STINGRAY

NEWS RELEASE

Stingray Reports Third Quarter Results for Fiscal 2025

Exceeds expectations with strong adjusted EBITDA[1] and reaches record revenues

- **Revenues increased 7.9% to $108.2 million in the third quarter of 2025 from $100.3 million in the third quarter of 2024;**
- **Organic growth of 3.5% year-over-year in Broadcast and Recurring Commercial Music Revenues largely driven by FAST channel sales;**
- **Adjusted EBITDA[(1)] improved 9.0% to $42.1 million in the third quarter of 2025 from $38.6 million in the third quarter of 2024. Adjusted EBITDA by segment was $31.6 million or 43.7% of revenues for Broadcasting and Commercial Music, $12.5 million or 34.8% of revenues for Radio, and $(2.0) million for Corporate;**
- **Net income totaled $15.7 million, or $0.23 per share[(1)], in the third quarter of 2025 compared to $9.1 million, or $0.13 per share[(1)], in the third quarter of 2024;**
- **Adjusted Net income[(1)] amounted to $23.4 million, or $0.34 per share[(1)], in the third quarter of 2025 compared to $18.5 million, or $0.27 per share[(1)], in the same period last year;**
- **Cash flow from operating activities increased 14.5% to $35.4 million, or $0.51 per share[(1)], in the third quarter of 2025 from $30.9 million, or $0.45 per share[(1)], in the third quarter of 2024;**
- **Adjusted free cash flow[(1)] decreased 10.9% to $28.6 million, or $0.42 per share[(1)], in the third quarter of 2025 from $32.1 million, or $0.47 per share[(1)], in the third quarter of 2024;**
- **Net debt to Pro Forma Adjusted EBITDA[(1)] ratio dropped at 2.54x in the third quarter of 2025 compared to 2.99x in the same period in 2024; and**
- **Repurchased and cancelled 271,200 shares for a total of $2.0 million in the third quarter of 2025 compared to 372,400 shares for a total of $1.9 million in the third quarter of 2024.**

Montreal, February 4, 2025 – 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 third quarter of fiscal 2025 ended December 31, 2024.

Financial Highlights (in thousands of Canadian dollars, except per share data)	**Three months ended December 31**			**Nine months ended December 31**		
	2025	2024	%	**2025**	2024	%
Revenues	**108,228**	**100,278**	7.9	**290,883**	**261,763**	11.1
Adjusted EBITDA[(1)]	**42,108**	**38,648**	9.0	**107,172**	**96,432**	11.1
Net income	**15,677**	**9,070**	72.9	**28,785**	**32,577**	(11.6)
Per share – diluted ($)	**0.23**	**0.13**	76.9	**0.42**	**0.47**	(10.6)
Adjusted Net income[(1)]	**23,424**	**18,483**	26.7	**54,086**	**44,930**	20.4
Per share – diluted ($)	**0.34**	**0.27**	25.9	**0.78**	**0.65**	20.0
Cash flow from operating activities	**35,387**	**30,902**	14.5	**65,320**	**74,263**	(12.0)
Adjusted free cash flow[(1)]	**28,636**	**32,146**	(10.9)	**65,201**	**65,170**	0.0

(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 pages 6-7 for the reconciliations to the most directly comparable IFRS financial measures.

Reporting on third quarter results for fiscal 2025, Stingray's President, co-founder and CEO Eric Boyko stated:

"We continued to outperform Street expectations in the third quarter of fiscal 2025 with record adjusted EBITDA of $42.1 million on unprecedented revenues of $108.2 million. These outstanding financial results were mainly driven by ongoing strength in our FAST channel business, which has benefited from a pilot project with TV manufacturer VIZIO. Robust FAST channel revenue contributions, higher equipment and installation sales related to digital signage, and improved Radio revenues were the primary drivers behind revenue growth year-over-year.

"Looking ahead, we intend to enhance the monetization of our audio retail media network, which boasts more than 30,000 locations across North America, by optimizing pricing on measurable data, adding sales staff and channels to improve the sell-out rate of our current inventory, maximizing the number of ads per hour for retailers, and expanding our footprint. We also have created a complementary revenue stream by deploying in-store video advertising in 600 Metro banners throughout the province of Quebec with additional deployments at affiliated Jean Coutu and Brunet drugstores planned for the upcoming year. Consequently, retail media advertising remains a key growth vector for Stingray in 2025 and beyond.

