

2021



Investor presentation

Second Quarter 2021 Results
November 2020



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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, 2020 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 licences 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, 2020, available on SEDAR at 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

Leading distributor of audio and video music brands in the world

- Over-the-top streaming services SVOD and FAST channels
- Top ranking Mobile apps downloaded over 150 M times
- 4K Ultra HD, short-form music video, long-form concerts & shows, and specialty audio TV channels
- In-store commercial music, digital signage and AI driven customer experience solutions
- +100 radio stations across Canada
- On-board entertainment systems in planes, trains and cars





Market & divisional updates

The PIVOT is real

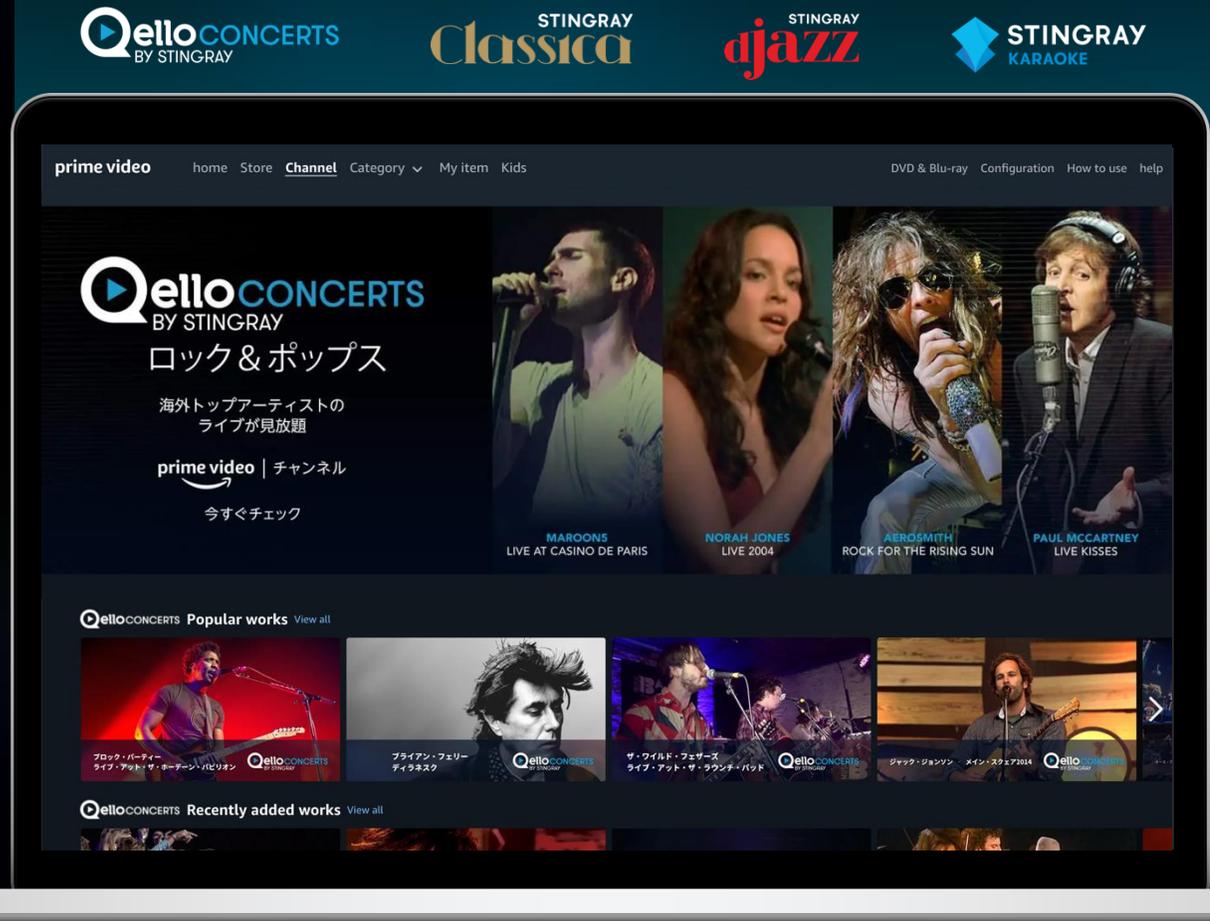
F20 Revenues: \$105.3 M

- Pivoted product offerings to become the leading music distributor in audio and video channels, SVODs, Apps and FAST channels
- Best in class asset 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



