STINGRAY

NEWS RELEASE

Stingray Reports First Quarter Results for Fiscal 2025

Broadcast and Commercial Music Revenues Soar with 17.1% Organic Growth YoY

- Revenues increased 12.8% to $89.1 million in the first quarter of fiscal 2025 from $79.0 million in the first quarter of 2024;
- Adjusted EBITDA(1) improved 9.9% to $31.1 million in the first quarter of 2025 from $28.3 million in the first quarter of 2024. Adjusted EBITDA(1) by segment was $23.0 million or 40.4% of revenues for Broadcasting and Commercial Music, $9.9 million or 30.8% of revenues for Radio, and $(1.8) million for Corporate;
- Net income totaled $7.3 million, or $0.11 per share, in the first quarter of 2025 compared to $14.1 million, or $0.20 per share, in the first quarter of 2024;
- Adjusted net income(1) increased 17.2% to $13.9 million, or $0.20 per share, in the first quarter of 2025 from $11.9 million, or $0.17 per share, in the same period of 2024;
- Cash flow from operating activities amounted to $10.8 million, or $0.16 per share, in the first quarter of 2025 compared to $24.3 million, or $0.35 per share, in the first quarter of 2024;
- Adjusted free cash flow(1) reached $15.5 million, or $0.22 per share, in the first quarter of 2025 compared to $18.5 million, or $0.27 per share, in the same period last year;
- Net debt to Pro Forma Adjusted EBITDA(1) ratio attained 2.77x in the first quarter of 2025 compared to 3.28x in the first quarter of 2024; and
- Repurchased and cancelled 307,200 shares for a total of $2.3 million in the first quarter of 2025.

Montreal, August 6, 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 first quarter of fiscal 2025 ended June 30, 2024.

Financial Highlights (in thousands of dollars, except per share data)	**Three months ended June 30**		
	Q1-2025	**Q1-2024**	**%**
Revenues	**89,070**	**78,992**	12.8
Adjusted EBITDA(1)	**31,070**	**28,266**	9.9
Net income	**7,295**	**14,118**	(48.3)
Per share – diluted ($)	**0.11**	**0.20**	(45.0)
Adjusted Net income(1)	**13,933**	**11,893**	17.2
Per share – diluted ($)	**0.20**	**0.17**	17.6
Cash flow from operating activities	**10,750**	**24,260**	(55.7)
Adjusted free cash flow(1)	**15,462**	**18,457**	(16.2)

(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 4 of this news release for more information about each non-IFRS measure and refer to pages 5-6 for the reconciliations to the most directly comparable IFRS financial measures.

Reporting on first quarter results, Stingray's President, co-founder and CEO Eric Boyko stated:

“Stingray opened fiscal 2025 with robust sales contributions from retail media and FAST channels, as advertising revenues nearly doubled year-over-year. Retail media revenues grew more than 55% in the first quarter of 2025, and FAST channel revenues soared into the triple-digit range, delivering unprecedented growth for advertising revenues. As a result, we achieved a remarkable organic growth of 17.1%. Clearly, we are benefiting from increased penetration with large pharmaceuticals in the retail media market with plenty of inventory left to fill in the U.S. and Canada. On the FAST channel front, in which Stingray reached a run-rate of 55 milllion listening hours per quarter, we’re leveraging strong relationships with partners like Samsung, LG and Vizio to capture market share. We also recently signed an agreement with the Roku Channel to introduce TikTok Radio, Qello Concerts and two exclusive Stingray Music audio channels to American and Canadian audiences. As a result, we’re highly confident about doubling FAST channel revenues this year.”

“In terms of in-car audio entertainment, which has longer sales and revenue recognition cycles than advertising, we generated double-digit revenue growth in the first quarter. Stingray Karaoke has been deployed in approximately two-thirds of the 300,000 targeted cars at BYD, while the pipeline for other manufacturers remains replete with opportunities.”

“Altogether, revenues for our Broadcasting and Commercial Music business increased 20.5% to $56.9 million in the first quarter of 2025, while Radio revenues improved 1.3% to $32.2 million as we continued to outperform the industry with expanding revenue streams from digital technology,” Mr. Boyko concluded.

Inaugural Sustainability Report

On August 6, 2024, Stingray released its first Sustainability Report inspired by the Sustainability Accounting Standards Board (SASB) framework and UN Sustainable Development Goals (SDGs). This inaugural report, which covers activities for the fiscal year ended March 31, 2024, prioritizes factors that will have the greatest impact on the Corporation’s operations and stakeholders. Stingray’s sustainability framework has been structured around three main pillars: Social prosperity, responsible business, and environmental engagement.

First Quarter Results

Revenues increased $10.1 million, or 12.8%, to $89.1 million in the first quarter of 2025 from $79.0 million in the first quarter of 2024. The year-over-year growth was mainly due to an increase in FAST channel and retail media advertising revenues.