"On the in-car entertainment front, we delivered incremental sales growth in the third quarter with Stingray Karaoke's 100,000 song catalogue increasingly becoming the default, value-added service for connected cars on a global basis. In partnership with BYD and The Singing Machine, we also announced the launch of a multi-featured microphone for the automobile manufacturer's fleet of new energy vehicles, fully compatible with our updated karaoke application.

"Altogether, revenues for our Broadcasting and Commercial Music business increased 10.0% to $72.2 million in the third quarter of 2025, while Radio revenues, supported by strong digital share gains, rose 4.0% to $36.0 million.

"Finally, I am pleased to report that we recently secured an additional $80 million in financing from a banking syndicate to pursue growth opportunities. The refinancing consists of a $500 million revolving credit facility maturing in December 2028. This new borrowing agreement provides additional liquidity for our working capital and greater flexibility to explore strategic acquisitions," Mr. Boyko concluded.

Third Quarter Results

Revenues increased $7.9 million, or 7.9%, to $108.2 million in Q3 2025 from $100.3 million in Q3 2024. The year-over-year growth was mainly driven by increases in FAST channel revenues, higher equipment and installation sales related to digital signage, and greater Radio revenues. These factors were partially offset by lower retail media advertising sales driven by a one-time large order last year.

For the quarter, revenues in Canada rose $3.2 million, or 6.2%, to $54.2 million from $51.0 million in Q3 2024. The growth reflects enhanced equipment and installation sales related to digital signage and improved Radio revenues.

Revenues in the United States grew $5.2 million, or 14.1%, to $42.3 million in Q3 2025 from $37.1 million in Q3 2024. The increase can largely be attributed to higher FAST channel sales.

Revenues in Other countries decreased $0.5 million, or 3.7%, to $11.7 million in Q3 2025 from $12.2 million in Q3 2024. The decline was mainly due to reduced subscription revenues.

Broadcasting and Commercial Music revenues increased $6.5 million, or 10.0%, to $72.2 million in Q3 2025 from $65.7 million in Q3 2024. The growth was primarily due to higher FAST channel revenues and greater equipment and installation sales related to digital signage.

Radio revenues improved $1.4 million, or 4.0%, year-over-year to $36.0 million in Q3 2025 on higher digital advertising sales, partially offset by lower national airtime revenues.

Consolidated Adjusted EBITDA(1) grew $3.5 million, or 9.0%, to $42.1 million in Q3 2025 from $38.6 million in Q3 2024. Adjusted EBITDA margin(1) reached 38.9% in Q3 2025 compared to 38.5% in the same period in 2024. The increases in Adjusted EBITDA(1) and Adjusted EBITDA margin(1) were mainly due to higher revenues as variable expenses remained relatively stable year-over-year and to a change in product mix.

Net income totaled $15.7 million, or $0.23 per share, in Q3 2025 compared to $9.1 million, or $0.13 per share, in Q3 2024. The increase was mainly due to higher operating results and a lower unrealized loss on derivative financial instruments.

Adjusted net income[(1)] reached $23.4 million, or $0.34 per share, in Q3 2025 compared to $18.5 million, or $0.27 per share, in the same period of 2024. The increase can primarily be attributed to higher operating results.

Cash flow from operating activities totaled $35.4 million in Q3 2025 compared to $30.9 million in Q3 2024. The year-over-year improvement was mainly caused by a lower negative net change in non-cash operating items and higher operating results. These factors were partially offset by a non-recurring recovery of income taxes attributable to the Radio segment in the comparable period in 2024.

Adjusted free cash flow[(1)] amounted to $28.6 million in Q3 2025 compared to $32.1 million in the same period of 2024. The decrease was mainly due to a non-recurring recovery of income taxes attributable to the Radio segment in the comparable period in 2024, partially offset by higher operating results.

As at December 31, 2024, the Corporation had cash and cash equivalents of $19.3 million and a credit facility of $370.8 million, of which $127.2 million was available. The Net Debt to Pro Forma Adjusted EBITDA ratio[(1)] stood at 2.54x as at December 31, 2024 compared to 2.99x as at December 31, 2023.