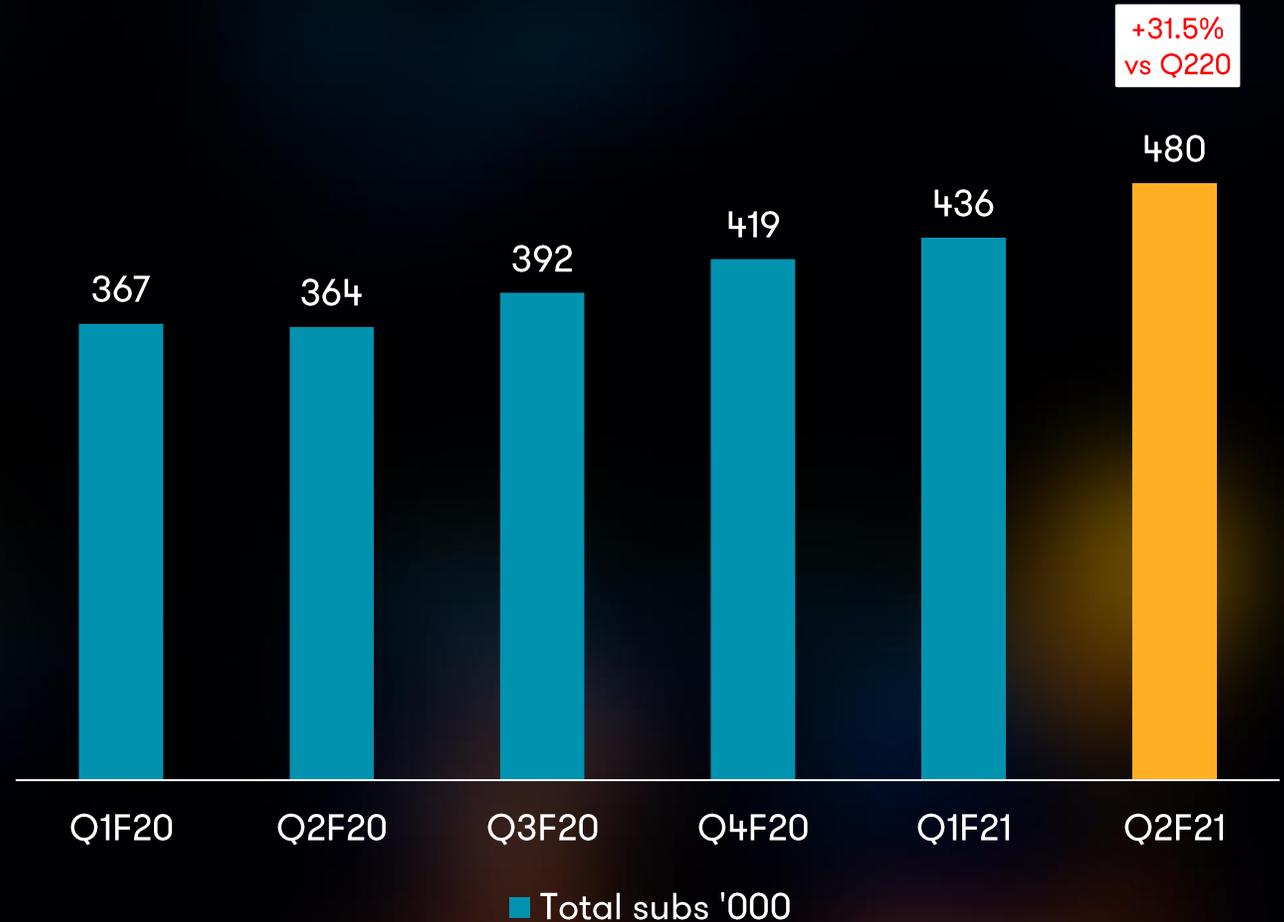
Streaming subscriptions – SVOD & Apps

- Deployment to more platforms worldwide including Amazon Channels Japan (July F21)
- Launches in Q3 with Amazon Italy, Spain and more
- All platforms growing month over month



