

WildBrain Ltd.

Interim Condensed Consolidated Financial Statements
(unaudited)

September 30, 2025

(expressed in thousands of Canadian dollars)

November 13, 2025

Management's Responsibility for Financial Reporting

The accompanying interim condensed consolidated financial statements of WildBrain Ltd. (the "Company") are the responsibility of management and have been approved by the Board of Directors (the "Board"). The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the interim condensed consolidated financial statements. The Board carries out this responsibility through its Audit Committee. The Audit Committee reviews the Company's interim condensed consolidated financial statements and recommends their approval by the Board.

The Audit Committee is appointed by the Board and all of its members are independent directors. It meets with Company's management and reviews internal control and financial reporting matters to ensure that management is properly discharging its responsibilities before submitting the interim condensed consolidated financial statements to the Board for approval.

The interim condensed consolidated financial statements have been prepared by management in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board. When alternative methods of accounting exist, management has chosen those it deems most appropriate in the circumstances. The interim condensed consolidated financial statements include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the interim condensed consolidated financial statements, management must make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Actual results in the future may differ materially from management's present assessment of this information because future events and circumstances may not occur as expected.

(signed) "*Josh Scherba*"
President and Chief Executive Officer
Toronto, Ontario

(signed) "*Nicholas Gawne*"
Chief Financial Officer
Toronto, Ontario

WildBrain Ltd.

Interim Condensed Consolidated Balance Sheets (unaudited)

As at September 30, 2025 and June 30, 2025

(expressed in thousands of Canadian dollars)

	September 30, 2025	June 30, 2025
	\$	\$
Assets		
Current assets		
Cash	66,577	68,871
Amounts receivable (note 5)	248,902	248,058
Prepaid expenses and other	18,321	12,594
Investment in film and television programs (note 6)	99,262	97,953
	433,062	427,476
Long-term amounts receivable	9,979	9,416
Acquired and library content (note 7)	53,834	54,535
Property and equipment	18,744	20,857
Derivative assets note 15	—	96
Intangible assets	380,279	373,714
Goodwill	28,959	28,468
Deferred income taxes (note 12)	18,891	22,777
	943,748	937,339
Liabilities		
Current liabilities		
Bank indebtedness (note 9)	22,274	10,914
Accounts payable and accrued liabilities (note 8)	159,826	157,863
Deferred revenue	31,935	37,741
Interim production financing (note 9)	55,565	56,472
Current portion of lease liabilities	10,345	10,514
Current portion of long-term debt (note 9)	10,756	69,202
	290,701	342,706
Long-term debt (note 9)	495,291	417,931
Long-term lease liabilities	6,900	9,025
Derivative liabilities (note 15)	698	106
Other long-term liabilities	2,418	2,531
	796,008	772,299
Shareholders' Equity		
Deficit attributable to shareholders of the Company	(115,542)	(88,665)
Non-controlling interest	263,282	253,705
	147,740	165,040
	943,748	937,339

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

WildBrain Ltd.

Interim Condensed Consolidated Statements of (Loss) Income (unaudited)

For the three month periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars, except for amounts per share)

	Three months ended	
	September 30, 2025	September 30, 2024
	\$	\$
Revenues (note 19)	<u>125,527</u>	<u>111,026</u>
Expenses (note 14)		
Direct production costs and expense of film and television produced	62,059	58,289
Amortization of acquired and library content (note 7)	1,429	1,976
Amortization of property and equipment and intangible assets	3,418	5,518
Selling, general and administrative	29,290	27,361
Share-based compensation (note 11)	1,255	1,997
Finance costs, net (note 13)	32,103	24,510
Change in fair value of embedded derivatives	—	(1)
Foreign exchange loss (gain)	6,709	(10,371)
Reorganization, development and other expense (note 14)	5,954	2,226
	<u>142,217</u>	<u>111,505</u>
Loss before taxes	<u>(16,690)</u>	<u>(479)</u>
Provision for (recovery of) income taxes (note 12)		
Current	(110)	271
Deferred	4,186	(2,445)
	<u>4,076</u>	<u>(2,174)</u>
Net (loss) income for the period	<u>(20,766)</u>	<u>1,695</u>
Net income attributable to non-controlling interests	<u>11,863</u>	<u>12,315</u>
Net loss attributable to shareholders of the Company	<u>(32,629)</u>	<u>(10,620)</u>
Basic and diluted loss per common share (note 16)	<u>(0.15)</u>	<u>(0.05)</u>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

WildBrain Ltd.