Revenues in Canada rose $1.7 million, or 3.7%, to $49.0 million in the first quarter of 2025 from $47.3 million in the same period in 2024. The growth can mainly be attributed to higher equipment and installation sales related to digital signage.

Revenues in the United States grew $8.9 million, or 46.5%, to $28.0 million in the first quarter of 2025 from $19.1 million in the first quarter of 2024. The increase was primarily due to greater FAST channel and retail media advertising revenues.

Revenues in Other countries decreased $0.5 million, or 4.2%, to $12.1 million in the first quarter of 2025 from $12.6 million in the first quarter of 2024. The decline was mainly due to reduced subscription and audio channel revenues, partially offset by increased equipment and installation sales related to digital signage.

Broadcasting and Commercial Music revenues increased $9.7 million, or 20.5%, to $56.9 million in the first quarter of 2025 from $47.2 million in the first quarter of 2024. The growth was mainly driven by greater FAST channel and retail media advertising revenues. For the first quarter of 2025, Radio revenues grew $0.4 million, or 1.3%, to $32.2 million from $31.8 million in the same period of 2024. This increase was largely due to higher digital revenues.

Total streaming subscribers ended at 788,180 for the first quarter of 2025, down 0.9% from the first quarter of 2024.

Consolidated Adjusted EBITDA improved $2.8 million, or 9.9%, to $31.1 million in the first quarter of 2025 from $28.3 million in the initial quarter of 2024. Adjusted EBITDA margin reached 34.9% in the first quarter of 2024 compared to 35.8% in the same period last year. The increase in Adjusted EBITDA year-over-year can be attributed to higher revenues, while Adjusted EBITDA margin declined due to revenue mix and lower margins for retail media advertising.

For the first quarter of 2025, net income totaled $7.3 million, or $0.11 per share, compared to $14.1 million, or $0.20 per share, in the first quarter of 2024. The decrease was mainly caused by an unrealized loss in the current period compared to an unrealized gain in the comparative period on the fair value of derivative financial instruments and to a one-time settlement gain from a trademark dispute in the comparable period. These items were partially offset by improved operating results in the first quarter of 2025.

Cash flow generated from operating activities amounted to $10.8 million in the first quarter of 2025 compared to $24.3 million in the first quarter of 2024. The decrease was mainly due to a higher negative change in non-cash operating items, greater income taxes paid, and to a one-time settlement gain from a trademark dispute in the comparable period. These items were partially offset by improved operating results in the first quarter of 2025. Adjusted free cash flow generated in the first quarter of 2025 totaled $15.5 million compared to $18.5 million in the same period in 2024. The decline was mainly related to higher income taxes paid, partially offset by improved operating results.

As of June 30, 2024, the Corporation had cash and cash equivalents of $9.2 million, subordinated debt of $25.6 million and credit facilities of $345.9 million, of which approximately $46.9 million was available.

Declaration of Dividend

On August 6, 2024, the Corporation declared a dividend of $0.075 per subordinate voting share, variable subordinate voting share and multiple voting share. The dividend will be payable on or around September 13, 2024 to shareholders on record as of August 30, 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 July 17, 2024, the Corporation announced the launch of two free ad-supported TV channels, Qello Concerts by Stingray and ZenLIFE by Stingray, on Amazon Freevee.

- On July 9, 2024, the Corporation announced the acquisition of The Coda Collection, a premier music-focused streaming platform. This strategic move solidifies Stingray's position as the leading provider of concert streaming on the world's most popular platforms.

- On June 25, 2024, the Corporation announced the launch of several FAST (Free Ad-Supported Streaming TV) channels on The Roku Channel, expanding its offerings in both the United States and Canada. This exciting development includes the debut of TikTok Radio on The Roku Channel, as well as the introduction of Qello Concerts and two exclusive Stingray Music audio channels, Classic Rock and Greatest Hits, in Canada.

- On June 24, 2024, the Corporation announced that Mr. Ian Lurie has been appointed to the Board of Directors of the Corporation (the "Board"). The Corporation also announced that Mr. Frédéric Lavoie has resigned from the Board, effective as at the close of business on June 21, 2024. Mr. Lavoie also served as a member of the Audit Committee of the Board. Mr. Lavoie will continue to serve as special advisor to the Board and the Corporation wishes to thank Mr. Lavoie for his service as a board member.

- On June 19, 2024, the Corporation announced that the 5,000,000 multiple voting shares of the Corporation ("Multiple Voting Shares") held by Télésystème Média Can Inc. have been voluntarily converted (the "Conversion Event") into 5,000,000 subordinate voting shares of the Corporation ("Subordinate Voting Shares").