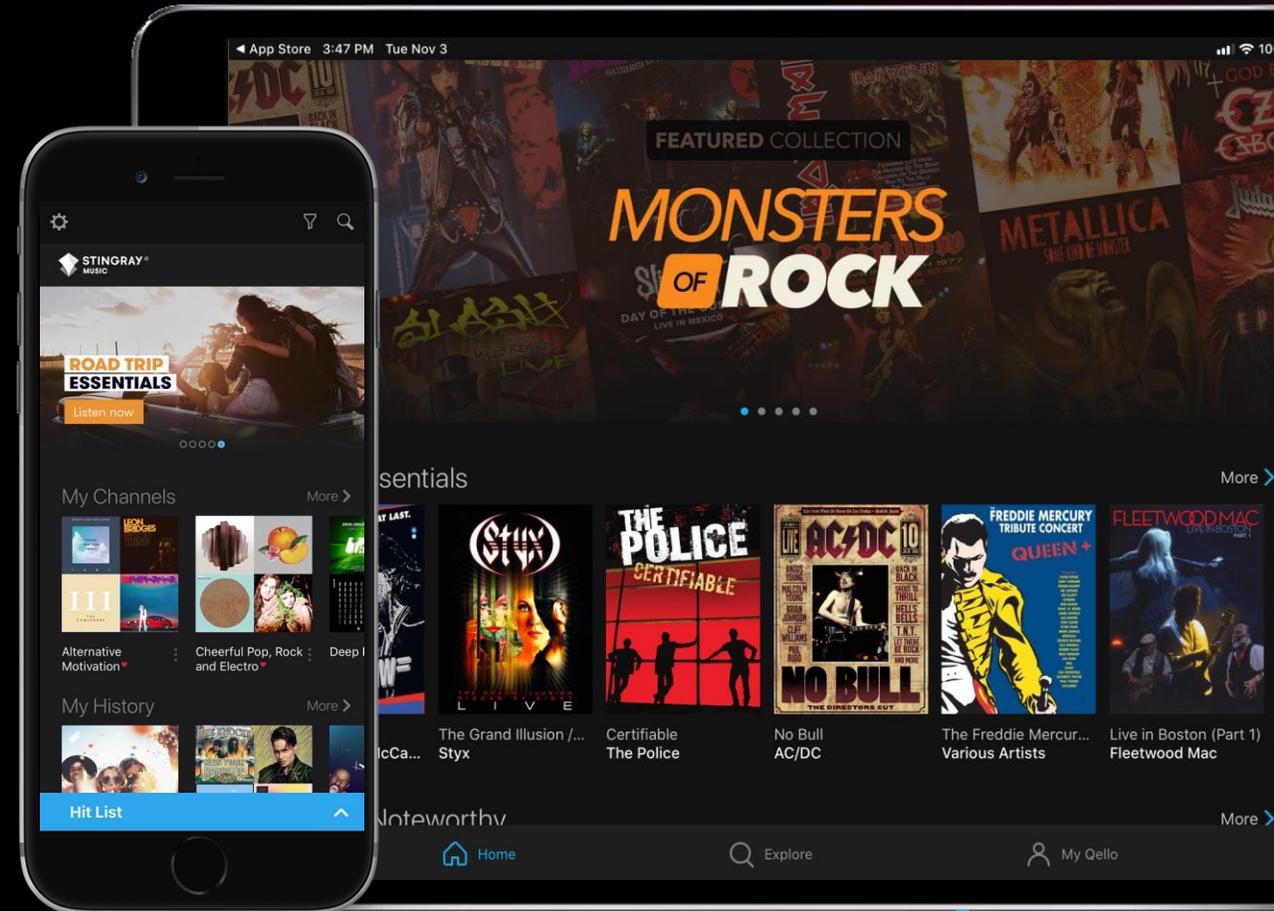
Streaming subscriptions – SVOD & Apps

- Year-over-year growth of 31.5%
- Revenues up 11% over Q2F20
- Growth fueled organically and through profitable UA
- Retention rates on par with industry and improving providing net overall gains in subs



Streaming subscriptions – SVOD & Apps

- Launched new Qello Concerts app across all major platforms
- Piano Academy now reaching \$2 M in annual run rate sales
- Expect to double profitable user acquisition campaigns and major partnerships with Festivals and Artists
- Potential acquisitions to complete Stingray’s mobile app suite of products