Interim Condensed Consolidated Statements of Comprehensive (Loss) Income (unaudited) For the three month periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars)

	Three months ended	
	September 30, 2025	September 30, 2024
	\$	\$
Net (loss) income for the period	(20,766)	1,695
Other comprehensive income (loss)		
Items that may be subsequently reclassified to the consolidated statements of (loss) income		
Foreign currency translation adjustment:		
Attributable to non-controlling interests	5,273	(3,651)
Attributable to shareholders of the Company	4,497	1,836
	<u>9,770</u>	<u>(1,815)</u>
Comprehensive loss for the period	<u>(10,996)</u>	(120)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

WildBrain Ltd.

Interim Condensed Consolidated Statements of Changes in Equity (unaudited) For the three month periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars)

	Common shares	Contributed surplus	Accumulated other comprehensive loss	Deficit	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
Balance - July 1, 2024	415,808	45,794	(10,039)	(462,307)	257,234	246,490
Net (loss) income for the period	—	—	—	(10,620)	12,315	1,695
Other comprehensive income (loss) for the period	—	—	1,836	—	(3,651)	(1,815)
Comprehensive income (loss) for the period	—	—	1,836	(10,620)	8,664	(120)
Common shares issued, net of issuance costs and payroll taxes remitted	1,254	(1,896)	—	—	—	(642)
Common shares issued to settle warrant exercise	6,250	1,000	—	—	—	7,250
Share-based compensation	—	1,997	—	—	—	1,997
Distributions to non-controlling interests	—	—	—	—	(4,647)	(4,647)
Balance - September 30, 2024	423,312	46,895	(8,203)	(472,927)	261,251	250,328
Balance - July 1, 2025	423,371	48,786	(8,701)	(552,121)	253,705	165,040
Net (loss) income for the period	—	—	—	(32,629)	11,863	(20,766)
Other comprehensive income for the period	—	—	4,497	—	5,273	9,770
Comprehensive income (loss) for the period	—	—	4,497	(32,629)	17,136	(10,996)
Share-based compensation	—	1,255	—	—	—	1,255
Distributions to non-controlling interests	—	—	—	—	(7,559)	(7,559)
Balance - September 30, 2025	423,371	50,041	(4,204)	(584,750)	263,282	147,740

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

WildBrain Ltd.

Interim Condensed Consolidated Statements of Cash Flows (unaudited) For the three month periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars)

	September 30, 2025	September 30, 2024
Cash provided by (used in)	\$	\$
Operating activities		
Net (loss) income for the period	(20,766)	1,695
Charges (credits) to reconcile net (loss) income to cash provided by operating activities		
Amortization of property and equipment	2,400	2,630
Amortization of intangible assets	1,018	2,888
Amortization of acquired and library content	1,429	1,976
Accretion expense and amortization of deferred financing fees	1,201	2,559
Unrealized foreign exchange loss (gain)	11,037	(8,672)
Share-based compensation	1,255	1,997
Loss on modification of debt and write-down of unamortized issue costs	16,018	6,313
Change in fair value of assets held for sale and embedded derivatives	—	(1)
Change in fair value of forward foreign exchange contract	681	176
Interest income	(225)	(2,160)
Interest expense	14,427	17,622
Deferred tax expense (recovery)	4,186	(2,445)
Net investment in film and television programs (note 18)	(1,066)	5,315
Net change in non-cash balances related to operations (note 18)	(17,544)	(4,077)
Cash provided by operating activities	14,051	25,816
Financing activities		
Common shares issued, net of issuance costs and payroll taxes remitted	—	6,608
Distributions to non-controlling interests	(7,559)	(4,647)
Proceeds from bank indebtedness	10,887	28,348
Repayment of bank indebtedness	—	(13,800)
Proceeds from long-term debt	—	504,947
Repayment of long-term debt	(1,295)	(512,218)
Payment of debt issue costs	(1,340)	(16,548)
Interest paid on long-term debt and lease liabilities	(13,924)	(4,845)
Repayment of lease liabilities	(2,367)	(2,431)
Net repayment of interim production financing (note 18)	(907)	(9,130)
Cash used in financing activities	(16,505)	(23,716)
Investing activities		
Acquisition of acquired and library content	—	(92)
Acquisition of property and equipment	(252)	(85)
Acquisition of intangible assets	(172)	(288)
Cash used in investing activities	(424)	(465)
Effect of foreign exchange rate changes on cash	584	86
Net change in cash during the period	(2,294)	1,721
Cash - Beginning of the period	68,871	49,715
Cash - End of the period	66,577	51,436

