



# INVESTOR PRESENTATION

Fourth Quarter 2022 Results  
June 2022

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### **Forward-Looking Information**

This document contains forward-looking information within the meaning of applicable Canadian securities laws. This forward-looking information includes, but is not limited to, statements with respect to management’s expectations regarding the future growth, results of operations, performance and business prospects of the Corporation. This forward-looking information relates to, among other things, our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimations and intentions, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Statements with the words “could”, “expect”, “may”, “will”, “anticipate”, “assume”, “intend”, “plan”, “believes”, “estimates”, “guidance”, “foresee”, “continue” and similar expressions are intended to identify statements containing forward-looking information, although not all forward-looking statements include such words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include but are not limited to the risk factors disclosed in the Annual Information Form for the year ended March 31, 2022 available on SEDAR.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such assumptions include, but are not limited to, the following: our ability to generate sufficient revenue while controlling our costs and expenses; our ability to manage our growth effectively; the absence of material adverse changes in our industry or the global economy; trends in our industry and markets; the absence of any changes in law, administrative policy or regulatory requirements applicable to our business, including any change to our licenses with the CRTC; minimal changes to the distribution of the pay audio services by Pay-TV providers in light of recent CRTC policy decisions; our ability to manage risks related to international expansion; our ability to maintain good business relationships with our clients, agents and partners; our ability to expand our sales and distribution infrastructure and our marketing; our ability to develop products and technologies that keep pace with the continuing changes in technology, evolving industry standards, new product introductions by competitors and changing client preferences and requirements; our ability to protect our technology and intellectual property rights; our ability to manage and integrate acquisitions; our ability to retain key personnel; and our ability to raise sufficient debt or equity financing to support our business growth. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements. All of the forward-looking information in this MD&A is qualified by these cautionary statements. Statements containing forward-looking information contained herein are made only as of the date of this MD&A. The Corporation expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumption underlying them, whether as a result of new information, future events or otherwise, except as required by law.

### **IFRS and Non-IFRS Financial Measures**

The annual consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and are stated in Canadian dollars.

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 demonstrates its core bottom-line profitability. The Corporation believes that Adjusted Free cash flow is an important measure 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, Net debt to Adjusted EBITDA and Pro Forma Adjusted EBITDA are important measures when analyzing the significance of debt on the Corporation’s statement of financial position. 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. 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. 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.

Please refer to the Corporation’s Management Discussion and Analysis for the year ended March 31, 2022, available on SEDAR at [www.sedar.com](http://www.sedar.com) for the definition of all non-IFRS financial measures and additional IFRS measures and, when applicable, a clear quantitative reconciliation from the non-IFRS financial measures to the most directly comparable measure calculated in accordance with IFRS.

