NEWS RELEASE

Stingray Reports Fourth Quarter 2020 Results

Fiscal 2020 Adjusted EBITDA increased by 64% to $118.1 million

Fourth Quarter Highlights

- **Revenues decreased 6.0% to $68.4 million from $72.7 million, primarily due to the initial impact of the COVID-19 pandemic on Radio revenues. Broadcasting and Commercial Music revenues decreased 0.6% and Radio revenues decreased 12.0%**
- **Adjusted EBITDA(1) increased 25.9% to $28.2 million from $22.4 million**
- **Cash flow from operating activities decreased 22.2% to $14.1 million compared to $18.1 million**
- **Adjusted free cash flow(3) increased 82.6% to $18.0 million, or $0.24 per share, compared to $9.8 million or $0.14 per share**
- **Net debt to Pro Forma Adjusted EBITDA(2) ratio of 3.01x**
- **419,000 SVOD subscribers, up 15.1% over last year**
- **Launched free, ad-supported TV channels and additional premium SVOD services with 8 partners worldwide**
- **Purchased all of the outstanding shares of Chatter Research Inc., a Toronto-based leader in the design, development, and implementation of artificial intelligence driven real-time customer feedback solutions for retail and hospitality businesses**
- **Acquired a 30% interest in The Podcast Exchange (TPX), the Canadian leader in podcast advertising**

Full Year Highlights

- **Revenues increased 44.2% to $306.7 million from $212.7 million**
- **Adjusted EBITDA(1) increased 63.5% to $118.1 million from $72.2 million**
- **Cash flow from operating activities increased 97.2% to $88.1 million compared to $44.7 million**
- **Adjusted free cash flow(4) increased 101.8% to $78.4 million, or $1.03 per share, compared to $38.8 million or $0.59 per share**
- **Synergies following the first full year of the Radio segment stood at $12.0 million, double what was originally expected**

Montreal, June 3, 2020 – Stingray Group Inc. (TSX: RAY.A; RAY.B) (the "Corporation"; "Stingray"), a leading music, media and technology company, today announced its financial results for the fourth quarter and fiscal year ended March 31, 2020.

Financial Highlights (in thousands of dollars, except per share data)	**Three months ended March 31**			**Twelve months ended March 31**		
	2020	2019	%	**2020**	2019	%
Revenues	**68,398**	72,730	(6.0)	**306,721**	212,650	44.2
Adjusted EBITDA(1)	**28,217**	22,407	25.9	**118,086**	72,234	63.5
Net income (loss)	**(8,486)**	3,942	-	**13,970**	(11,988)	-
Per share – diluted ($)	**(0.11)**	0.06	-	**0.18**	(0.19)	-
Adjusted Net income(2)	**10,095**	14,725	(31.4)	**55,908**	39,727	40.7
Per share – diluted ($)(2)	**0.13**	0.21	(38.1)	**0.74**	0.61	21.3
Cash flow from operating activities	**14,062**	18,072	(22.2)	**88,145**	44,703	97.2
Adjusted free cash flow(3)	**17,974**	9,845	82.6	**78,350**	38,834	101.8

(1) Adjusted EBITDA is a non-IFRS measure and is defined as net income (loss) 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, CRTC Tangible benefit, and acquisition, legal, restructuring and other expenses.
(2) 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, CRTC Tangible benefit, and acquisition, legal, restructuring and other expenses, net of related income taxes.
(3) 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.

"Our fourth quarter results reflect some impact of COVID-19. The Radio segment was partially hit during the quarter and revenues continued to decline in April and to a lesser extent in May. Considering the initial impact of COVID-19 on Radio revenues, we are pleased with our consolidated fourth quarter results as Adjusted EBITDA increased 25.9% to $28.2 million," stated Eric Boyko, President, Co-founder, and CEO of Stingray.

"At the very early start of the COVID-19 crisis, we decided to act quickly and aggressively with the implementation of significant cost saving initiatives to maintain our solid financial position. We cut our operating expenses by tens of millions, of which part will be permanent. This bold move was motivated by our determination to maintain a high level of free cash flow.

In addition, to support our more than 8,000 radio customers, which are comprised of local businesses in markets across Canada, we created the Stingray Stimulus Plan, a minimum of $15 million in radio advertising grants. The purpose of this program is to help struggling small and local businesses to relaunch their business by investing in advertising. The response from our customers has been overwhelmingly positive and this has allowed our sales force to re-engage fruitful discussions with current and new customers.