Supplemental information (notes 4 and 18)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

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Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

1 Nature of business

WildBrain Ltd. (the "Company" or "WildBrain"), was incorporated on February 12, 2004 under the laws of the Province of Nova Scotia, Canada, and continued on April 25, 2006 under the Canada Business Corporation Act. The Company is a public company whose common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol 'WILD'. The address of the Company's head office is 25 York Street, Unit 1201, Toronto, Ontario, M5J 2V5.

The Company develops, produces and distributes films and television programs for domestic and international markets; licenses its brands in the domestic and international markets; broadcasts films and television programs in the domestic market; sells advertising on various ad-supported video-on-demand platforms; and manages copyrights, licensing and brands for third parties.

2 Basis of preparation

These interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards"), applicable to the preparation of interim financial statements, under International Accounting Standards ("IAS") 34, Interim Financial Reporting, and follow the same accounting policies as those used in the Company's most recent audited annual consolidated financial statements. These interim condensed consolidated financial statements do not include all the disclosures included in the Company's audited annual consolidated financial statements. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements.

These interim condensed consolidated financial statements have been authorized for issuance by the Board of Directors on November 13, 2025.

3 Summary of material accounting policies, judgments and estimation uncertainty

The preparation of interim condensed consolidated financial statements under IFRS Accounting Standards requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable. Actual results may differ materially from these estimates.

Accounting pronouncements issued but not yet effective

There have been no changes to the accounting pronouncements issued but not yet effective from the filing of the Company's audited consolidated financial statements for the year ended June 30, 2025.

4 Canadian Television Broadcasting operations

After the decisions of Bell Canada in March 2025 and Rogers Communications Canada in August 2025 to cease carriage of the WildBrain television channels, the Company assessed that the channels were no longer commercially viable and announced that it would cease broadcasting in October, 2025, and surrender the channel licenses to the Canadian Radio-television and Telecommunications Commission. Broadcasting ceased

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Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

October 22, 2025 and the licenses were formally revoked by the CRTC on October 31, 2025. The Company will present the operations of Television as discontinued operations effective Q2 2026.

During Q1 2026, the Company recorded provisions of \$5,105 related to severance agreements and certain contracts that were identified as onerous contracts as part of the continued windup of the Canadian Television Broadcasting business.

5 Amounts receivable

	September 30, 2025	June 30, 2025
	\$	\$
Trade receivables	178,908	180,111
Less: ECL allowance on trade receivables	(7,607)	(7,261)
Trade receivables, net of loss allowance	<u>171,301</u>	<u>172,850</u>
Sales tax receivable	3,754	3,482
Federal and provincial film tax credits	73,847	71,726
Amounts receivable	<u>248,902</u>	<u>248,058</u>

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

6 Investment in film and television programs

	Development \$	In Production \$	Delivered \$	Program and film rights - broadcasting	Total \$
Cost					
June 30, 2025	1,384	17,769	898,770	185,024	1,102,947
Additions	412	4,710	9,983	—	15,105
Reclassifications ⁽¹⁾	(338)	(137)	475	—	—
Write-down	(58)	—	—	—	(58)
Impact of foreign exchange	—	—	1,457	—	1,457
September 30, 2025	1,400	22,342	910,685	185,024	1,119,451
Accumulated amortization					
June 30, 2025			819,970	185,024	1,004,994
Amortization			13,981	—	13,981
Impact of foreign exchange			1,214	—	1,214
September 30, 2025			835,165	185,024	1,020,189
Net book value					
June 30, 2025	1,384	17,769	78,800	—	97,953
September 30, 2025	1,400	22,342	75,520	—	99,262

⁽¹⁾ Reclassifications represent content that has progressed from one classification to another (such as from Development to In Production)

During the three-month period ended September 30, 2025, interest of \$209 (September 30, 2024 - \$nil) was capitalized to investment in film and television programs.