WHO WE ARE

# The Leading Distributor of Music Brands for Consumers and Businesses Globally

## BUSINESS

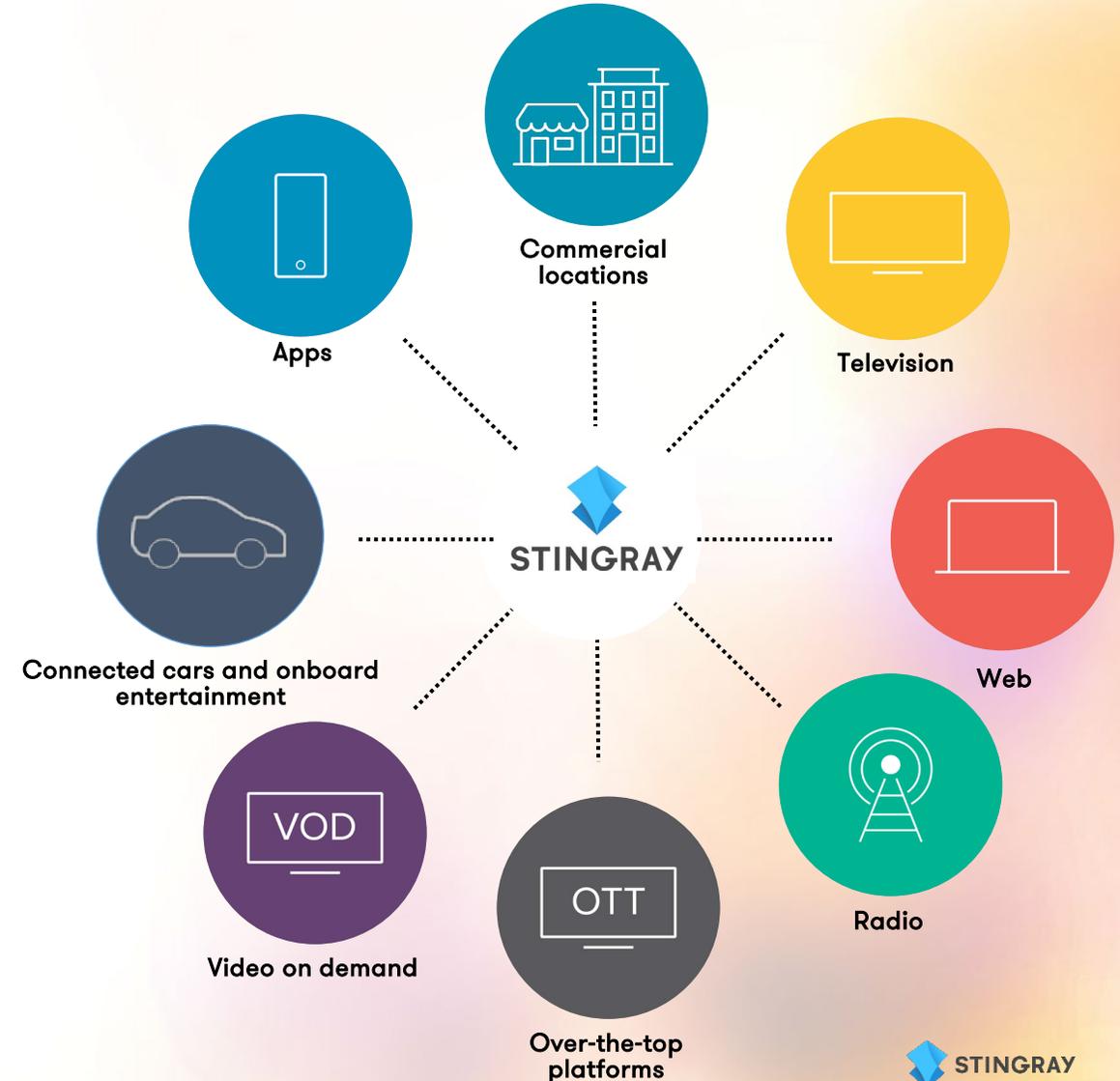
- Retail Media (Stingray Advertising)
- AI-driven customer insight (Chatter by Stingray)
- In-store commercial music and digital signage

## CONSUMERS

- Specialty audio & video TV channels
- OTT streaming services, mobile and web apps
- Connected cars and on-board entertainment systems in cars, planes and trains

## RADIO

- +100 radio stations across Canada (incl. top ranking radio stations in major Canadian cities)



## Investment Highlights

1

### **Fast-growing business segments fueling organic growth**

Retail media (Stingray Advertising), customer insights (Chatter by Stingray), streaming services and connected cars

2

### **Expert in global music distribution & rights management**

More than 400 million subscribers through multiple platforms, 101 radio licenses, 160 app downloads and over 200 licensing relationships

3

### **Strong and predictable cash flow**

Long-term contracts and strong B2B relationships

4

### **Strong advantage with proprietary innovative technologies and leading content curation expertise**

5

### **Track record of successful acquisitions and integrations**

Over 45 acquisitions completed representing outlays of approximately \$845 million

A woman with short dark hair, wearing a white blazer over a dark green shirt, is smiling warmly. She is shaking hands with a man whose back is to the camera; he is wearing a light blue shirt. They are seated at a wooden table in a bright, modern office or meeting space. A laptop is partially visible on the table in the foreground. The background is softly blurred, showing other people and warm lighting.

# Market & divisional updates

## Stingray Business – Building Solid Momentum for Growth

Stingray Business powers commercial experiences for over 140K locations worldwide.

- The most compelling value proposition with innovative digital assets including in-store audio advertising (Stingray Advertising) and AI-driven insights (Chatter by Stingray)
- Leveraging relationships with customers to increase average revenues per brand
- Leveraging Stingray Business operations to quickly grow Stingray Advertising and Chatter by Stingray



BUSINESS

## Stingray Advertising – New High-Growth Business Opportunity

Delivering targeted digital audio advertising at the point-of-purchase leveraging Stingray's technology, curated music services and advertising expertise.

In a short period of time, Stingray's Retail Media offering has evolved from nascent to dominant:

- After Metro and Dollarama, Walmart Canada has joined Stingray Advertising. Stingray will be responsible for exclusive sales representation, in partnership with the Walmart Connect sales team, of all in-store digital audio advertising within the national retailer's footprint.



