NEWS RELEASE

Stingray Reports Fourth Quarter 2022 Results

Fourth Quarter Highlights

- **Organic growth of 12.7% year-over-year in Broadcast and Recurring Commercial Music Revenues(1), including 50.8% in the United States**
- **Revenues increased 21.6% to $72.6 million from $59.7 million;**
- **Adjusted EBITDA(2) decreased 11.1% to $21.0 million from $23.6 million. Adjusted EBITDA(2) by segment was $14.5 million or 31.9% of revenues for Broadcasting and Commercial Music, $7.9 million or 29.0% of revenues for Radio, and $(1.4) million for Corporate;**
- **Net income was $4.5 million ($0.06 per share) compared with $12.1 million ($0.17 per share);**
- **Adjusted Net income(3) of $11.8 million ($0.17 per share) compared with $12.0 million ($0.16 per share);**
- **Cash flow from operating activities decreased 9.7% to $22.1 million ($0.31 per share) compared to $24.5 million ($0.34 per share);**
- **Adjusted free cash flow(4) decreased 14.3% to $11.8 million ($0.17 per share) compared to $13.8 million ($0.19 per share);**
- **Net debt to Pro Forma Adjusted EBITDA(2) ratio of 3.16x; and**
- **715,989 streaming subscribers, up 36.4% year-over-year.**

Full Year Highlights

- **Organic growth of 5.5% year-over-year in Broadcast and Recurring Commercial Music Revenues(1), including 23.2% in the United States**
- **Revenues increased 14.0% to $282.6 million from $247.9 million;**
- **Adjusted EBITDA(2) decreased 13.1% to $99.3 million from $114.3 million. Adjusted EBITDA(2) by segment was $58.3 million or 36.7% of revenues for Broadcasting and Commercial Music, $46.2 million or 37.4% of revenues for Radio and $(5.2) million for Corporate;**
- **Net income was $33.3 million ($0.47 per share) compared with $45.1 million ($0.61 per share);**
- **Adjusted Net income(3) of $56.4 million ($0.79 per share) compared with $62.9 million ($0.86 per share);**
- **Cash flow from operating activities decreased 19.7% to $83.7 million ($1.17 per share) compared to $104.2 million ($1.42 per share);**
- **Adjusted free cash flow(4) decreased 23.4% to $56.9 million ($0.80 per share) compared to $74.4 million ($1.01 per share); and**
- **2,106,000 shares repurchased and cancelled for a total of $15.0 million.**

Montreal, June 7, 2022 – 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, 2022.

Financial Highlights (in thousands of Canadian dollars, except per share data)	**Three months ended March 31**			**Twelve months ended March 31**		
	2022	2021	%	**2022**	2021	%
Revenues	**72,644**	59,740	21.6	**282,626**	247,857	14.0
Adjusted EBITDA(2)	**21,023**	23,638	(11.1)	**99,269**	114,268	(13.1)
Net income	**4,466**	12,077	(63.0)	**33,287**	45,104	(26.2)
Per share – diluted ($)	**0.06**	0.17	(64.7)	**0.47**	0.61	(24.2)
Adjusted Net income(3)	**11,780**	11,981	(1.7)	**56,389**	62,855	(10.3)
Per share – diluted ($)(3)	**0.17**	0.16	6.3	**0.79**	0.86	(8.1)
Cash flow from operating activities	**22,127**	24,514	(9.7)	**83,663**	104,246	(19.7)
Adjusted free cash flow(4)	**11,833**	13,808	(14.3)	**56,933**	74,359	(23.4)

(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 services and excludes credits to clients related to the COVID-19 pandemic. Non-recurring revenues mainly include advertising, support, installation, equipment, one-time fees and discontinued operations

(2) Adjusted EBITDA is a non-IFRS measure and is defined as net income before net finance expense (income), change in fair value of investments, income taxes, depreciation and write-off of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, share-based compensation, performance and deferred share unit expense, and acquisition, legal, restructuring and other expenses.

(3) Adjusted Net income is a non-IFRS measure and is defined as net income before change in fair value of investments, mark-to-market losses (gains) on derivative instruments, amortization of intangible assets, share-based compensation, performance and deferred share unit expense, and acquisition, legal, restructuring and other expenses, net of related income taxes.

(4) Adjusted free cash flow is a non-IFRS measure and is defined as cash flow from operating activities less capital expenditures, interests paid and repayment of lease liabilities, plus acquisition, legal, restructuring and other expenses, and adjusted for unrealized gain or loss on foreign exchange and for the net change in non-cash working capital items.

(5) Pro Forma Adjusted EBITDA is calculated as the Corporation's last twelve months Adjusted EBITDA, plus synergies and pro forma Adjusted EBITDA for the months prior to the acquisitions which are not already reflected in the results.