During the three-month period ended September 30, 2025, additions to investment in film and television programs were reduced by \$3,373 (June 30, 2025 - \$20,502) in respect of production tax credits.

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

7 Acquired and library content

	Acquired and library content \$
Cost	
June 30, 2025	173,741
Impact of foreign exchange	2,009
September 30, 2025	175,750
Accumulated amortization	
June 30, 2025	119,206
Amortization	1,429
Impact of foreign exchange	1,281
September 30, 2025	121,916
Net book value	
June 30, 2025	54,535
September 30, 2025	53,834

8 Accounts payable and accrued liabilities

The following table presents the Company's accounts payable and accrued liabilities:

	September 30, 2025 \$	June 30, 2025 \$
Accounts payable	29,894	31,829
Accrued liabilities		
Accrued agency, participation and licensor fees	57,681	59,650
Accrued goods and services received	33,397	27,935
Accrued people costs	15,344	14,465
Accrued interest	10,724	10,107
Minimum guarantees payable	1,257	1,531
Other	193	362
Income tax payable	11,336	11,984
	159,826	157,863

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

9 Credit facilities

On July 23, 2024, the Company entered into a five year US\$415,000 credit agreement (the "Senior Secured Credit Facility") consisting of a US\$375,000 Term Loan Facility (the "Term Loan Facility") and a US\$40,000 Revolving Facility (the "Revolving Facility"). The Senior Secured Credit Facility may be drawn in USD, with the option of a Secured Overnight Financing Rate ("SOFR") plus 5.5% to 6.0% or a Base Rate (the "Base Rate") plus 4.5% to 5.0%. The Base Rate is calculated as the highest of (a) the Federal Funds Rate plus 0.5%, (b) the Prime Rate in effect and (c) SOFR for a one-month tenor in effect + 1%. The Revolving Credit Facility bears interest at the selected interest rate + 4.5% to 6.0%, depending on the type of rate chosen and the leverage ratio at the time of the draw. The Senior Secured Credit Facility matures on July 23, 2029, and fully replaced the Company's indebtedness under its previous Secured Credit Facility (the "Prior Credit Facility"), which consisted of a term loan facility (the "Prior Term Loan Facility") and a revolving facility (the "Prior Revolving Facility").

	September 30, 2025	June 30, 2025
	\$	\$
Revolving Facility	22,274	10,914
Term Loan Facility, net of unamortized issue costs of \$0 (June 30, 2025 - \$14,541)	506,047	487,133
Interim production financing ⁽¹⁾	55,565	56,472
Total	<u>583,886</u>	554,519
Less: amount due within 12 months	(88,595)	(136,588)
Amount due beyond 12 months	<u>495,291</u>	417,931

⁽¹⁾ Assignment and direction of specific production financing, licensing contracts receivable and film tax credits receivable have been pledged as security. As at September 30, 2025, the Canadian dollar bank prime rate was 4.70% (June 30, 2025 - 4.95%).

In June 2025, the Company agreed with its lenders to reduce leverage by implementing one or several de-leveraging events by Q2 2026. De-leveraging events included asset dispositions and, or equity raises. The proceeds of the de-leveraging events would be used to repay a portion of the Term Loan Facility or the Revolving Facility. As the Company did not have the right to defer settlement of the proceeds against the Senior Secured Credit Facility for at least 12 months from the balance sheet date, the Company reclassified an additional \$64.1 million in excess of scheduled payments on the Term Loan Facility to current liabilities as of June 30, 2025.

