STINGRAY

**NEWS RELEASE**

# Stingray Reports Fourth Quarter and Full Year Results for Fiscal 2024

*Adjusted EBITDA up 10.7% and significant improvement to the Net debt to EBITDA Ratio*

**Fourth Quarter Highlights**

- Organic growth of 9.4% year-over-year in Broadcast and Recurring Commercial Music Revenues;
- Revenues improved 6.0% to $83.7 million from $78.9 million;
- Strong performance of the Radio Division with a revenue growth of 4.7% compared to last year, outperforming peers in the Canadian market;
- Adjusted EBITDA(1) increased 10.7% to $29.4 million from $26.6 million. Adjusted EBITDA(1) by segment was $22.7 million, or 42.5% of revenues, for Broadcasting and Commercial Music, $8.2 million, or 27.1% of revenues, for Radio and $(1.5) million for Corporate;
- Net loss totaled $46.3 million due to a one-time non-cash impairment of $56.1 million of the goodwill related to the Radio segment ($0.67 per share) compared to Net income of $4.4 million ($0.06 per share);
- Adjusted Net income(1) rose to $15.4 million ($0.22 per share) from $14.7 million ($0.21 per share);
- Cash flow from operating activities grew 60.7% to $44.3 million ($0.64 per share(1)) from $27.6 million ($0.40 per share(1));
- Adjusted free cash flow(1) increased 2.4% to $15.3 million ($0.22 per share) from $14.9 million ($0.21 per share);
- Net debt to Pro Forma Adjusted EBITDA(1) ratio of 2.76x compared to 3.19x last year;
- 784,423 streaming subscribers, down 3.9% over Q4 2023; and
- Repurchased and cancelled 57,600 shares for a total of $0.4 million compared to 53,300 shares for a total of $0.3 million.

**Full Year Highlights**

- Organic growth of 10.2% year-over-year in Broadcast and Recurring Commercial Music Revenues;
- Revenues increased 6.6% to $345.4 million from $323.9 million;
- Adjusted EBITDA(1) improved 10.3% to $125.9 million from $114.1 million. Adjusted EBITDA(1) by segment was $90.5 million, or 41.9% of revenues, for Broadcasting and Commercial Music, $41.5 million, or 32.0% of revenues, for Radio and $(6.1) million for Corporate;
- Net loss totaled $13.7 million due to a one-time non-cash impairment of $56.1 million of the goodwill related to the Radio segment ($0.20 per share) compared to Net income of $30.1 million ($0.43 per share);
- Adjusted Net income(1) increased to $60.3 million ($0.87 per share) from $55.2 million ($0.79 per share);
- Cash flow from operating activities grew 36.3% to $118.5 million ($1.72 per share(1)) from $86.9 million ($1.25 per share(1));
- Adjusted free cash flow(1) rose 28.7% to $82.0 million ($1.18 per share) from $63.7 million ($0.90 per share); and
- Shares repurchased and cancelled of 557,500 for a total of $2.9 million compared to 786,100 shares for a total of $4.4 million.

**Montreal, June 4, 2024 –** Stingray Group Inc. (TSX: RAY.A; RAY.B) (the "Corporation"; "Stingray"), an industry leader in music and video content distribution, business services, and advertising solutions, announced today its financial results for the fourth quarter and fiscal year ended March 31, 2024.

| **Financial Highlights**<br>(in thousands of Canadian dollars, except per share data) | **Three months ended March 31** | | | **Twelve months ended March 31** | | |
|---|---|---|---|---|---|---|
| | **2024** | 2023 | % | **2024** | 2023 | % |
| Revenues | **83,665** | 78,931 | 6.0 | **345,428** | 323,944 | 6.6 |
| Adjusted EBITDA(1) | **29,423** | 26,573 | 10.7 | **125,855** | 114,140 | 10.3 |
| Net income (loss) | **(46,318)** | 4,447 | (1,141.6) | **(13,741)** | 30,119 | (145.6) |
| Per share – diluted ($) | **(0.67)** | 0.06 | (1,216.7) | **(0.20)** | 0.43 | (146.5) |
| Adjusted Net income(1) | **15,382** | 14,668 | 4.9 | **60,312** | 55,202 | 9.3 |
| Per share – diluted ($)(1) | **0.22** | 0.21 | 4.8 | **0.87** | 0.79 | 10.1 |
| Cash flow from operating activities | **44,263** | 27,552 | 60.7 | **118,526** | 86,949 | 36.3 |
| Adjusted free cash flow(1) | **15,270** | 14,909 | 2.4 | **81,960** | 63,662 | 28.7 |