Fiscal 2020 marked the first full year of contribution from the Radio and it delivered on several fronts with revenues of $152.3 million and Adjusted EBITDA of $58.5 million. Overall synergies came in better than anticipated at $12.0 million. Broadcast and Commercial Music revenues reached $154.5 million reflecting the acquisition of DJ Matic and Novramedia, combined with organic growth in subscriptions, partially offset by the termination of some low margin international contracts. Adjusted EBITDA for the segment increased 20.6% to $63.7 million. We ended the year with 419,000 SVOD subscribers, up 15.1% over last year. Adjusted free cash flow increased by over 100% to reach a solid $78.4 million due primarily to the contribution from the Radio segment. Finally, we saw strong value in our shares and repurchased close to 3 million shares for $17.6 million during the year.

The recent agreement with Dollarama for in-store music and digital display solutions for its 1,300 stores across Canada is a testament to the value we bring to our customers even in more challenging times. In the current COVID-19 environment, we become part of the messaging strategy regarding safety measures to adopt in commercial locations. In addition, we are confident about the future prospects of this business considering a well-diversified and strong customer base with approximately 50% of revenues tied to banks, drugstores and supermarkets. During Q4, we completed the acquisition of Chatter Research Inc., an AI driven customer insights solution for businesses to support continued growth in our Stingray Business division.

Starting in the first quarter of 2021, we will start to see the benefits of our cost saving measures. Until we have better visibility, our short-term capital allocation will mainly focus on reducing our debt level and maintaining our dividend. We could also take advantage of opportunistic tuck-in acquisitions. We are currently well positioned to weather the crisis as we have put in place measures to face headwinds in upcoming quarters and also to stimulate our business. At this stage, we anticipate our 2021 Adjusted free cash flow to remain solid," concluded Mr. Boyko.

Fourth Quarter Results
Revenues in Q4 2020 decreased $4.3 million or 6.0% to $68.4 million, from $72.7 million for Q4 2019. The decrease was primarily due to the initial impact of the coronavirus ("COVID-19") pandemic on Radio revenues.

For the quarter, revenues in Canada decreased $3.8 million or 8.1% to $43.5 million, from $47.3 million for Q4 2019. Revenues in the United States in Q4 2020 increased $0.9 million or 9.5% to $10.2 million, from $9.3 million for Q4 2019. Revenues in Other countries in Q4 2020 decreased $1.4 million or 8.7% to $14.7 million, from $16.1 million for Q4 2019 with the decrease primarily due to the termination of some low margin contracts.

Total Broadcasting and Commercial Music revenues decreased $(0.2) million or 0.6% to $38.5 million, from $38.7 million for Q4 2019. The decrease was primarily due to the termination of some low margin international contracts, partially offset by organic growth in subscriptions.

Radio revenues decreased $4.1 million or 12.0% to $29.9 million from $34.0 million for Q4 2019. The decrease is mostly due to the initial impact of the COVID-19 pandemic.

Adjusted EBITDA in Q4 2020 increased $5.8 million or 25.9% to $28.2 million from $22.4 million for Q4 2019. Adjusted EBITDA margin was 41.3% compared to 30.8% for Q4 2019. The increase in Adjusted EBITDA was primarily due the reversal of certain accrued liabilities, to reduced operating costs and to the adoption of IFRS 16, partially offset by the initial impact of the COVID-19 pandemic on Radio revenues. Excluding the impact of IFRS 16, the Adjusted EBITDA would have been $26.6 million with a margin of 39.0%.

Net loss in Q4 2020 was $8.5 million ($(0.11) per share) compared to a Net income of $3.9 million ($0.06 per share) for Q4 2019. The difference was mainly due to the negative change in mark-to-market on derivative instruments, the foreign exchange loss and the gain on write-off of balance payable on acquisition recorded in Q4 2019, partially offset by income taxes recovery and higher operating results. Adjusted Net income in Q4 2020 was $10.1 million ($0.13 per share), compared to $14.7 million ($0.21 per share) for Q4 2019. The decrease is mainly due to the foreign exchange loss and to the gain on write-off of balance payable on acquisition recorded in Q4 2019, partially offset by higher operating results.

Cash flow generated from operating activities amounted to $14.1 million for Q4 2020 compared to $18.1 million for Q4 2019. Adjusted free cash flow generated in Q4 2020 amounted to $18.0 million compared to $9.8 million for Q4 2019. The increase was mainly related to higher operating results and to lower income taxes paid.

As of March 31, 2020, the Corporation had cash and cash equivalents of $2.5 million, a subordinated debt of $39.6 million and credit facilities of $365.0 million, of which approximately $25.2 million was available.

Year-End Results
Revenues for Fiscal 2020 increased $94.0 million or 44.2% to $306.7 million, from $212.7 million for Fiscal 2019. The increase was primarily due to the acquisition of Newfoundland Capital Corporation Inc. ("NCC"), DJ Matic and Novramedia, combined with organic growth in subscriptions, partially offset by the termination of some low margin international contracts.