androidtv



Roku amazon fireTV

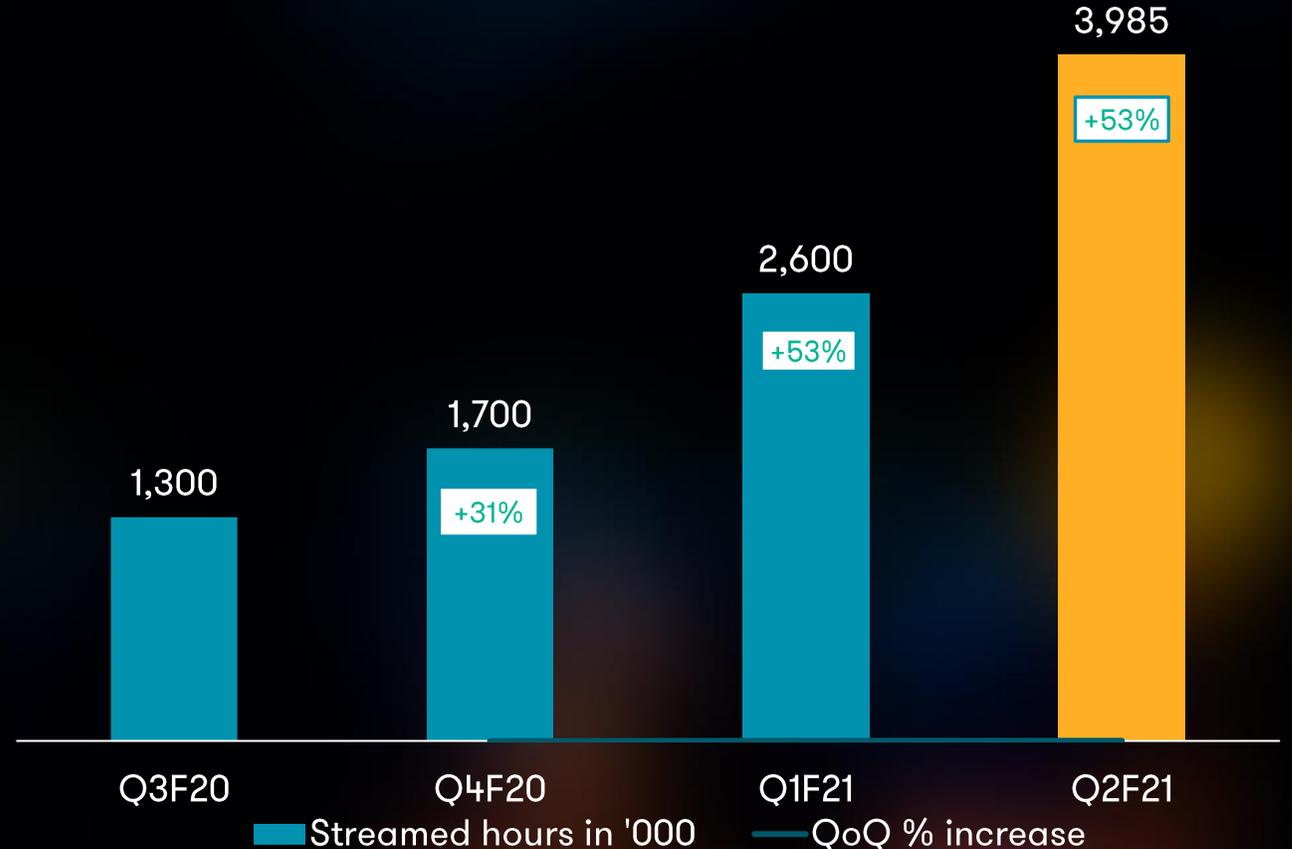
Leading music provider for Connected TVs and OTT services

- Penetrated the connected TV market by distributing channels over Free, Ad-Supported Streaming Television (FAST) channels on Over-The-Top (OTT)
- Across Canada, the United States, Europe, and Latin America reaching 100s of millions of engaged TV viewers



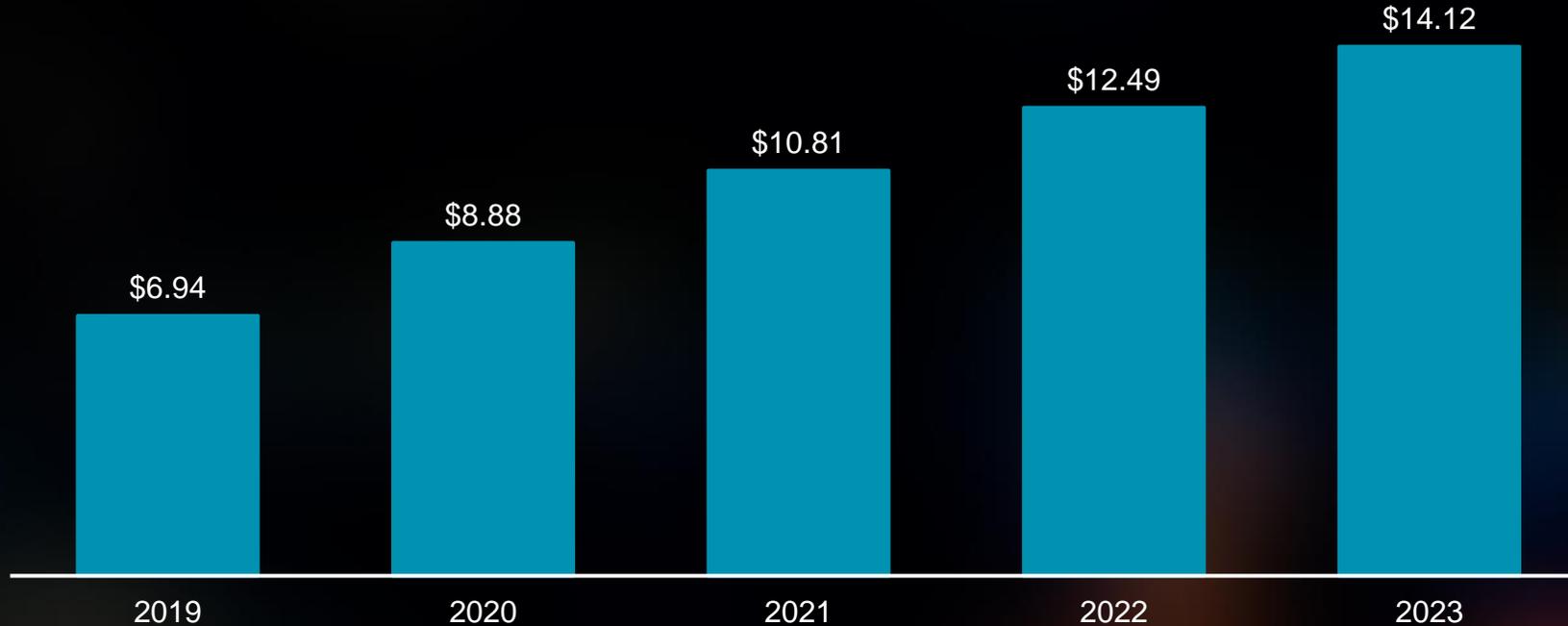
Capturing the growth of Connected TV and OTT FAST channels