- On June 13, 2024, the Corporation introduced its premier music and video content applications via Samsung VXT (Visual eXperience Transformation). As a premier global partner of Samsung VXT, Stingray is launching the VXT PIRS (Pre-Integrated Repeatable Solution) App – Stingray Music, Ultimate Trivia, Stingray Naturescape, and ZenLIFE to enhance ambiance and improve customer experiences in commercial and public spaces.

Conference Call
The Corporation will hold a conference call tomorrow, August 7, 2024, at 9:00 AM (ET) to review its financial results. Interested parties can join the call by dialing 1-800-717-1738 (toll free), 1-289-514-5100 (Toronto) or 1-646-307-1865 (New York). A rebroadcast of the conference call will be available until midnight, September 7, 2024, by dialing 1-289-819-1325 or 1-888-660-6264 and entering passcode 24798.

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 global 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 1,000 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.

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.

Reconciliation of Net income to Adjusted EBITDA, Adjusted Net income, LTM Adjusted EBITDA and Pro Forma Adjusted EBITDA

	3 months		
	June 30, 2024	June 30, 2023	March 31, 2024
(in thousands of Canadian dollars)	**Q1 2025**	**Q1 2024**	**Q4 2024**
Net income (loss)	**7,295**	**14,118**	**(46,318)**
Impairment on goodwill	-	-	56,119
Net finance expense	9,099	4,406	3,736
Change in fair value of investments	(42)	107	(106)
Income taxes	3,523	5,738	3,639
Depreciation and write-off of property and equipment	2,075	2,385	1,183
Depreciation of right-of-use assets	1,090	1,085	1,192
Amortization of intangible assets	4,171	4,433	4,124
Share-based compensation	130	101	93
Performance and deferred share unit expense	836	(1,207)	4,711
Share of results of investments in associates	2,052	-	(354)
Acquisition, legal, restructuring and other expenses	841	(2,900)	1,404
Adjusted EBITDA	**31,070**	**28,266**	**29,423**
Adjusted EBITDA margin	**34.9%**	**35.8%**	**35.2%**
Net income	**7,295**	**14,118**	**(46,318)**
Adjusted for:			
Impairment on goodwill	-	-	56,119
Unrealized loss (gain) on derivative instruments	1,053	(3,635)	(2,252)
Amortization of intangible assets	4,171	4,433	4,124
Change in fair value of investments	(42)	107	(106)
Share-based compensation	130	101	93
Performance and deferred share unit expense	836	(1,207)	4,711
Acquisition, legal, restructuring and other expenses	841	(2,900)	1,404
Equity loss (gain) on investments	2,052	-	(354)
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, share of results of investments in associates, legal, restructuring and other expenses	(2,403)	876	(2,039)
Adjusted Net income	**13,933**	**11,893**	**15,382**
Average number of shares outstanding (diluted)	69,209	69,433	68,811
Adjusted Net income per share (diluted)	**0.20**	**0.17**	**0.22**

(in thousands of Canadian dollars)	**June 30, 2024**	**June 30, 2023**	**March 31, 2024**
LTM Adjusted EBITDA	**128,659**	**116,320**	**125,855**
Permanent cost-saving initiatives	2,309	1,880	2,758
Pro Forma Adjusted EBITDA	**130,968**	**118,200**	**128,613**

Reconciliation of Cash Flow From Operating Activities to Adjusted Free Cash Flow

	3 months		
(in thousands of Canadian dollars)	June 30, 2024 **Q1 2025**	June 30, 2023 **Q1 2024**	March 31, 2024 **Q4 2024**
Cash flow from operating activities	**10,750**	**24,260**	**44,263**
Add / Less :			
Acquisition of property and equipment	(1,486)	(1,369)	(2,351)
Acquisition of intangible assets other than internally developed intangible assets	(444)	(302)	(355)
Addition to internally developed intangible assets	(1,282)	(1,300)	(1,148)
Interest paid	(5,979)	(5,573)	(6,641)
Repayment of lease liabilities	(992)	(1,057)	(929)
Net change in non-cash operating working capital items	12,833	6,090	(17,661)
Unrealized loss (gain) on foreign exchange	1,221	608	(958)
Acquisition, legal, restructuring and other expenses	841	(2,900)	1,404
Adjusted free cash flow	**15,462**	**18,457**	**15,624**

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

(in thousands of Canadian dollars)	**June 30, 2024**	**June 30, 2023**	**March 31, 2024**
Credit facilities	345,854	374,114	338,712
Subordinated debt	25,581	25,565	25,579
Cash and cash equivalents	(9,184)	(11,682)	(9,606)
Net debt	**362,251**	**388,000**	**354,685**
Net debt to Pro Forma Adjusted EBITDA	**2.77**	**3.28**	**2.76**

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

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