Declaration of Dividend

On February 4, 2025, 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 March 14, 2025, to shareholders on record as of February 28, 2025.

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 January 20, 2025, the Corporation announced the launch of five video channels on the ScreenHits TV in-car entertainment platform, available in Renault Grand Koleos, Nio and Porsche (Cayenne, Taycan, Panamera and 911) vehicles with upcoming plans for a worldwide release.
- On January 9, 2025, the Corporation announced that Samsung TV Karaoke, powered by the Stingray Karaoke app, has received the CES Innovation Award 2025 in the Content & Entertainment category. This award celebrates the innovative integration of the Stingray Karaoke app with Samsung’s 2025 TVs, providing an exceptional karaoke experience directly in consumers’ living rooms.
- On December 23, 2024, the Corporation announced the acquisition of Loupe Art, a leading visual art streaming service on Smart TVs and Digital Signage. This strategic acquisition aims to expand Stingray’s presence on Connected TVs and significantly enhance its offering for businesses, particularly in digital signage.
- On December 18, 2024, the Corporation announced that EarthDay *365* has launched on The Roku Channel, the home of free ad-supported streaming television on Roku, offering viewers a dedicated space to explore and celebrate the wonders of our planet.
- On December 17, 2024, the Corporation announced the launch of its diverse range of channels on LiveTVx by Anoki, an innovative AI-driven FAST (Free Ad-Supported Streaming Television) service integrated natively with Google TV.
- On December 16, 2024, the Corporation announced its partnership with Sony Honda Mobility Inc. (SHM) to expand its in-car entertainment services. Through this partnership, AFEELA customers will be able to use Stingray Karaoke and enjoy in-car karaoke services.

- On December 11, 2024, the Corporation announced the expansion of its retail media network with the introduction of video advertising across METRO food and pharmacy banners. This new offering enhances the existing in-store audio advertising partnership, providing brands with a dynamic platform to engage and convert shoppers through digital signage.

- On December 10, 2024, the Corporation announced its sales and content provisioning agreement with K2 Studios to operate and distribute the EarthDay 365 channel. This business collaboration will deliver a captivating mix of nature, conservation and science content to audiences worldwide through all of Stingray's branded services, including Free Ad-Supported Television (FAST) and Advertising Video on Demand (AVOD) platforms.

- On December 9, 2024, the Corporation announced that it successfully completed the increase and extension of its existing credit facility, providing additional liquidity for operations and M&A activities. The refinancing consists of a $500 million revolving credit facility maturing in December 2028.

- On December 2, 2024, the Corporation announced a groundbreaking content partnership with HYBE, a global entertainment lifestyle platform company. Qello Concerts by Stingray, renowned for offering the world's largest collection of full-length concerts and music documentaries, will feature 11 spectacular live concerts and documentaries showcasing BTS and SEVENTEEN, available across North America and Latin America starting this December.

- On November 20, 2024, the Corporation announced the launch of seven new free ad-supported streaming TV (FAST) channels now available for Xfinity customers to enjoy on X1 and the Xfinity Stream app.

- On November 19, 2024, the Corporation announced the launch of three new Stingray Music channels on The Roku Channel in Mexico. This expansion brings the vibrant sounds of Stingray Classic Rock, Stingray Greatest Hits, and Stingray Greatest Holiday Hits to music lovers across the country.

- On November 14, 2024, the Corporation and Singing Machine announced a Karaoke Microphone Partnership with BYD. This karaoke partnership will provide fully-featured karaoke microphones and a major update to Stingray Karaoke for BYD vehicles globally.

- On November 12, 2024, the Corporation announced the launch of Ro-Karaoke, an immersive virtual karaoke experience on Roblox, the global immersive gaming and creation platform.

Conference Call

Stingray will hold a conference call tomorrow, February 5, 2025, at 10:00 AM (ET), to review its financial results. Interested parties can join the call by dialing 514-400-3792 (Montreal) or 1-800-717-1738 (toll free). A rebroadcast of the conference call will be available until midnight, March 5, 2025, by dialing 289-819-1325 or 888-660-6264 and entering the passcode 97537.