- OTT channels monetized through advertising
- Adoption rate and roll out continue
- Recent launches include Samsung EU, MX player US, India, Vizio, Peacock and more
- Stingray outperforms with Naturescape and Audio channels
- Significantly improving RPH month-over-month



The Connected TV Ad Spending US market

US Connected TV Ad Spending, 2019-2023
Billions



Source: eMarketer, October 2019: US Connected TV Ad Spending, 2019-2023

Note: digital advertising that appears on connected TV (CTV) devices; includes display ads that appear on home screens and in-stream video ads that appear on CTVs from platforms like Hulu, Roku and YouTube; excludes network-sold inventory from traditional linear TV and addressable TV advertising.

Stingray Business

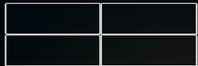
F20 Revenues: \$ 49.2M

US market – all growth

- Signed first in-store media with Boston Market – 350 locations
- Partnership with Space Media helps us fast track US entry
- All organic growth with opening of US market with potential tuck -in acquisitions



Background music and custom audio systems



Digital signage



Consumer research AI



COMMERCIAL SERVICES DIVISION

Retail Audio Network

Stingray Business powers commercial music experiences for over 74K commercial locations domestically for a total of 140K locations worldwide.

- Canada's #1 provider of licensed background music and digital display for businesses
- Retail audio advertising network in development



COMMERCIAL SERVICES DIVISION

AI-Driven insights

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

- Rolling out Nike and Chanel locations in the US



RADIO DIVISION

Stingray Radio

F20 Revenues: \$154.5 M

- Stingray Stimulus Radio provided over \$20M in radio advertising grants to 5,000 local businesses
- Digital sales up 100% year-over-year
- Recovery pace in line with reopening of local businesses and national campaigns confirming resilience
- Expecting radio to recover for fully for F22



Quarterly results for Q2 ended September 30, 2020⁽¹⁾

Revenues

\$64.3 M

▼ 16.0% from Q2 2020

Adjusted Net income

\$16.3 M

Or \$0.22 per share

Adjusted free cash flow

\$22.9 M

▲ 21.9% from Q2 2020

Adjusted EBITDA

\$31.2 M

▲ 12.6% from Q2 2020

Net income

\$11.9 M

Or \$0.16 per share

Cash flow from operating activities

\$25.4 M

▲ 34.1% from Q2 2020

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

2nd Quarter business and subsequent highlights

- 1 NOVEMBER** Declared a dividend of \$0.075 per share
- 2 OCTOBER** Increased and extended the existing credit facilities, providing additional liquidity for operations and MD&A. \$420.0 million credit facilities and up to \$100.0 million upon request, subject to predetermined conditions
- 3 SEPTEMBER** Concluded a deal to provide in-store media solutions for Boston Market
- 4 SEPTEMBER** Signed an agreement with Space Factory Media
- 5 SEPTEMBER** TSX approved NCIB, authorizing Stingray to repurchase up to 3,485,155 shares
- 6 AUGUST** Declared a dividend of \$0.075 per share

