023, to shareholders on record as of February 28, 2023.

- On January 23, 2023, the Corporation announced the launch of CalmLIFE, a brand-new digital wellness resource to help viewers live better every day. Comcast customers with Xfinity X1, Xfinity Flex or Xumo TV, and Cox customers with Contour devices now have access to a plethora of full-length 4K wellness assets, including meditation, sleep, and nature videos.

- On January 3, 2023, the Corporation announced its latest partnership with The Singing Machine Company, Inc. ("Singing Machine") (NASDAQ: MICS) –, the worldwide leader in consumer karaoke products, to launch the world's first fully-integrated hardware and software in-car karaoke solution for the global automotive market.

Conference Call
The Corporation will hold a conference call Tuesday, June 7, 2023, at 10:00 AM (ET) to review its financial results. Interested parties can join the call by dialing 416-764-8658 (Toronto) or 1-888-886-7786 (toll free). A rebroadcast of the conference call will be available until midnight, July 7, 2023, by dialing 416-764-8692 or 877-674-7070 and entering passcode 541796.

About Stingray
Montreal-based Stingray (TSX: RAY.A; RAY.B) is a leading global music, media, and technology company with close to 1,000 employees worldwide. Stingray is a premium provider of curated direct-to-consumer and B2B services, including audio television channels, over 100 radio stations, SVOD content, 4K UHD television channels, FAST channels, karaoke products, digital signage, in-store music, and music apps, which have been downloaded over 160 million times. Stingray reaches 400 million subscribers (or users) in 160 countries.

Forward-Looking Information
This news release contains forward-looking information within the meaning of applicable Canadian securities law. Such forward-looking information includes, but is not limited to, information with respect to Stingray's goals, beliefs, plans, expectations, anticipations, estimates and intentions. Forward-looking information is identified by the use of terms and phrases such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", and "continue", or the negative of these terms and similar terminology, including references to assumptions. Please note, however, that not all forward-looking information contains these terms and phrases. Forward-looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Stingray's control. These risks and uncertainties could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors identified in Stingray's Annual Information Form for the year ended March 31, 2023, which is available on SEDAR at www.sedar.com. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that Stingray anticipates will be realized or, even if substantially realized, that they will have the expected consequences or effects on Stingray's business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and Stingray does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Non-IFRS Measures
The Corporation believes that Adjusted EBITDA and Adjusted EBITDA margin are important measures when analyzing its operating profitability without being influenced by financing decisions, non-cash items and income taxes strategies. Comparison with peers is also easier as companies rarely have the same capital and financing structure. The Corporation believes that Adjusted Net income and Adjusted Net income per share are important measures as it shows stable results from its operation which allows users of the financial statements to better assess the trend in the profitability of the business. The Corporation believes that Adjusted free cash flow and Adjusted free cash flow per share are important measures when assessing the amount of cash generated after accounting for capital expenditures and non-core charges. It demonstrates cash available to make business acquisitions, pay dividend and reduce debt. The Corporation believes that Net debt and Net debt to Pro Forma Adjusted EBITDA are important to analyse the company's debt repayment capacity on an annualized basis, taking into consideration the annualized adjusted EBITDA of acquisitions made during the last twelve months. Each of these non-IFRS financial measures is not an earnings or cash flow measure recognized by International Financial Reporting Standards (IFRS) and does not have a standardized meaning prescribed by IFRS. This method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as an alternative to net income determined in accordance with IFRS as indicators of our performance or to cash flows from operating activities as measures of liquidity and cash flows.