Adjusted EBITDA for Fiscal 2020 increased $45.9 million or 63.5% to $118.1 million from $72.2 million for Fiscal 2019. Adjusted EBITDA margin was 38.5% compared to 34.0% for Fiscal 2019. The increase in Adjusted EBITDA was primarily due to the acquisition of NCC and DJ Matic, to the adoption of IFRS 16, to reduced operating costs, to the organic growth in subscriptions and to the reversal of certain accrued liabilities, partially offset by the initial impact of the COVID-19 pandemic on Radio revenues.

Excluding the impact of IFRS 16, the Adjusted EBITDA would have been $111.6 million with a margin of 36.4%.

Adjusted Net income for Fiscal 2020 was $55.9 million ($0.74 per share), compared to $39.7 million ($0.61 per share) for Fiscal 2019. The increase is mainly due to higher operating results, partially offset by higher interest, gain on write-off of balance payable on acquisition recorded in Q4 2019, foreign exchange loss, and higher depreciation and income taxes expenses.

Declaration of Dividend

On May 20, 2020, 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, 2020, to shareholders on record as of May 29, 2020.

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 29, 2020, the Corporation secured an additional term loan of $20.0 million, with a maturity date of May 29, 2021. The additional loan amount was applied against the revolving facility.

On May 7, 2020, the Corporation announced that it will provide a minimum of $15.0 million in radio advertising grants to local businesses in markets across Canada where Stingray operates local radio stations. Stimulant grants will range from a minimum of $1,000 up to a maximum of $100,000 in radio advertising per business. The recipient business will have twelve months to utilize the radio advertising grant provided towards booking and airing a radio advertising campaign and will not be required to invest additional sums with Stingray radio stations to receive the grant.

On May 6, 2020 (the "Effective Date"), the Corporation announced that it had acquired its trusted affiliate Marketing Sensorial México ("MSM"), the Mexican leader in point-of-sale marketing solutions. The agreement furthers Stingray Business' foothold in Mexico. As the current partner of Stingray Business for the 1,500 pharmacy locations and additional 1,500 medical clinics operated by Farmacias del Ahorro in Mexico, MSM specializes in digital signage content production, in-store music and the sale and/or lease of audio and visual equipment. The company serves customers in a range of industries (more than 5,800 locations) including banking, retail pharmacy and automotive dealership sectors with clients such as Grupo Financiero Santander México, Scotiabank México and BMW. Total consideration consists of an amount of MXN 45.0 million ($2.7 million) to be paid upon the latest of a) 30 days following the Effective Date and b) 2 business days following the delivery by MSM of the closing deliverables, and a contingent consideration.

On April 14, 2020, the Corporation announced the launch of free, ad supported TV channels and premium SVOD services with eight major OTT providers: Huawei (world), izzi (Mexico), XUMO (U.S.), LG (U.S.), Vizio (U.S.), Samsung (U.S.), TiVo Plus (U.S.) and Cliq Digital (U.S.). These distribution agreements grow Stingray's potential reach by over 300 million viewers.

On March 23, 2020, the Corporation announced that it had received approval of the Toronto Stock Exchange ("TSX") to amend its NCIB in order to increase the maximum number of subordinate voting shares and variable subordinate voting shares (collectively, "Subordinate Shares") that it intends to repurchase for cancellation during the twelve month period ending August 15, 2020 from 2,924,220 Subordinate Shares to 4,903,887 Subordinate Shares, representing approximately 10% of the public float of Subordinate Voting Shares as at August 7, 2019. All other terms and conditions of the NCIB remain unchanged. The Subordinate Shares will be purchased on behalf of Stingray by a registered broker through the facilities of the TSX or alternative Canadian trading systems. The price paid for the Subordinate Shares will be the market price at the time of the acquisition, and the number of Subordinate Shares purchased and the timing of any such purchases will be determined by Stingray. All shares repurchased under the NCIB will be cancelled.

On March 6, 2020, the Corporation announced that it had acquired 30% interest in TPX, the Canadian leader in podcast advertising representing thousands of shows with over 70 million impressions per month across multiple genres and networks. This transaction will give Stingray a head start in podcast digital ad revenue and support the company's growth in the key 18-34 demographic.

On February 18, 2020, the Corporation announced the premiere launch of Stingray Country, a music video television channel dedicated to Country music for Canadian TV subscribers, featuring the best of new country, bro-country, '90s country hits, pop country and more. Stingray Country is the only dedicated country music channel in Canada.

On February 5, 2020, 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 16, 2020, to shareholders on record as of February 28, 2020.