# Stingray Advertising – North America’s Largest In-Store Audio Advertising Network

**SELECTED ADVERTISING CUSTOMERS**  
**20M+ AUDIO ADS PLAYS PER YEAR**



**THE LARGEST RETAIL PARTNER NETWORK**  
**20K+ DRUG & GROCERY STORES (1)**  
**140M+ SHOPPERS REACHED WEEKLY**



Note 1: Total addressable market of 300,000 locations in Canada and the USA

## AI Driven Insights - Adding Digital Solutions to Commercial Services

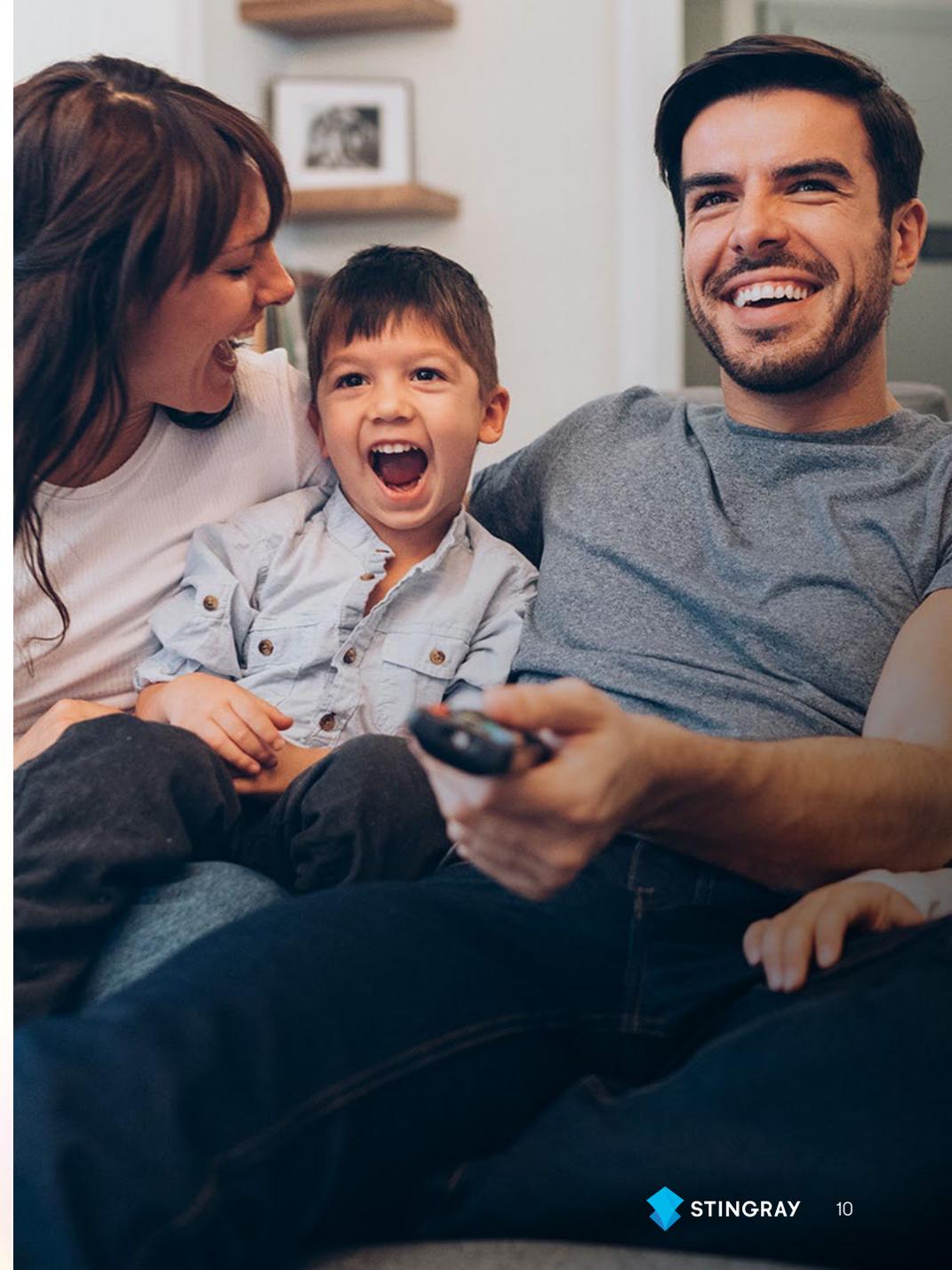
Chatter by Stingray, uses AI-driven SMS conversations to provide a better feedback experience for retailers of all types.