(1) This is a non-IFRS measure and is not a standardized financial measure. The Corporation's method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, the definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Non-IFRS Measures" on page 5 of this news release for more information about each non-IFRS measure and refer to pages 6-7 for the reconciliations to the most directly comparable IFRS financial measures.

Reporting on Stingray's fiscal 2024 and fourth quarter results, President, Co-Founder and CEO Eric Boyko stated:

"We took giant strides to establish ourselves as a leader in retail media advertising, FAST channels and in-car audio entertainment during the past fiscal year, leading to robust Adjusted EBITDA of $125.9 million on revenues of $345.4 million. In the process, we expanded our share in these new segments through operational excellence. Stingray Advertising revenues, which include retail media advertising and FAST channels, grew 45.4% year-over-year against our annual growth target of 40%. For its part, in-car audio entertainment surged 60.3% during the same period. The trickle-down effect of these high-growth, high-margin businesses on profitability helped Stingray achieve a consolidated Adjusted EBITDA margin of 36.4% in 2024 versus the stated goal of 35%. Consequently, we outperformed internal expectations during the past year with most key performance indicators pointing upwards of our objectives."

"Broadcasting and Commercial Music revenues increased 10.7% to $216.1 million in 2024, primarily driven by higher revenue contributions from retail media advertising and FAST channels, along with a positive foreign exchange impact. Radio revenues, meanwhile, improved 0.5% year-over-year to $129.4 million due to growth in digital and local airtime sales, partially offset by lower national airtime revenues."

"In terms of our financial position, we reduced our debt level in a high interest rate environment, closing the fiscal year with a Net Debt to Pro Forma Adjusted EBITDA ratio of 2.76. We plan to further lower our leverage ratio to a sweet spot closer to 2.0-2.5 times in Fiscal 2025, which will provide us with the flexibility to invest in organic and acquisition-related growth"

"Looking ahead to fiscal 2025, we will continue evangelizing the retail media advertising sector, while growing our footprint and fill rate. We also expect further growth from our FAST channel business, now supported by a quarterly run-rate of more than 40 million listening hours. In addition, we are optimistic about our in-car audio entertainment segment with four global manufacturers under contract combined with a strong pipeline ahead. Turning to our Radio segment, we should continue outperforming the industry by remaining relatively flat year-over-year. Given these growth opportunities and a stable cost base, we intend to maintain our Adjusted EBITDA margin objective or slightly improve it for 2025," Mr. Boyko concluded.

**Fourth Quarter Results**

Revenues in the fourth quarter increased $4.8 million, or 6.0%, to $83.7 million from $78.9 million in the fourth quarter of 2023. The growth was mainly due to an increase in FAST channel and Retail Media revenues combined with improved Radio revenues driven by higher digital and national sales.

Revenues in Canada rose $2.0 million, or 4.4%, to $45.6 million from $43.6 million in the same period in 2023. The growth can mainly be attributed to an increase in Radio revenues driven by higher digital and national sales.

Revenues in the United States grew $4.2 million, or 19.4%, to $26.2 million from $22.0 million in the fourth quarter of 2023. The increase is primarily due to greater FAST channel and Retail Media revenues.

Revenues in Other countries decreased $1.4 million, or 10.8%, to $11.9 million from $13.3 million in Q4 2023. The year-over-year decline was mainly due to reduced in-store commercial revenues and subscription revenues.