On February 3, 2020, the Corporation and Music Choice executed and exchanged a Settlement Agreement which puts definitive end to the parties' patent litigation in the United States and fully and finally settles all claims, counterclaims and defenses asserted in connection with that litigation. The settlement amount of US$13.3 million ($17.2 million at the date of the settlement), will be paid in two equal instalments; the first payment was made on the date of settlement and the second payment is to be made on or before February 15, 2021. Accordingly, an amount of $17.1 million was booked as part of the acquisition, legal, restructuring and other expenses in Q3 2020. The terms of the settlement do not impact the services currently offered by Stingray in the United States, which shall continue uninterrupted.

On January 27, 2020, the Corporation purchased all of the outstanding shares of Chatter Research Inc., a Toronto-based leader in the design, development, and implementation of artificial intelligence driven real-time customer feedback solutions for retail and hospitality businesses. Total consideration consists of $9.5 million being an amount of $2.1 million paid upon closing and a contingent consideration of $7.4 million.

Conference Call

The Corporation will hold a conference call to discuss these results on Thursday, June 4, 2020, at 10:00 AM (ET). Interested parties can join the call by dialing 647-788-4922 (Toronto) or 1-877-223-4471 (toll free). A rebroadcast of the conference call will be available until midnight, July 4, 2020, by dialing (800) 585-8367 or (416) 621-4642 and entering passcode 5454379.

About Stingray

Montreal-based Stingray Group is a leading music, media and technology company with over 1,200 employees worldwide. Stingray is a premium provider of curated direct-to-consumer and B2B (business to business) services, including audio television channels, more than 100 radio stations, subscriptions content, 4K UHD television channels, karaoke products, digital signage, in-store music and music apps, which have been downloaded over 150 million times. Stingray reaches 400 million subscribers (or users) in 156 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, 2020, 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 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 and Net debt to 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 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.

Adjusted EBITDA and Adjusted Net income reconciliation to Net income

(in thousands of Canadian dollars)	3 months March 31, 2020 Q4 2020	3 months March 31, 2019 Q4 2019	12 months March 31, 2020 Fiscal 2020	12 months March 31, 2019 Fiscal 2019
Net income (loss)	**(8,486)**	**3,942**	**13,970**	**(11,988)**
Net finance expense (income)	33,463	2,259	42,822	12,298
Change in fair value of investments	(1,914)	336	(6,550)	(565)
Income taxes	(4,165)	1,833	1,692	(3,228)
Depreciation and write-off of property and equipment	2,790	2,791	11,477	7,703
Depreciation of right-of-use assets	1,426	–	5,618	–
Amortization of intangible assets	5,659	7,187	23,207	23,430
Share-based compensation	258	297	1,001	1,093
Performance and deferred share unit expense	(1,507)	630	745	1,368
CRTC Tangible benefits	–	–	–	25,306
Acquisition, legal, restructuring and other expenses	693	3,132	24,104	16,817
Adjusted EBITDA	**28,217**	**22,407**	**118,086**	**72,234**
Net finance expense (income), excluding mark-to-market losses (gains) on derivative financial instruments	(10,976)	739	(27,122)	(9,300)
Income taxes	4,165	(1,833)	(1,692)	3,228
Depreciation of property and equipment and write-off	(2,790)	(2,791)	(11,477)	(7,703)
Depreciation of right-of-use assets	(1,426)	–	(5,618)	–
Income taxes related to change in fair value of investments, share-based compensation, performance and deferred share unit expense, amortization of intangible assets, CRTC Tangible benefits, mark-to-market losses (gains) on derivative financial instruments and acquisition, legal, restructuring and other expenses	(7,095)	(3,797)	(16,269)	(18,732)
Adjusted Net income	**10,095**	**14,725**	**55,908**	**39,727**

Adjusted free cash flow reconciliation to Cash flow from operating activities

(in thousands of Canadian dollars)	3 months March 31, 2020 Q4 2020	3 months March 31, 2019 Q4 2019	12 months March 31, 2020 Fiscal 2020	12 months March 31, 2019 Fiscal 2019
Cash flow from operating activities	**14,062**	**18,072**	**88,145**	**44,703**
Add / Less :				
Acquisition of property and equipment	(2,153)	(1,935)	(6,704)	(7,623)
Acquisition of intangible assets other than internally developed intangible assets	(463)	(669)	(1,769)	(3,671)
Addition to internally developed intangible assets	(1,534)	(1,742)	(5,902)	(6,164)
Interest paid	(3,819)	(4,441)	(17,442)	(9,950)
Repayment of lease liabilities	(1,180)	–	(4,873)	–
Net change in non-cash operating working capital items	7,262	(1,890)	(2,169)	4,059
Unrealized loss on foreign exchange	5,106	(682)	4,961	663
Acquisition, legal, restructuring and other expenses	693	3,132	24,104	16,817
Adjusted free cash flow	**17,974**	**9,845**	**78,351**	**38,834**

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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