Reporting on Stingray's fiscal 2022 and fourth quarter performance, President, Co-Founder and CEO Eric Boyko stated: "We are encouraged by our fiscal 2022 results with revenues increasing 14.0% to $282.6 million, reflecting a return to normal business activities post-pandemic and the InStore Audio Network acquisition. Although adjusted EBITDA declined 13.1% compared to 2021, when contributions from the Canadian Emergency Wage Subsidy (CEWS) program are excluded, Adjusted EBITDA actually increased. We also continued investing in high-growth areas, notably in Retail Media. As always, our capital allocation strategy rewarded shareholders by returning more than $36 million to them in the form of shares repurchased and dividends."

"In the fourth quarter of 2022, our revenues improved 21.6% to $72.6 million largely due to the same factors impacting full-year results, along with an increase in equipment and installation sales related to digital signage. Adjusted EBITDA in the fourth quarter declined 11.1% mainly due to lower CEWS and higher operating costs related to a return to normal commercial operations."

"Turning to our Broadcasting and Commercial Music business, revenue grew 6.0% in 2022, driven by the Calm Radio and InStore Audio Network acquisitions. The Retail Media segment holds much promise for fiscal 2023 based on growing demand for highly customizable audio ads within Retail Media and recent partnerships announced with Walmart Canada and Metro Inc. Under the agreement with Walmart Canada, Stingray is providing digital in-store audio advertising capabilities to boost the retail giant's influence with the 1.5 million shoppers who visit its 400 stores daily across Canada. Similarly, Stingray's audio ads will enable Metro to connect and remain top-of-mind with discerning consumers during their in-store shopping experience within the approximately 1,100 Metro network of grocery stores and pharmacies."

"Free ad-supported TV (FAST) represents another key growth vehicle for Stingray's Broadcasting and Commercial Music segment. During the fourth quarter, we launched 17 FAST channels on the streaming platform Galaxy TV in Canada and the United States. Likewise, we announced a FAST channel distribution agreement with TCL Electronics for its smart TVs in Australia, Brazil, India, Mexico and the United States after the year-end. As part of the deal, TCL will make available advertising-based, video-on-demand (AVOD) packages to viewers, including karaoke and concerts combined with beautiful imagery from the four corners of the globe. As a result, we're targeting strong revenue opportunities in FAST channels as TV viewing habits evolve."

"During the past year, the Radio segment continued its recovery, despite softness in some traditional end-markets that have not fully resumed advertising spending. Our radio network performed relatively well in local markets with growth in digital radio providing incremental revenue. As a result, radio revenues improved 26.3% year-over-year. We are pleased by the overall performance of our Radio business, in particular the strong cash flow it generates."

"Following a year of transition, we look forward to fiscal 2023 as we invest in key, high-growth vectors such as Retail Media, FAST channels, Chatter and the automobile sector. Our capital allocation strategy will be striking a balance between returning money to shareholders, and continuing to reduce our debt," Mr. Boyko concluded.

Fourth Quarter Results

Revenues in the fourth quarter increased $12.9 million, or 21.6%, to $72.6 million from $59.7 million in the fourth quarter of 2021. The increase was primarily due to the acquisition of InStore Audio Network, gradual easing of COVID-19 restrictions and the return to normal commercial operations, as well as an increase in equipment and installation sales related to digital signage.

Revenues in Canada improved $5.0 million, or 13.7%, to $40.5 million from $35.5 million in the same period in 2021. The growth was primarily due to the gradual easing of COVID-19 restrictions and the return to normal commercial operations. Revenues in the United States surged $8.7 million, or 84.7%, to $19.1 million from $10.4 million a year ago. The increase was primarily due the acquisition of InStore Audio Network and to additional subscription revenues. Revenues in Other countries declined $0.8 million, or 5.3%, to $13.0 million from $13.8 million in the fourth quarter of 2021. The decrease can be attributed to a negative foreign exchange rate impact.

Broadcasting and Commercial Music revenues in the fourth quarter of 2022 increased $9.8 million, or 27.4%, to $45.6 million from $35.8 million in the fourth quarter of 2021. The growth was driven by the acquisition of InStore Audio Network and additional subscription revenues.

For the fourth quarter of 2022, Radio revenues grew $3.1 million, or 12.9%, to $27.1 million from $24.0 million in the same period of 2021. This increase was largely due to the gradual easing of COVID-19 restrictions and return to normal commercial operations.

Adjusted EBITDA in the fourth quarter of 2022 decreased $2.6 million, or 11.1%, to $21.0 million from $23.6 million in the fourth quarter of 2021. Adjusted EBITDA margin in the fourth quarter of 2022 reached 28.9% compared to 39.6% in the same period last year. The decrease can be attributed to lower CEWS and higher operating costs due to the return to normal commercial operations. These factors were partially offset by higher revenues in the Radio segment and by the acquisition of InStore Audio Network.