Adjusted EBITDA, Adjusted Net income and LTM Adjusted EBITDA Reconciliation to Net income

	3 months		12 months	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(in thousands of Canadian dollars)	**Q4 2023**	**Q4 2022**	**Fiscal 2023**	**Fiscal 2022**
Net income	**4,447**	**4,466**	**30,119**	**33,287**
Net finance expense (income)	3,749	(769)	26,835	6,119
Change in fair value of investments	11	12	(289)	2
Income taxes	753	191	9,540	9,013
Depreciation and write-off of property and equipment	2,406	3,862	9,737	11,069
Depreciation of right-of-use assets	1,225	1,201	4,506	5,076
Amortization of intangible assets	4,547	4,176	18,737	19,399
Share-based compensation	157	222	611	798
Performance and deferred share unit expense	2,068	1,750	1,857	5,799
Acquisition, legal, restructuring and other expenses	7,210	5,912	12,487	8,707
Adjusted EBITDA	**26,573**	**21,023**	**114,140**	**99,269**
Adjusted EBITDA margin	**33.7%**	**28.9%**	**35.2%**	**35.1%**
Net income	**4,447**	**4,466**	**30,119**	**33,287**
Adjusted for:				
Change in fair value of derivative financial instruments	(70)	(2,150)	739	(3,397)
Amortization of intangible assets	4,547	4,176	18,737	19,399
Change in fair value of investments	11	12	(289)	2
Share-based compensation	157	222	611	798
Performance and deferred share unit expense	2,068	1,750	1,857	5,799
Acquisition, legal, restructuring and other expenses	7,210	5,912	12,487	8,707
Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets, change in fair value of derivative financial instruments and acquisition, legal, restructuring and other expenses	(3,702)	(2,608)	(9,059)	(8,206)
Adjusted Net income	**14,668**	**11,780**	**55,202**	**56,389**
Average number of shares outstanding (diluted)	69,459	70,655	69,770	71,464
Adjusted Net income per share (diluted)	**0.21**	**0.17**	**0.79**	**0.79**

(in thousands of Canadian dollars)	March 31, 2023 **Fiscal 2023**	March 31, 2022 **Fiscal 2022**
LTM Adjusted EBITDA	**114,140**	**99,269**
Synergies and Adjusted EBITDA for the months prior to the business acquisitions which are not already reflected in the results	–	16,000
COVID-19 credits allocated due to mandated store closures	–	1,535
Permanent cost-saving initiatives	2,325	–
Pro Forma Adjusted EBITDA	**116,465**	**116,804**

Adjusted Free Cash Flow Reconciliation to Cash Flow from Operating Activities

	3 months		12 months	
(in thousands of Canadian dollars)	March 31, 2023 **Q4 2023**	March 31, 2022 **Q4 2022**	March 31, 2023 **Fiscal 2023**	March 31, 2022 **Fiscal 2022**
Cash flow from operating activities	**27,552**	**22,127**	**86,949**	**83,663**
Add / Less :				
Acquisition of property and equipment	(2,987)	(2,443)	(8,234)	(9,061)
Acquisition of intangible assets other than internally developed intangible assets	(383)	(355)	(1,281)	(1,134)
Addition to internally developed intangible assets	(1,236)	(593)	(5,943)	(6,854)
Interest paid	(6,842)	(3,391)	(23,892)	(14,384)
Repayment of lease liabilities	(1,122)	(1,074)	(4,433)	(4,815)
Net change in non-cash operating working capital items	(7,077)	(7,571)	7,482	24
Unrealized loss (gain) on foreign exchange	(206)	(779)	527	787
Acquisition, legal, restructuring and other expenses	7,210	5,912	12,487	8,707
Adjusted free cash flow	**14,909**	**11,833**	**63,662**	**56,933**

Calculation of Net Debt and Net Debt to Pro Forma Adjusted EBITDA Ratio

(in thousands of Canadian dollars)	**March 31, 2023**	**March 31, 2022**
Credit facilities	360,990	358,203
Subordinated debt	25,543	25,442
Cash and cash equivalents	(15,453)	(14,563)
Net debt	**371,080**	**369,082**
Net debt to Pro Forma Adjusted EBITDA	**3.19**	**3.16**

Note to readers: Annual consolidated financial statements and Management's Discussion & Analysis of Operating Results and Financial Position are available on the Corporation's website at www.stingray.com and on SEDAR at www.sedar.com.

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