- Gaining momentum with continued deployments to major enterprise brands including Driven Brands, Inc.
- Hiring of seasoned executives to bolster Chatter's go-to-market strategy and sales initiatives
- Addition of various capabilities to grow the product from a feedback platform to a customer engagement platform for retail business



## Digital Fueling Organic Growth

- Pivoted product offerings to become the leading music distributor in audio and video channels, SVODs, Apps and FAST channels
- Best in class asset and rights management, programming, AI and delivery technology allows the company to scale on all platforms
- The transformation and expansion of Stingray's Broadcast and Streaming division support strong organic growth in the US and abroad for years to come



## Connected Cars - The Next Major Frontier for Streaming Services

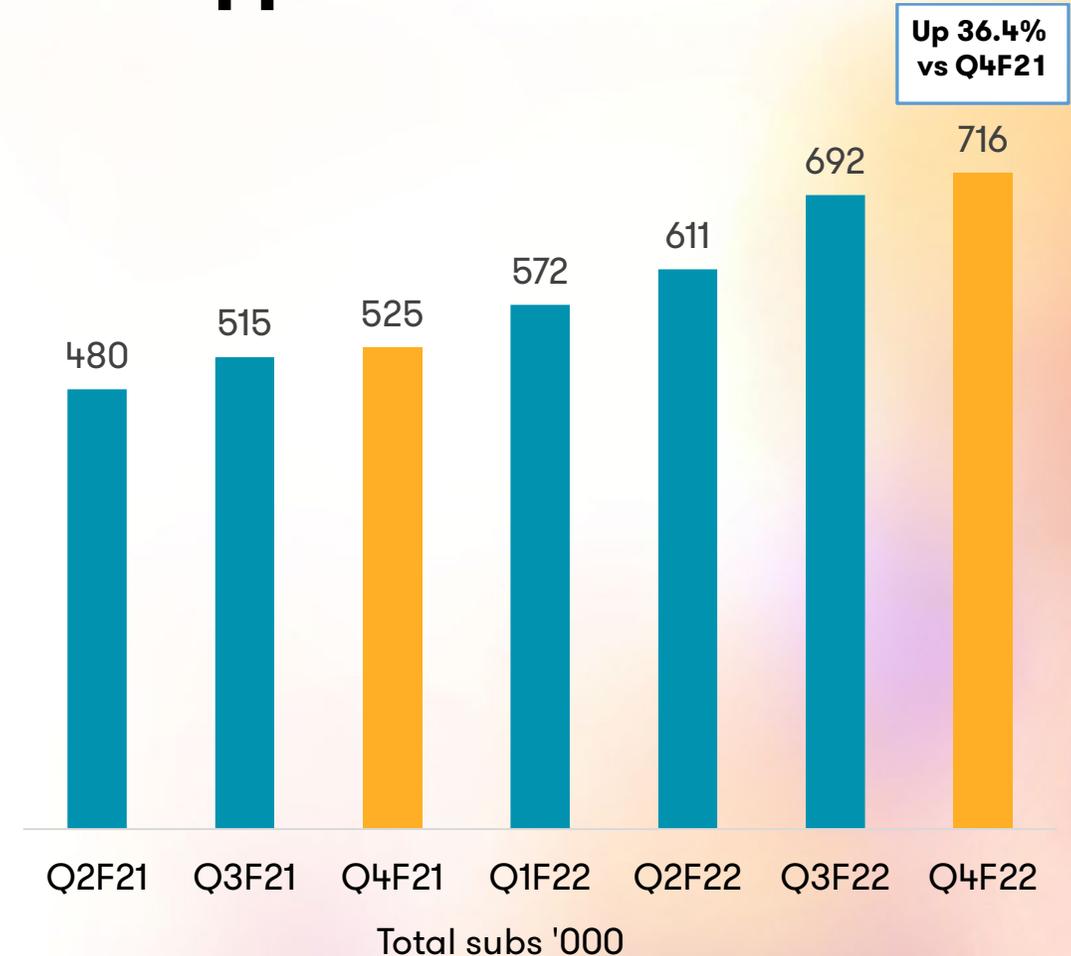
Making major inroads into the connected car space, a sector that has experienced tremendous growth. Cellular connectivity is expected to become a standard in-vehicle feature within five years.

- Tesla is one of Stingray's partners with the very successful in-car karaoke collaboration. Tesla has 1.2 million cars currently on the road and over 30,000 more being added every month.
- Stingray is working with the fast-growing electric car manufacturer, VinFast, to develop a unique offering.
- Stingray partnered with ACCESS Europe to bring Stingray Music to cars across Canada and the United States through the In-Vehicle Infotainment platform Twine4Car.