For the fourth quarter of 2022, net income totaled $4.5 million ($0.06 per share) compared to $12.1 million ($0.17 per share) in the fourth quarter of 2021. The decrease was mainly related to a lower gain on derivative financial instruments and a foreign exchange loss, partially offset by a lower income tax expense. Adjusted net income amounted to $11.8 million ($0.17 per share) in the fourth quarter compared to $12.0 million ($0.16 per share) in the same period last year. The decrease was mainly caused by a lower gain on foreign exchange, partially offset by a decrease in the fair value of contingent consideration.

Cash flow generated from operating activities amounted to $22.1 million in the fourth quarter of 2022 compared to $24.5 million in the fourth quarter of 2021. The decrease can be attributed to higher restructuring and other expenses, lower foreign exchange gain as well as lower operating results. These factors were partially offset by the positive change in non-cash operating items. Adjusted free cash flow generated in the fourth quarter of 2022 totaled $11.8 million compared to $13.8 million in the same period last year. The decrease was mainly related to lower operating results, partially offset by lower interest paid.

As of March 31, 2022, the Corporation had cash and cash equivalents of $14.6 million, subordinated debt of $25.4 million and credit facilities of $358.2 million, of which approximately $78.7 million was available.

Year-End Results

Fiscal 2022 revenues increased $34.7 million, or 14.0%, to $282.6 million from $247.9 million in fiscal 2021. The increase was primarily due to gradual easing of COVID-19 restrictions and return to normal commercial operations and to the acquisition of InStore Audio Network.

Adjusted EBITDA in fiscal 2022 decreased $15.0 million, or 13.1%, to $99.3 million from $114.3 million in fiscal 2021. Adjusted EBITDA margin in fiscal 2022 reached 35.1% compared to 46.1% in 2021. The decline in adjusted EBITDA can be attributed to lower CEWS and higher operating costs, partially offset by higher revenues in the Radio segment, all caused by the gradual easing of COVID-19 restrictions and return to normal commercial operations.

Net income in fiscal 2022 totaled $33.3 million ($0.47 per share) compared to $45.1 million ($0.61 per share) in fiscal 2021. The decrease was mainly related to lower operating results, reduced gain on derivative financial instruments and a foreign exchange loss. These factors were partially offset by a decrease in the fair value of contingent consideration, lower income tax expense and by a loss on the fair value of investment in Fiscal 2021.

Adjusted net income in fiscal 2022 amounted to $56.4 million ($0.79 per share) compared to $62.9 million ($0.86 per share) in fiscal 2021. The decline was mostly related to lower operating results and foreign exchange loss; these factors were partially offset by a decrease in the fair value of contingent consideration, lower income tax expense and reduced 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 23, 2022. The dividend will be payable on or around June 15, 2022, to shareholders on record as of May 31, 2022.

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.

Additional Business Highlights and Subsequent Events

- On May 12, 2022, the Corporation announced that METRO Inc has joined the Stingray Retail Media Network. Under the agreement, Stingray will be responsible for exclusive sales representation of all in-store digital audio advertising within approximately 1,100 METRO network of food stores under several banners in Quebec and Ontario including Metro, Metro Plus, Super C and Food Basics, as well as drugstores primarily under Jean Coutu and Brunet, Metro Pharmacy and Food Basics Pharmacy banners.

- On April 20, 2022, the Corporation announced that it has reached an agreement for the distribution of a suite of free ad-supported channels (FAST channels) to TCL smart TVs in Australia, Brazil, India, Mexico and the United States. The new services within the TCL app include Qello Concerts by Stingray, Stingray Karaoke, Stingray Classica, Stingray DJAZZ, Stingray CMusic, Stingray Naturescape and Stingray Music channels for users to access at no extra cost.

- On April 19, 2022, the Corporation announced that that Walmart Canada has joined the Stingray Retail Media Network. Under the agreement, 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 Walmart Canada retail footprint.

- On April 6, 2022, the Corporation launched Stingray All Good Vibes channels with Amazon's Prime Video Channels in Australia, a paid add-on subscription exclusive to Prime members. Prime members now have access to subscribe to Qello Concerts by Stingray, Stingray Karaoke, Stingray Classica, Stingray DJAZZ, and Stingray Naturescape. The launch showcased the quality and diversity of Stingray's growing product portfolio and its strength in reaching new audiences.

- On March 23, 2022, 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 June 15, 2022, to shareholders on record as of May 31, 2022.

- On March 14, 2022, the Corporation announced that it has launched 17 free ad-supported channels (FAST channels) on the streaming platform Galxy TV in Canada and the United States.

- On March 1, 2022, the Corporation announced a partnership with Leger, the largest Canadian-owned market research and analytics firm, to measure the effectiveness of retail-based digital audio advertising in Canada. Leger will conduct surveys to demonstrate that advertising campaigns connected to the Stingray Retail Media Network drive tangible results.