Broadcasting and Commercial Music revenues in the fourth quarter of 2024 increased $3.4 million, or 6.7%, to $53.4 million from $50.0 million in the fourth quarter of 2023. The growth was driven by greater FAST channel and Retail Media revenues.

For the fourth quarter of 2024, Radio revenues grew $1.3 million, or 4.7%, to $30.2 million from $28.9 million in the same period of 2023. This increase was largely due to higher digital and national revenues.

For the fourth quarter of 2024, net loss totaled $46.3 million, or $0.67 per share, compared to net income of $4.4 million, or $0.06 per share, in the fourth quarter of 2023. The difference was mainly related to a non-cash impairment charge of $56.1 million on goodwill for the Radio segment.

Consolidated Adjusted EBITDA in the fourth quarter of 2024 increased $2.8 million, or 10.7%, to $29.4 million from $26.6 million in the fourth quarter of 2023. Adjusted EBITDA margin in the fourth quarter of 2024 improved to 35.2% from 33.7% in the same period last year. The increase in Adjusted EBITDA and Adjusted EBITDA margin was mainly due to higher revenues.

Cash flow generated from operating activities amounted to $44.3 million in the fourth quarter of 2024 compared to $27.6 million in the fourth quarter of 2023. The increase was primarily due to a higher positive change in non-cash operating items as well as lower legal, restructuring and other costs. Adjusted free cash flow generated in the fourth quarter of 2024 totaled $15.3 million compared to $14.9 million in the same period last year. The increase was mainly related to improved operating results, mostly offset by higher income taxes paid.

As of March 31, 2024, the Corporation had cash and cash equivalents of $9.6 million, subordinated debt of $25.6 million and credit facilities of $338.7 million, of which approximately $83.4 million was available.

**Full Year Results**

Fiscal 2024 revenues increased $21.5 million, or 6.6%, to $345.4 million from $323.9 million in 2023. The growth was largely due to higher revenue contributions from retail media advertising and FAST channels, along with a positive foreign exchange impact.

Net loss in fiscal 2024 totaled $13.7 million, or $0.20 per share, compared to net income of $30.1 million, or $0.43 per share, in 2023. The difference was primarily related to the impairment of goodwill in the Radio segment, partially offset by higher operating results.

Adjusted EBITDA in fiscal 2024 improved $11.8 million, or 10.3%, to $125.9 million from $114.1 million in 2023. Adjusted EBITDA margin in 2024 reached 36.4% compared to 35.2% in 2023. The increase in Adjusted EBITDA and Adjusted EBITDA margin was mainly driven by higher revenues and lower variable expenses in the Broadcasting and Commercial Music segment following cost-saving initiatives implemented in fiscal 2023.

Adjusted net income in fiscal 2024 amounted to $60.3 million, or $0.87 per share, compared to $55.2 million, or $0.79 per share, in 2023. The increase can mainly be attributed to higher operating results, partially offset by a greater interest expense.

**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 19, 2024. The dividend will be payable on or around June 15, 2024, to shareholders on record as of May 31, 2024.

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 and Subsequent Events**

- On May 2, 2024, the Corporation announced its partnership with Virgin Media O2, introducing two of its highly acclaimed free ad-supported streaming (FAST) TV channels, ZenLIFE and Qello Concerts, to Virgin TV's expansive customer base.

- On April 17, 2024, the Corporation announced the launch of new channels on Samsung TV Plus. This rollout introduces Qello Concerts by Stingray, ZenLIFE by Stingray and Stingray Classica to users in Mexico and Brazil, further expanding Stingray's reach in Latin America and providing audiences with a rich selection of video channels tailored to diverse tastes and preferences.

- On April 2, 2024, the Corporation announced the introduction of ZenLIFE, a rich digital wellness resource, now available as an add-on subscription on Prime Video via Prime Video Channels in the United States. Customers can explore an extensive selection of high-quality 4K wellness content, featuring relaxation and meditation guides, sleep-enhancing videos, and breathtaking nature scenes.