In September 2025, the Company agreed with its lenders to a further amendment to the Senior Secured Credit Facility which (i) removed the requirement to execute one or several de-leveraging events by Q2 2026, (ii) added a 1.5% prepayment premium in the event of early repayment of the loan, (iii) added further fees to lenders of \$6 million that were paid on October 1, 2025 and other lender fees in respect of the timing of any de-leveraging events that the Company may enter into, which may result under certain scenarios in additional finance charges of 0.6% to 6.0% per annum and (iv) further changes to the financial maintenance covenant, as outlined below:

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Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

Fiscal Quarter	Total Leverage Ratio⁽¹⁾	Total Leverage Ratio As Amended⁽²⁾
Fiscal quarters ending September 30, 2024 and December 31, 2024	6.50x	N/A
Fiscal quarters ending March 31, 2025 and June 30, 2025	6.25x	6.25x
Fiscal quarters ending September 30, 2025, December 31, 2025 and March 31, 2026	5.75x	5.75x
Fiscal quarter ending June 30, 2026	5.75x	6.00x
Fiscal quarter ending September 30, 2026	5.00x	5.50x
Fiscal quarters ending December 31, 2026 through and including June 30, 2027	5.00x	5.00x
Fiscal quarters ending September 30, 2027 through and including June 30, 2028	4.50x	4.50x
June 30, 2028 and thereafter	4.00x	4.00x

⁽¹⁾ As defined in the Senior Secured Credit Facility

⁽²⁾ As defined in the September 2025 amendment of the Senior Secured Credit Facility

Upon the removal of the requirement to execute one or several de-leveraging events, the Company has adjusted its Current Portion of Long-Term Debt at September 30, 2025 to \$10.7 million. As a result of the amendment signed in September 2025, the Company has recorded a loss on the modification of its debt of \$16,018.

a) Revolving Facility

During the three-month period ended September 30, 2025, the Revolving Facility bore average interest of 10.31%.

Amounts owed under the Revolving Facility are recorded in Bank Indebtedness and are classified as current liabilities. As at September 30, 2025, US\$16,000 or \$22,274 (June 30, 2025 - US\$8,000 or \$10,914) was drawn on the Revolving Facility.

b) Term Loan Facility

Commencing on the quarter ending September 30, 2024, the Term Loan Facility requires quarterly repayment equal to 0.25% of the initial principal amount and annual repayments of Excess Cash Flow (as defined in the Senior Secured Credit Facility documents), commencing for the fiscal year ended June 30, 2025, as outlined below:

Total Leverage Ratio⁽¹⁾	Excess Cash Flow % Payable
Greater than 3.50x	100%
Greater than 3.00x and less than 3.50x	50%
Less than 3.00x	25%

⁽¹⁾ As defined in the Senior Secured Credit Facility

During the three-month period ended September 30, 2025, the Term Loan Facility bore average interest of 10.31%.

The Company is required to comply with a leverage covenant of 5.75x. As at September 30, 2025, the Company's Total Net Leverage Ratio was 4.96x and in compliance with the leverage covenant requirement.

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

As at September 30, 2025, the Company's Term Loan had a principal balance of US\$366,778, or \$506,047 (June 30, 2025 - US\$367,715 or \$501,674).

Refer to Management of financial risks and financial instruments (note 15) for information related to principal and fixed rate interest payments as at September 30, 2025.

10 Share capital

	September 30, 2025		June 30, 2025	
	Number	Amount	Number	Amount
	#	\$	#	\$
Preferred variable voting shares				
Opening balance	500,000,000	—	500,000,000	—
Ending balance	500,000,000	—	500,000,000	—
Common shares⁽¹⁾				
Opening balance	212,380,753	423,371	206,116,162	415,808
Options exercised	—	—	716,747	—
RSU settled	—	—	547,844	1,313
Shares for warrant exercise	—	—	5,000,000	6,250
Ending balance	212,380,753	423,371	212,380,753	423,371
Common Voting Shares	21,195,875		21,195,875	
Variable Voting Shares	191,184,878		191,184,878	
	212,380,753		212,380,753	

⁽¹⁾ The common shares of the Company are inclusive of Common Voting Shares, Variable Voting Shares and Non-Voting Shares.

On July 23, 2024, the Company issued 5,000,000 Variable Voting Shares for exercise of warrants held by Fine Capital. The Company recorded the transaction at fair value based on the share price at the date of the transaction with a corresponding adjustment to contributed surplus in the interim condensed consolidated balance sheets.