Fiscal 2020 year ending March 31, 2020⁽¹⁾

Revenues

\$306.7 M

▲ 44.2% from Fiscal 2019

Adjusted Net income

\$55.9 M

Or \$0.74 per share

Adjusted free cash flow

\$78.4 M

▲ 101.8% from Fiscal 2019

Adjusted EBITDA

\$118.1 M

▲ 63.5% from Fiscal 2019

Net income

\$14.0 M

Or \$0.18 per share

Cash flow from operating activities

\$88.1 M

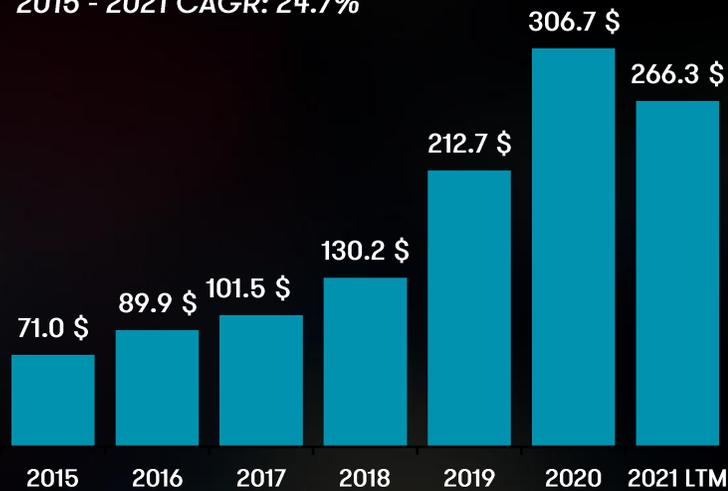
▲ 97.2% from Fiscal 2019

Strong Growth Profile

- Operating leverage provided by acquisitions and scale of operations
- Business model leading to high adjusted EBITDA margins

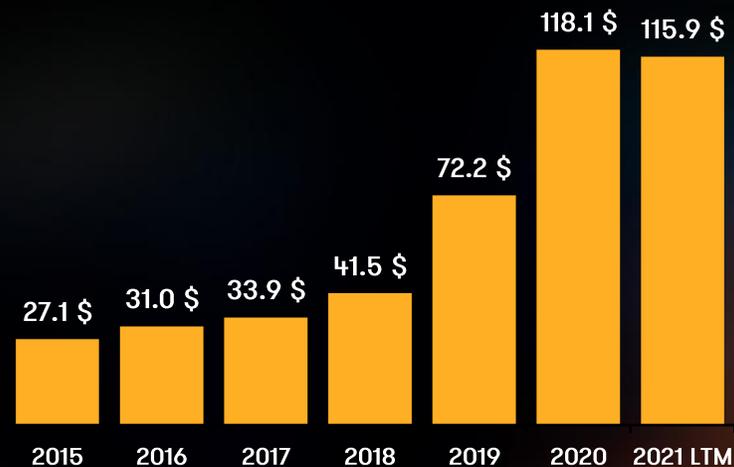
Total Revenue

2015 - 2021 CAGR: 24.7%



Adjusted EBITDA(1)

2015 - 2021 CAGR: 27.4%



Net Income (Loss)