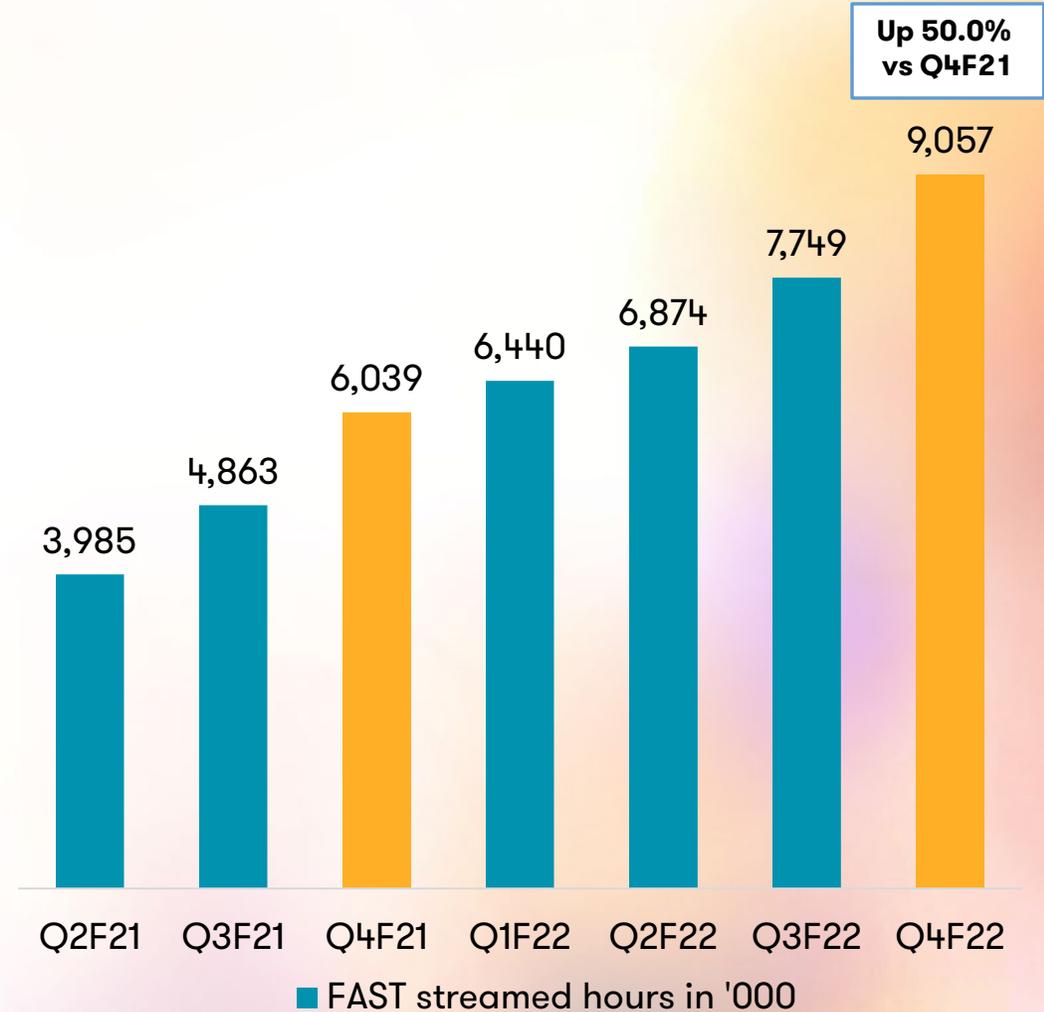
## Growing Streaming Subscriptions – SVOD & Apps

- Tapping into a market that is expected to grow 65% to 1.5B subscriptions by 2026
- 24k additional net subscribers in Q4
  - Growth fueled by the Amazon partnership
  - Q4F22 year-over-year growth of 36.4%
- Retention rates on par with industry and improving providing net overall gains in subscribers
- All Good Vibes bundle launched in Amazon Prime Video in Australia and soon to launch in India
- New markets and distribution platforms continuously deployed



# Leading Music Provider for Connected TVs and OTT Services

- US Connected TVs advertising growing by 25% YoY to 14.6B in 2023
- Penetrated the connected TV market by distributing channels over Free, Ad-Supported Streaming Television (FAST) channels on Over-The-Top (OTT)
- New distribution agreement with TCL FALCON to launch FAST channels and AVOD on its Smart TVs
- Significant growth (50% YoY) in streamed hours with the launch of multiple LG channels worldwide