11 Share-based compensation

Omnibus equity incentive plan ("Omnibus Plan")

As at September 30, 2025, the total amount available for issuance under the Omnibus Plan subject to the 10% maximum was 20,814,501 (September 30, 2024 - at 10% - 20,724,943).

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

During the three-month periods ended September 30, 2025, the Company recognized the following share-based compensation expense with a corresponding adjustment to contributed surplus:

	September 30, 2025	September 30, 2024
	\$	\$
Performance share unit plan ("PSUs")	—	219
Restricted share unit plan ("RSUs")	615	624
Deferred share unit plan ("DSUs")	640	1,154
	<u>1,255</u>	<u>1,997</u>

Options

As at September 30, 2025 and 2024, the Company had the following stock options outstanding:

	Number of options #	Weighted average exercise price per stock option \$
Outstanding at June 30, 2024	1,911,000	2.71
Exercised	(487,500)	5.23
Outstanding at September 30, 2024	<u>1,423,500</u>	<u>1.85</u>
Exercisable at September 30, 2024	<u>1,423,500</u>	<u>1.85</u>
Outstanding at June 30, 2025	<u>798,500</u>	<u>1.62</u>
Outstanding at September 30, 2025	<u>798,500</u>	<u>1.62</u>
Exercisable at September 30, 2025	<u>798,500</u>	<u>1.62</u>

The range of exercise prices for options outstanding at September 30, 2025 and 2024, is presented below.

Range of exercise prices	Number outstanding at September 30, 2025 #	Weighted average contractual life years	Weighted average exercise price \$	Number outstanding at September 30, 2024 #	Weighted average exercise price \$
\$1.50 - \$3.49	798,500	0.25	1.62	1,323,500	1.57
\$3.50 - \$5.49	—	—	—	100,000	5.47
Total	<u>798,500</u>	<u>0.25</u>	<u>1.62</u>	<u>1,423,500</u>	<u>1.85</u>

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Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

Performance share unit plan ("PSUs")

The following table illustrates the movements in the number of PSUs during the period.

	Three months ended	
	September 30, 2025	September 30, 2024
	PSUs	PSUs
	#	#
Outstanding, beginning of period	2,192,508	1,890,163
Granted	482,812	717,345
Outstanding, end of period	2,675,320	2,607,508

Restricted share unit plan ("RSUs")

The following table illustrates the movements in the number of RSUs during the period.

	Three months ended	
	September 30, 2025	September 30, 2024
	RSUs	RSUs
	#	#
Outstanding, beginning of period	4,088,815	2,227,137
Granted	802,577	915,526
Exercised	—	(999,549)
Outstanding, end of period	4,891,392	2,143,114

Deferred share unit plan ("DSUs")

The following table illustrates the movements in the number of DSUs during the period.

	Three months ended	
	September 30, 2025	September 30, 2024
	DSUs	DSUs
	#	#
Outstanding, beginning of period	4,235,744	3,008,691
Granted	395,601	858,046
Outstanding, end of period	4,631,345	3,866,737

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

12 Income taxes

For the three-month period ended September 30, 2025, the Company recorded income tax expense at a rate of 24.4% of the net loss (September 30, 2024 - income tax recovery rate of 453.9%). The income tax (recovery) expense in each period reflects the mix of taxing jurisdictions in which pre-tax income and losses were recognized. The income attributable to non-controlling interests is taxed outside the Company. Further items impacting the effective tax rate include the different statutory tax rates in the taxing jurisdictions, non-deductible items, the utilization of certain unrecognized tax losses and the continued nonrecognition of certain deferred tax assets in Canada.

13 Finance costs, net

Net finance costs comprise the following:

	Three months ended	
	September 30, 2025	September 30, 2024
	\$	\$
Finance costs (income)		
Loss on modification of debt and write-down of unamortized issue costs	16,019	6,313
Interest on long-term debt	13,496	16,009
Amortization of deferred financing fees	889	641
Change in fair value of interest rate swap and forward contract	681	176
Interest expense on bank indebtedness	559	744
Interest on completed and released productions	372	869
Accretion on convertible debentures, exchangeable debentures, lease liabilities and other	312	1,918
Interest income	(225)	(2,160)
	32,103	24,510

Interest income consists of accretion on long-term amounts receivable and cash interest earned on bank deposits, tax credit receivables and amounts held in escrow.