- On March 20, 2024, the Corporation announced the launch of Stingray All Good Vibes channels with Amazon's Prime Video Channels in Chile and Colombia, a paid add-on subscription exclusive to Prime members. Prime members will have access to subscribe to Qello Concerts by Stingray, Stingray Karaoke, Stingray Classica, Stingray DJAZZ, and Stingray Naturescape. The launch showcases the quality and diversity of Stingray's growing product portfolio and its strength in reaching new audiences.

- On March 11, 2024, the Corporation announced the launch of new channels on Samsung TV Plus in additional territories. This rollout introduces a rich selection of music and video channels tailored to diverse tastes and preferences, now available to users across Canada, Australia and New Zealand on Samsung Smart TVs, Galaxy devices, and more.

- On February 29, 2024, the Corporation announced the inclusion of Harnois Énergies' Proxi and Proxi Extra convenience stores into its extensive retail audio advertising network. This alliance welcomes 152 stores across Quebec and 35 in the Atlantic provinces, marking Stingray Advertising's first venture into the Canadian convenience store market.

- On February 15, 2024, the Corporation announced that Leap Media Group, Giant Eagle's self-built, best-in-class retail media network, will join Stingray Advertising's retail audio advertising network. Launching in 194 Giant Eagle stores across western Pennsylvania, Ohio, northern West Virginia, Maryland, and Indiana, this partnership will allow the regional food retailer to engage with high-intent shoppers through innovative audio advertising solutions, personalizing their shopping experience in a privacy-conscious way.

- During the fourth quarter of Fiscal 2024, the Corporation conducted an impairment test on intangible assets, which resulted in an impairment charge of $56.1 million solely attributable to goodwill. This non-cash impairment charge was allocated to Radio segment's group of Cash-Generating Units.

**Conference Call**

The Corporation will hold a conference call Wednesday, June 5, 2024, at 10:00 AM (ET) to review its financial results. Interested parties can join the call by dialing 289-514-5100 (Toronto), 646-307-1865 (New York) or 1-800-717-1738 (toll free). A rebroadcast of the conference call will be available until midnight, July 5, 2024, by dialing 289-819-1325 or 888-660-6264 and entering passcode 75699.

**About Stingray**

Stingray (TSX: RAY.A; RAY.B), a global music, media, and technology company, is an industry leader in TV broadcasting, streaming, radio, business services, and advertising. Stingray provides an array of music, digital, and advertising services to enterprise brands worldwide, including audio and video channels, over 100 radio stations, subscription video-on-demand content, FAST channels, karaoke products and music apps, and in-car and on-board infotainment content. Stingray Business, a division of Stingray, provides commercial solutions in music, in-store advertising solutions, digital signage, and AI-driven consumer insights and feedback. Stingray Advertising is North America's largest retail audio advertising network, delivering digital audio messaging to more than 30,000 major retail locations. Stingray has close to 1000 employees worldwide and reaches 540 million consumers in 160 countries. For more information, visit www.stingray.com.

**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, 2024, 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. The Corporation calculates Cash flow from operating activities per share dividing Cash flow from operating activities by the weighted average number of shares (diluted).