Source: internal data.  
RPH: revenue per hour

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RADIO

## Stingray Radio – Leading Radio Operator in Canada

- Growth of digital offering remains strong (+75% YoY)
- Continue to improve efficiencies through consolidation and restructuring of operations
- Stingray Radio outperforming peers in 7 of our 8 measured markets as reported by TRAM for Q4
- Favorable outlook with end-market recovery still not having reached pre-pandemic levels : continued improvement for Q1 expected
- Strong cash flow fueling Stingray’s strategic initiatives





# Financial results

## 4th Quarter 2022 Business and Subsequent Highlights

### **MAY**

Metro Inc joins the Stingray Retail Media Network

### **APRIL**

Stingray signs distribution agreement with TCL FALCON to launch FAST channels and AVOD on its Smart TVs

Walmart Canada joins the Stingray Retail Media Network

Stingray launches on Amazon Prime Video Channels in Australia

### **MARCH**

Declared a dividend of \$0.075 per subordinate voting share, variable subordinate voting share and multiple voting share

Stingray Launches 17 free Ad-Supported TV Channels

### **FEBRUARY**

Declared a dividend of \$0.075 per subordinate voting share, variable subordinate voting share and multiple voting share

Stingray partners with TikTok to bring TikTok Radio to millions of household across Canada and United States

### **JANUARY**

Announced it had acquired InStore Audio Network, the largest in-store audio advertising network in the United States

# Results for Q4 2022 ended March 31, 2022<sup>(1)</sup>

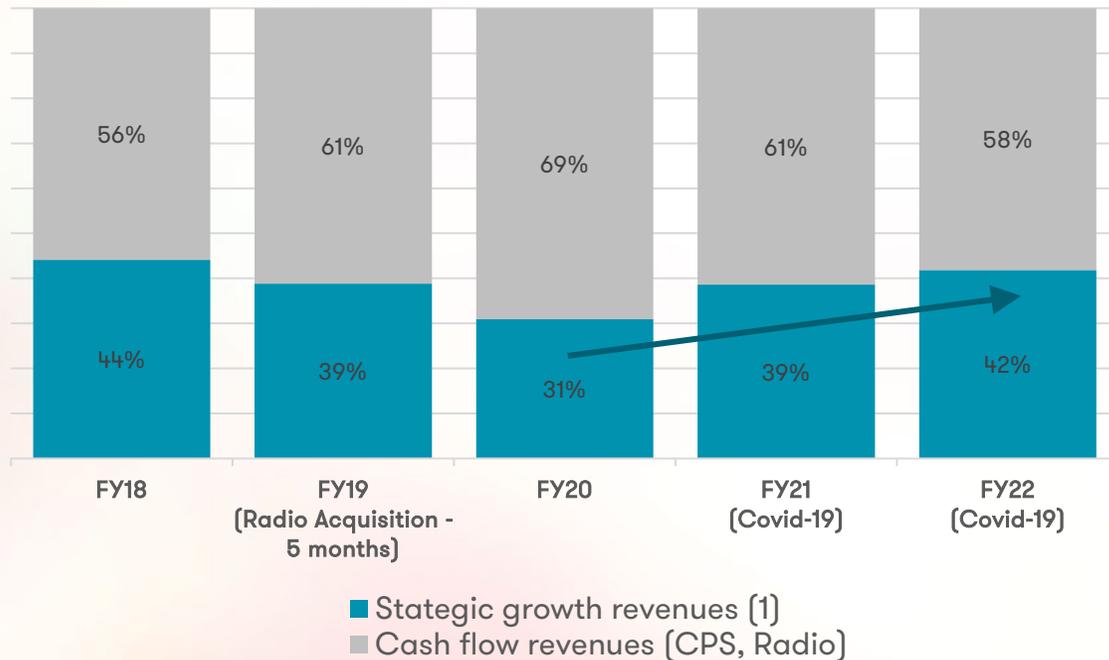
	QUARTER			12-MONTHS		
	FY22	FY21	VAR	FY22	FY21	VAR
<b>Revenues</b>	\$72.6 M	\$59.7 M	▲ 21.6%	\$282.6 M	\$247.9 M	▲ 14.0%
<b>Adjusted EBITDA</b>	\$21.0 M	\$23.6 M	▼ 11.1%	\$99.3 M	\$114.3 M	▼ 13.1%
<b>Net income</b>	\$4.5 M \$0.06 per share	\$12.1 M \$0.17 per share	▼ 63.0%	\$33.3 M \$0.47 per share	\$45.1 M \$0.61 per share	▼ 26.2%
<b>Adjusted Net income</b>	\$11.8 M \$0.17 per share	\$12.0 M \$0.16 per share	▼ 1.7%	\$56.4 M \$0.79 per share	\$62.9 M \$0.86 per share	▼ 10.3%
<b>Cash Flow from Operations</b>	\$22.1 M \$0.31 per share	\$24.5 M \$0.34 per share	▼ 9.7%	\$83.7 M \$1.17 per share	\$104.2 M \$1.42 per share	▼ 19.7%
<b>Adjusted FCF</b>	\$11.8 M \$0.17 per share	\$13.8 M \$0.19 per share	▼ 14.3%	\$56.9 M \$0.80 per share	\$74.4 M \$1.01 per share	▼ 23.4%