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		9 months	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
(in thousands of Canadian dollars)	**Q3 2025**	**Q3 2024**	**YTD 2025**	**YTD 2024**
Net income	**15,677**	**9,070**	**28,785**	**32,577**
Net finance expense (income)	11,639	15,159	32,900	25,147
Change in fair value of investments	(43)	103	(56)	124
Income taxes	4,025	3,186	10,005	12,391
Depreciation and write-off of property and equipment	2,104	2,401	6,149	7,159
Depreciation of right-of-use assets	850	1,074	3,077	3,228
Amortization of intangible assets	5,098	4,003	13,468	13,247
Share-based compensation	62	121	298	342
Performance and deferred share unit expense	1,942	2,747	4,541	2,130
Share of results of investments in associates (gain) loss	(288)	509	3,591	1,520
Acquisition, legal, restructuring and other expenses	1,042	275	4,414	(1,433)
Adjusted EBITDA	**42,108**	**38,648**	**107,172**	**96,432**
Adjusted EBITDA margin	**38.9%**	**38.5%**	**36.8%**	**36.8%**
Net income	**15,677**	**9,070**	**28,785**	**32,577**
Adjusted for:				
Unrealized loss (gain) on derivative instruments	2,770	5,056	8,257	821
Amortization of intangible assets	5,098	4,003	13,468	13,247
Change in fair value of investments	(43)	103	(56)	124
Share-based compensation	62	121	298	342
Performance and deferred share unit expense	1,942	2,747	4,541	2,130
Share of results of investments in associates (gain) loss	(288)	509	3,591	1,520
Acquisition, legal, restructuring and other expenses	1,042	275	4,414	(1,433)
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	(2,836)	(3,401)	(9,212)	(4,398)
Adjusted Net income	**23,424**	**18,483**	**54,086**	**44,930**
Average number of shares outstanding (diluted)	68,742	69,068	68,978	69,282
Adjusted Net income per share (diluted)	**0.34**	**0.27**	**0.78**	**0.65**

(in thousands of Canadian dollars)	**December 31, 2024**	**December 31, 2023**	**March 31, 2024**
LTM Adjusted EBITDA	**136,595**	**123,005**	**125,855**
Permanent cost-saving initiatives	1,332	4,459	2,758
Adjusted EBITDA for the months prior to the business acquisition of The Coda Collection which are not already reflected in the results	299	-	-
Pro Forma Adjusted EBITDA	**138,226**	**127,464**	**128,613**

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

(in thousands of Canadian dollars)	3 months Dec. 31, 2024 Q3 2025	 Dec. 31, 2023 Q3 2024	9 months Dec. 31, 2024 YTD 2025	 Dec. 31, 2023 YTD 2024
Cash flow from operating activities	**35,387**	**30,902**	**65,320**	**74,263**
Add / Less :				
Acquisition of property and equipment	(1,765)	(1,742)	(5,137)	(5,461)
Acquisition of intangible assets other than internally developed intangible assets	(848)	(256)	(1,497)	(876)
Addition to internally developed intangible assets	(1,263)	(1,279)	(3,813)	(3,853)
Interest paid	(6,159)	(6,620)	(18,494)	(19,286)
Repayment of lease liabilities	(1,025)	(997)	(3,341)	(3,422)
Net change in non-cash operating working capital items	1,076	9,500	23,757	23,644
Unrealized loss (gains) on foreign exchange	2,191	2,363	3,992	1,594
Acquisition, legal, restructuring and other expenses	1,042	275	4,414	(1,433)
Adjusted free cash flow	**28,636**	**32,146**	**65,201**	**65,170**
Average number of shares outstanding (diluted)	68,742	69,068	68,978	69,282
Adjusted free cash flow per share (diluted)	**0.42**	**0.47**	**0.95**	**0.94**

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

(in thousands of Canadian dollars)	December 31, 2024	December 31, 2023	March 31, 2024
Credit facilities	370,826	362,902	338,712
Subordinated debt	–	25,577	25,579
Cash and cash equivalents	(19,253)	(6,991)	(9,606)
Net debt	**351,573**	**381,488**	**354,685**
Net debt to Pro Forma Adjusted EBITDA	**2.54**	**2.99**	**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.sedarplus.ca.

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