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 | |
|---|---|---|---|---|
| (in thousands of Canadian dollars) | March 31, 2024 **Q4 2024** | March 31, 2023 **Q4 2023** | March 31, 2024 **Fiscal 2024** | March 31, 2023 **Fiscal 2023** |
| **Net income (loss)** | **(46,318)** | **4,447** | **(13,741)** | **30,119** |
| Impairment on goodwill | 56,119 | - | 56,119 | - |
| Net finance expense | 3,736 | 3,749 | 28,883 | 26,835 |
| Change in fair value of investments | (106) | 11 | 18 | (289) |
| Income taxes | 3,639 | 753 | 16,030 | 9,540 |
| Depreciation and write-off of property and equipment | 1,183 | 2,406 | 8,342 | 9,737 |
| Depreciation of right-of-use assets | 1,192 | 1,225 | 4,420 | 4,506 |
| Amortization of intangible assets | 4,124 | 4,547 | 17,371 | 18,737 |
| Share-based compensation | 93 | 157 | 435 | 611 |
| Performance and deferred share unit expense | 4,711 | 2,068 | 6,841 | 1,857 |
| Acquisition, legal, restructuring and other expenses | 1,050 | 7,210 | 1,137 | 12,487 |
| **Adjusted EBITDA** | **29,423** | **26,573** | **125,855** | **114,140** |
| **Adjusted EBITDA margin** | **35.2%** | **33.7%** | **36.4%** | **35.2%** |
| | | | | |
| **Net income (loss)** | **(46,318)** | **4,447** | **(13,741)** | **30,119** |
| *Adjusted for:* | | | | |
| Impairment on goodwill | 56,119 | - | 56,119 | - |
| Unrealized loss (gain) on derivative instruments | (2,252) | (70) | (1,431) | 739 |
| Amortization of intangible assets | 4,124 | 4,547 | 17,371 | 18,737 |
| Change in fair value of investments | (106) | 11 | 18 | (289) |
| Share-based compensation | 93 | 157 | 435 | 611 |
| Performance and deferred share unit expense | 4,711 | 2,068 | 6,841 | 1,857 |
| Acquisition, legal, restructuring and other expenses | 1,050 | 7,210 | 1,137 | 12,487 |
| Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets, unrealized loss (gain) on derivative instruments and acquisition, legal, restructuring and other expenses | (2,039) | (3,702) | (6,437) | (9,059) |
| **Adjusted Net income** | **15,382** | **14,668** | **60,312** | **55,202** |
| Average number of shares outstanding (diluted) | 68,811 | 69,459 | 69,104 | 69,770 |
| **Adjusted Net income per share (diluted)** | **0.22** | **0.21** | **0.87** | **0.79** |

| (in thousands of Canadian dollars) | March 31, 2024 **Fiscal 2024** | March 31, 2023 **Fiscal 2023** |
|---|---|---|
| **LTM Adjusted EBITDA** | **125,855** | **114,140** |
| Permanent cost-saving initiatives | 2,758 | 2,325 |
| **Pro Forma Adjusted EBITDA** | **128,613** | **116,465** |

### Adjusted Free Cash Flow Reconciliation to Cash Flow from Operating Activities

| | 3 months | | 12 months | |
|---|---|---|---|---|
| (in thousands of Canadian dollars) | March 31, 2024 **Q4 2024** | March 31, 2023 **Q4 2023** | March 31, 2024 **Fiscal 2024** | March 31, 2023 **Fiscal 2023** |
| **Cash flow from operating activities** | **44,263** | **27,552** | **118,526** | **86,949** |
| *Add / Less :* | | | | |
| Acquisition of property and equipment | (2,351) | (2,987) | (7,812) | (8,234) |
| Acquisition of intangible assets other than internally developed intangible assets | (355) | (383) | (1,231) | (1,281) |
| Addition to internally developed intangible assets | (1,148) | (1,236) | (5,001) | (5,943) |
| Interest paid | (6,641) | (6,842) | (25,927) | (23,892) |
| Repayment of lease liabilities | (929) | (1,122) | (4,351) | (4,433) |
| Net change in non-cash operating working capital items | (17,661) | (7,077) | 5,983 | 7,482 |
| Unrealized loss (gain) on foreign exchange | (958) | (206) | 636 | 527 |
| Acquisition, legal, restructuring and other expenses | 1,050 | 7,210 | 1,137 | 12,487 |
| **Adjusted free cash flow** | **15,270** | **14,909** | **81,960** | **63,662** |

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

| (in thousands of Canadian dollars) | **March 31, 2024** | **March 31, 2023** |
|---|---|---|
| Credit facilities | 338,712 | 360,990 |
| Subordinated debt | 25,579 | 25,543 |
| Cash and cash equivalents | (9,606) | (15,453) |
| **Net debt** | **354,685** | **371,080** |
| **Net debt to Pro Forma Adjusted EBITDA** | **2.76** | **3.19** |

**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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