WildBrain Ltd.

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14 Expenses by nature

The following sets out the expenses by nature:

	Three months ended	
	September 30, 2025 \$	September 30, 2024 \$
Direct production costs and expense of film and television produced:		
Direct production and new media costs	48,068	44,502
Expense of film and television programs	13,981	11,928
Expense of film and broadcast rights for broadcasting ⁽¹⁾	10	1,859
	62,059	58,289
Selling, general and administrative:		
Office and administrative	5,506	5,728
Investor relations and marketing	91	214
Professional and regulatory	2,486	2,507
Salaries and employee benefits	21,207	18,912
	29,290	27,361
Reorganization, development and other expense:		
Reorganization, development and other expenses ⁽²⁾	5,421	947
Termination and other benefits	533	1,279
	5,954	2,226
Amortization of property and equipment and intangible assets	3,418	5,518
Amortization of acquired and library content	1,429	1,976
Share-based compensation (note 11)	1,255	1,997
Finance costs, net (note 13)	32,103	24,510
Change in fair value of embedded derivatives	—	(1)
Impact of foreign exchange	6,709	(10,371)
	44,914	23,629
	142,217	111,505

⁽¹⁾ Due to the impairment of the Canadian Television Broadcasting Investment in Film and Programming Rights in the prior year, there was no amortization recorded in the current period.

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(2) The following sets out the expenses included in reorganization, development and other expenses:

	Three months ended	
	September 30, 2025	September 30, 2024
	\$	\$
Onerous contracts	4,888	—
Severance	533	—
Development write-off	58	—
System implementation costs	34	244
Write-down of refinancing costs	—	590
Other	499	113
	5,954	947

15 Management of financial risks and financial instruments

The financial risks arising from the Company's operations include credit, interest rate, liquidity, currency and market risk. These risks arise from the normal course of operations. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out in the audited annual consolidated financial statements.

The Company's current debt facility contains financial covenants which decrease over time. Compliance with such covenants are a material factor within liquidity risk. If the Company were to breach these covenants, the lender would have the right to accelerate the repayment of outstanding balances. The Company's debt facility is also denominated in US\$, exposing the Company to significant volatility in interest and principal payments, as well as in unrealized foreign exchange gains and losses as the debt facility is revalued each reporting period.

Management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner to manage these risks.

The following table summarizes the Company's financial liabilities and their contractual maturities:

	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
	\$	\$	\$	\$	\$
Bank indebtedness	22,274	22,274	—	—	—
Accounts payable and accrued liabilities	159,826	159,826	—	—	—
Interim production financing	55,565	55,565	—	—	—
Other long-term liabilities	2,807	—	2,807	—	—
Term facility	696,135	57,268	150,786	488,081	—
Finance lease obligations	22,262	11,448	8,498	2,083	233
	958,869	306,381	162,091	490,164	233

Contractual payments in the table above include fixed and variable interest obligations at current rates and are not discounted.

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

The Company operates a diverse range of business lines, including production studio services, content distribution, consumer products licensing, and representation and television broadcasting. While the operating results may vary from period to period, operating cash flows are generally predictable based on the Company's production and content pipeline, contract renewals, royalty agreements, minimum guarantees and television subscriber fees.

As at September 30, 2025 the Company had an unrestricted cash balance of \$66,577 and current amounts receivable of \$248,902 (June 30, 2025, \$68,871 and \$248,058 respectively). Based on the Company's cash balances and available credit facilities, expected collection of trade and other receivables and forecast operating results, management believes it will be able to fulfill its financial obligations as they become due.

In June 2025, the Company agreed with its lenders to reduce leverage by implementing one or several de-leveraging events by Q2 2026. De-leveraging events included asset dispositions and, or equity raises. The proceeds of the de-leveraging events would be used to repay a portion of Term Loan Facility or the Revolving Facility. The Company also amended the Senior Secured Credit Facility to revise the Total Leverage Ratio required for covenant compliance in future quarters.