Note 1: Refer to “IFRS and Non-IFRS measures” and to “Supplemental information on Non-IFRS measures” in the latest quarterly report.

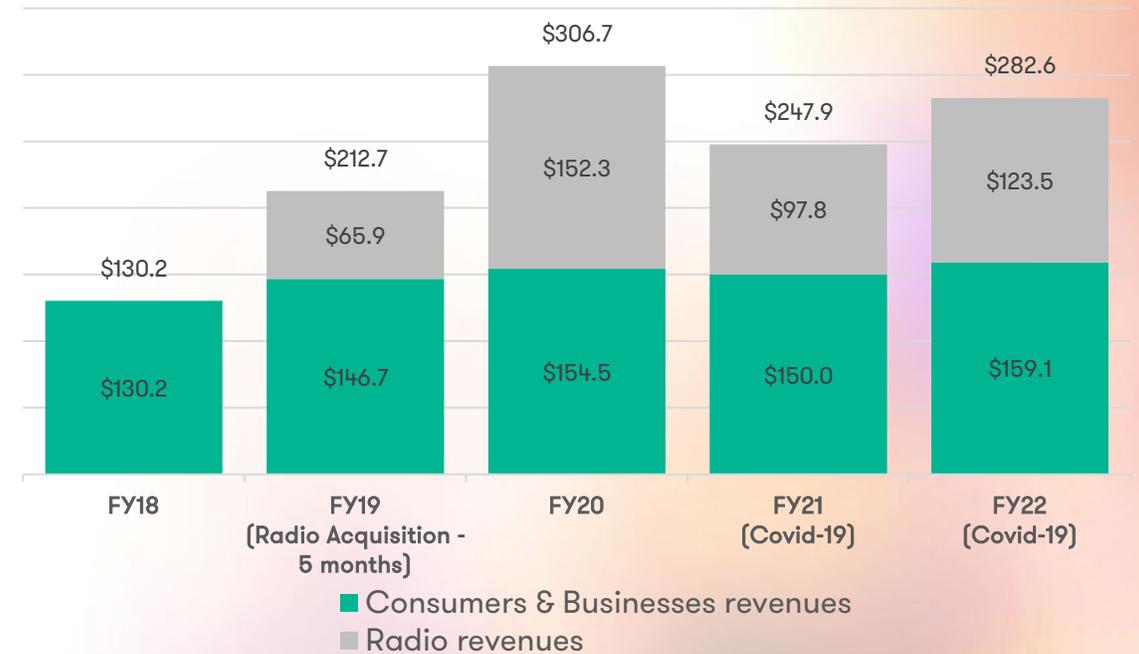
# Strategic Revenues Increase Leading to Continued Growth Perspective

## « STRATEGIC GROWTH » VS. CASH FLOW REVENUES

Strategic growth revenues in % of total revenues almost back to pre-radio acquisition level