- On February 23, 2022, the Corporation announced a partnership with TikTok, the leading destination for short-form mobile video, to launch TikTok Radio. The collaboration will bring TikTok's top trending music and artists to Stingray's ever-growing audience across multiple platforms.

- On February 8, 2022, 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, 2022, to shareholders on record as of February 28, 2022.

- On January 5, 2022, the Corporation announced that it had acquired InStore Audio Network, the largest in-store audio advertising network in the United States, reaching 100 million shoppers each week in over 16,000 grocery retailers and pharmacies across the US for total consideration of up to approximately $59.0 million subject to a specific earn out mechanism set forth in the purchase agreement

Conference Call
The Corporation will hold a conference call to review its financial results on Wednesday, June 8, 2022, at 10:00 AM (ET). 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 20, 2022, by dialing 416-764-8692 or 877-674-7070 and entering passcode 802468.

About Stingray
Montreal-based Stingray (TSX: RAY.A; RAY.B) is a leading global music, media, and technology company with over 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, 2022, 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 and Adjusted Net income Reconciliation to Net income

	3 months		12 months	
(in thousands of Canadian dollars)	March 31, 2022 **Q4 2022**	March 31, 2021 **Q4 2021**	March 31, 2022 **Fiscal 2022**	March 31, 2021 **Fiscal 2021**
Net income	**4,466**	**12,077**	**33,287**	**45,104**
Net finance expense (income)	(769)	(7,284)	6,119	(1,199)
Change in fair value of investments	12	–	2	3,787
Income taxes	191	4,047	9,013	15,960
Depreciation and write-off of property and equipment	3,862	3,082	11,069	11,653
Depreciation of right-of-use assets	1,201	1,436	5,076	5,660
Amortization of intangible assets	4,176	5,303	19,399	21,379
Share-based compensation	222	235	798	851
Performance and deferred share unit expense	1,750	2,028	5,799	6,436
Acquisition, legal, restructuring and other expenses (income)	5,912	2,714	8,707	4,637
Adjusted EBITDA	**21,023**	**23,638**	**99,269**	**114,268**
Net finance expense (income), excluding mark-to-market losses (gains) on derivative financial instruments	(1,381)	(3,214)	(9,516)	(12,619)
Income taxes	(191)	(4,047)	(9,013)	(15,960)
Depreciation of property and equipment and write-off	(3,862)	(3,082)	(11,069)	(11,653)
Depreciation of right-of-use assets	(1,201)	(1,436)	(5,076)	(5,660)
Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets, mark-to-market losses (gains) on derivative financial instruments and acquisition, legal, restructuring and other expenses (income)	(2,608)	122	(8,206)	(5,521)
Adjusted Net income	**11,780**	**11,981**	**56,389**	**62,855**

Adjusted Free Cash Flow Reconciliation to Cash Flow from Operating Activities

	3 months		12 months	
(in thousands of Canadian dollars)	March 31, 2022 Q4 2022	March 31, 2021 Q4 2021	March 31, 2022 Fiscal 2022	March 31, 2021 Fiscal 2021
Cash flow from operating activities	**22,127**	**24,514**	**83,663**	**104,246**
Add / Less :				
Acquisition of property and equipment	(2,443)	(1,929)	(9,061)	(5,690)
Acquisition of intangible assets other than internally developed intangible assets	(355)	(194)	(1,134)	(1,313)
Addition to internally developed intangible assets	(593)	(1,367)	(6,854)	(6,428)
Interest paid	(3,391)	(5,142)	(14,384)	(18,053)
Repayment of lease liabilities	(1,074)	(1,099)	(4,815)	(5,011)
Net change in non-cash operating working capital items	(7,571)	(344)	24	10,632
Unrealized loss (gain) on foreign exchange	(779)	(3,345)	787	(8,661)
Acquisition, legal, restructuring and other expenses (income)	5,912	2,714	8,707	4,637
Adjusted free cash flow	**11,833**	**13,808**	**56,933**	**74,359**

Pro Forma Adjusted EBITDA Reconciliation

(in thousands of Canadian dollars)	**March 31, 2022**	**March 31, 2021**
LTM Adjusted EBITDA[(2)]	99,269	114,268
Synergies and Adjusted EBITDA[(2)] for the months prior to the business acquisitions which are not already reflected in the results	16,000	190
COVID-19 credits allocated due to mandated store closures	1,535	1,825
Pro Forma Adjusted EBITDA[(5)]	**116,804**	**116,283**
Net debt to Pro Forma Adjusted EBITDA[(5)]	**3.16**	**2.81**

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.

Contact Information

Mathieu Péloquin
Senior Vice-President, Marketing and Communications
Stingray
(514) 664-1244, ext. 2362
mpeloquin@stingray.com