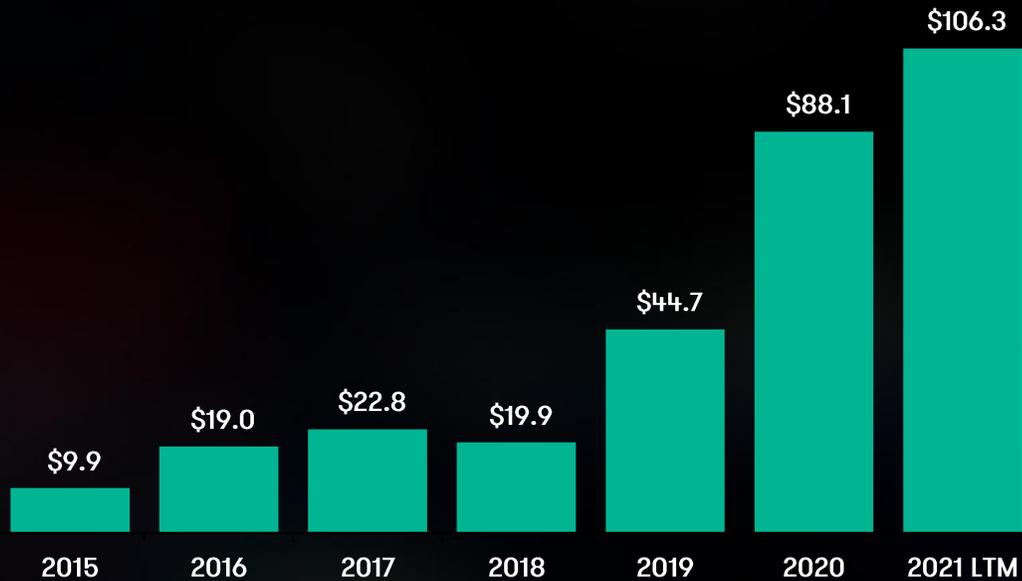


All in CAD\$ millions

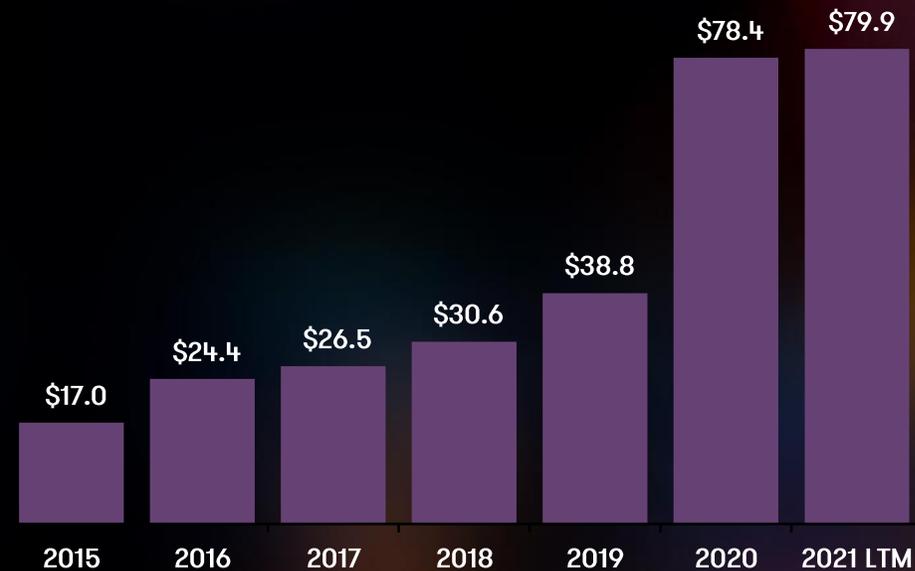
Note 1: See the reconciliation tables for Adjusted EBITDA in the Annual and Quarterly reports.

Significant increase in cash flows

Cash flows from operating activities



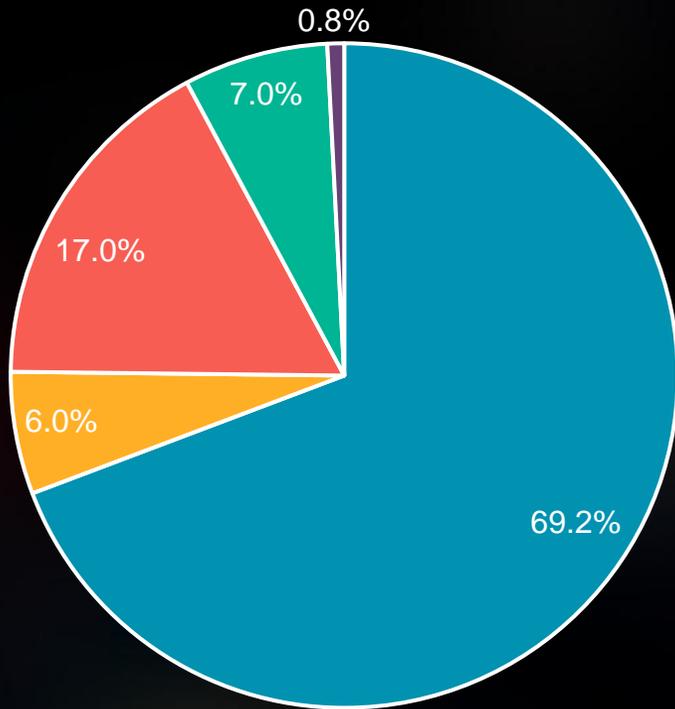
Adjusted free cash flows⁽¹⁾



Note 1: Refer to "IFRS and Non-IFRS measures" and "Supplemental information on Non-IFRS measures" in the Annual and Quarterly reports.