## REVENUES PER DIVISION

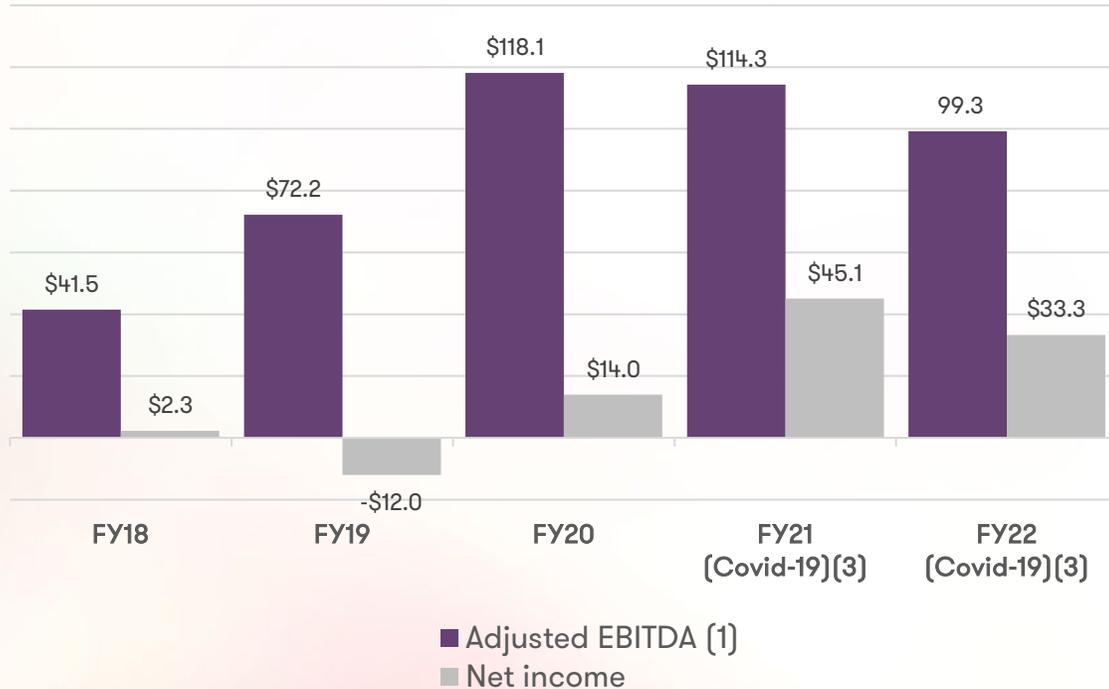


All in CAD\$ millions

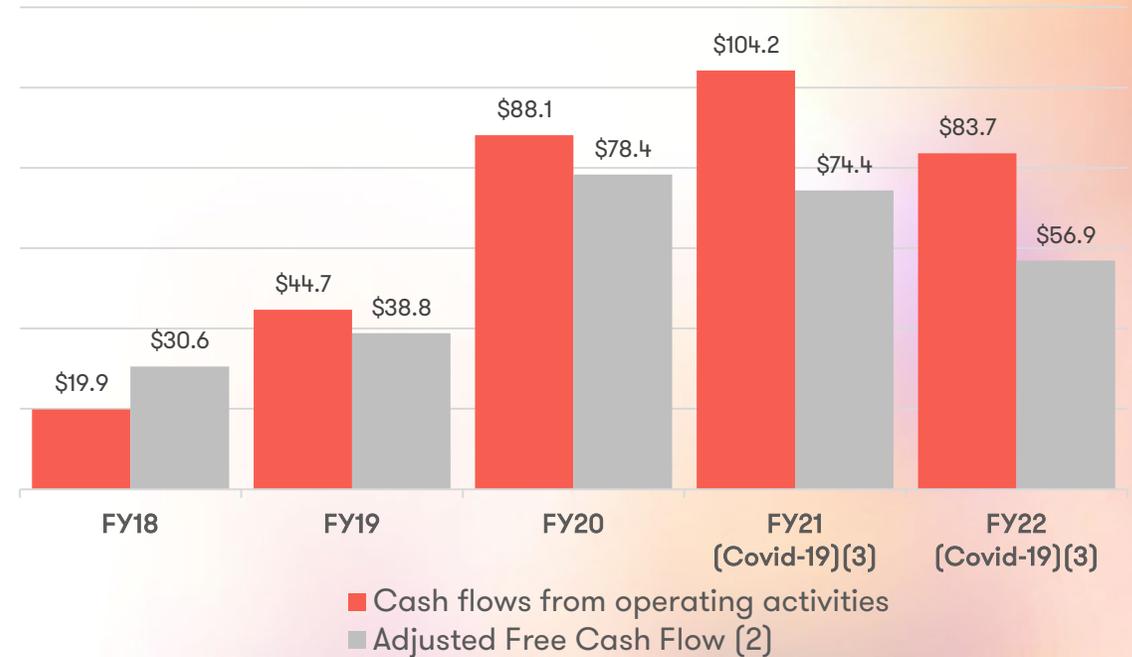
Note 1: "Strategic Growth" revenues include digital streaming & apps, FAST channels, Stingray Advertising, Chatter by Stingray, other digital sales & commercial revenues

# Business Model Leading to High Margins and High Cash Generation

## ADJUSTED EBITDA AND NET INCOME



## CASH FLOW



All in CAD\$ millions

Note 1: See the reconciliation tables for Adjusted EBITDA in the Annual and Quarterly reports.

Note 2: Refer to "IFRS and Non-IFRS measures" and "Supplemental information on Non-IFRS measures" in the Annual and Quarterly reports.

Note 3: impacted by COVID-19 government subsidies



**STINGRAY**

**Unleashing the power of music**