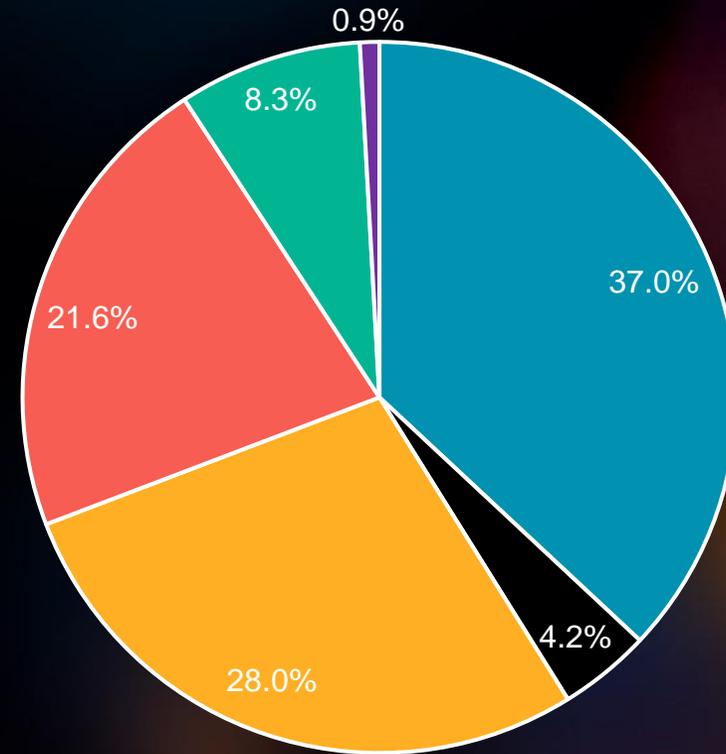
Full Pivot to streaming services

% Share of revenue F15



■ CPS ■ SVOD/B2C ■ Business M & S ■ E&L ■ Other

% Share of revenue F21 (projected)



■ CPS ■ Advertising ■ SVOD/B2C ■ Business M & S ■ E&L ■ Other

CASH FLOW OUTLOOK

Adjusted Free Cash Flow

(in millions of \$)

Pro Forma Adjusted EBITDA	\$	118.4
Less:		
Interest (LTM)	\$	(14.6)
Income tax (LTM)	\$	(3.3)
Lease payments (LTM)	\$	(5.1)
Capex (LTM)	\$	(13.0)
Pro Forma Adjusted Free Cash Flow	\$	82.4

Outstanding shares as at October 31, 2020 73,332,183

Pro Forma Adjusted Free Cash Flow per share	\$	1.12
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Note: Pro Forma Adjusted EBITDA is calculated as the Corporation's last twelve months Adjusted EBITDA (\$115.9 million), plus synergies and pro forma Adjusted EBITDA for the months prior to the acquisitions which are not already reflected in the results (\$2.5million). Refer to "Forward-looking statements" and "Supplemental information on Non-IFRS measures" in the latest Quarterly report for reconciliations of Adjusted EBITDA to the most directly comparable IFRS financial measure.

REDUCED NET DEBT TO ADJUSTED EBITDA RATIO

Net Debt to Adjusted EBITDA

(in millions of \$)

Net Debt as of September 30, 2020	\$	328.1
Pro Forma Adjusted EBITDA	\$	118.4
Net Debt to Adjusted EBITDA		2.77

Note: Pro Forma Adjusted EBITDA is calculated as the Corporation's last twelve months Adjusted EBITDA (\$115.9 million), plus synergies and pro forma Adjusted EBITDA for the months prior to the acquisitions which are not already reflected in the results (\$2.5million). Refer to "Forward-looking statements" and "Supplemental information on Non-IFRS measures" in the latest Quarterly report for reconciliations of Adjusted EBITDA to the most directly comparable IFRS financial measure.

CAPITAL MARKETS INFORMATION

Share Price (October 31, 2020)	\$5.71
Shares Outstanding (October 31, 2020)	
Subordinate Voting Shares (SVS)	54.8M
Variable Subordinate Voting Shares (VSVS)	0.6M
Multiple Voting Shares (MVS)	17.9M
Total Shares	73.3M
<hr/>	
Market Capitalization	\$418.7M
Add: Net Debt (September 30, 2020)	328.1M
<hr/>	
Enterprise Value	\$746.8M

COMPANY GOALS

- 1| Pursue a strategic and disciplined approach to our **M&A strategy** by focusing on three (3) vectors:
 - SVOD / APPs
 - Ad base products
 - Business services (Music, Digital Display and Insights)
- 2| Develop **ad base product** offerings to enter new markets and access new platforms. Free Ad-supported Streaming TV channels (FAST) and traditional channels (MV and Audio channels)
- 3| Continue to grow in the SVOD space by buying or licensing **content** and increasing our reach across **platforms** and markets.
- 4| Continue to **develop best-in-class video apps, web-based solutions, and mobile app.**
- 5| Expand the reach of our business services services through an **international expansion strategy and insights offering.**

WHO WE ARE

Product Overview





STINGRAY

Unleashing the power of music