In September 2025, the Company agreed with its lenders to a further amendment to the Senior Secured Credit Facility which (i) removed the requirement to execute one or several de-leveraging events by Q2 2026, (ii) added a 1.5% prepayment premium in the event of early repayment of the loan, (iii) added further fees to lenders of \$6 million were paid on October 1, 2025 and other lender fees in respect of the timing of any de-leveraging events that the Company may enter into, which may result under certain scenarios in additional finance charges of 0.6% to 6.0% per annum, and (iv) further changes to the financial maintenance covenant, as outlined in note 9. As a result of this amendment, the Company recorded a loss on the modification of its long-term debt of \$16,018.

The Company is bound by certain financial maintenance covenants in its Senior Secured Credit Facility, specifically a Leverage Ratio condition based on trailing twelve month EBITDA of a restricted group of WildBrain entities, adjusted for certain one-time and non-cash charges. Non-compliance with the financial maintenance covenant would be considered an event of default under the Senior Secured Credit facility, which could, absent a waiver from the lenders or cure by the Company, restrict the Company's access to funds required to run its business and settle its obligations in a timely manner. Management considers conditions that may cast significant doubt upon its ability to continue as a going concern, which includes the Company's ability to meet future covenants, which is dependent on generating sufficient cash flows in accordance with its business plans to manage its leverage levels, or if these plans are not carried out, generate additional capital to reduce outstanding leverage by way of managing working capital, future equity raises or through the sale of assets. The estimation of future cash flows in accordance with its business plans and the forecasting of leverage levels to meet required financial maintenance covenants is subjective and involves judgment. The Company expects to be able to meet its future covenant requirements through execution of its business plans, although there can be no assurances it will be successful in doing so. As such, management has concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Fair value of financial instruments

Financial instruments recorded at fair value on the interim condensed consolidated balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Fair value estimates are made at a specific point in time based on relevant market information. These are estimates and involve uncertainties, and matters of significant judgment and cannot be determined with precision. Changes in assumptions and estimates could significantly affect fair values.

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Financial assets and (liabilities) measured at fair value

	As at			
	September 30, 2025		June 30, 2025	
	Fair value hierarchy	Fair value ⁽¹⁾	Fair value hierarchy	Fair value ⁽¹⁾
		\$		\$
Foreign currency forwards ⁽²⁾	Level 2	(698)	Level 2	(106)
Foreign currency forwards ⁽²⁾	Level 2	—	Level 2	96

⁽¹⁾ Derivative financial instruments are initially measured at fair value on the trade date. Subsequent valuations are based on observable inputs to the valuation model.

⁽²⁾ The fair value of foreign currency contracts is determined using prevailing exchange rates. These are classified as Derivative assets and Derivative liabilities, respectively, in the interim condensed consolidated balance sheet.

As at September 30, 2025, the Company held forward contract options with the following notional value and average contractual exchange rates:

US\$ exchange for GBP

Less than one year	US\$1,673 to US\$2,510
Weighted average rate	1.3944

US\$ exchange for Canadian dollars

Less than one year	US\$23,151 to US\$23,968
Weighted average rate	1.3682

Japanese Yen ("Yen") exchange for US\$

Less than one year	US\$11,228 to US\$11,228
Weighted average rate	154.0000

Financial assets and liabilities not measured at fair value

The carrying amount of all financial instruments presented in the interim condensed consolidated financial statements approximate their fair values.

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16 Earnings or loss per common share

a) Basic

Basic earnings or loss per common share is calculated by dividing the net income (loss) attributable to shareholders of the Company by the weighted average number of common shares outstanding during the period.

	Three months ended	
	September 30, 2025	September 30, 2024
	\$	\$
Net loss attributable to shareholders of the Company	(32,629)	(10,620)
Weighted average number of common shares outstanding (in 000's)	211,908	210,194
Basic loss per common share	<u>(0.15)</u>	<u>(0.05)</u>

b) Diluted

During the three-month periods ended September 30, 2025 and September 30, 2024, the diluted weighted average number of common shares outstanding was the same as the basic weighted average number of common shares outstanding, as the Company had a net loss and all potential dilutive instruments were anti-dilutive.

Basic and diluted loss per share are calculated using an adjusted denominator as shown above.

17 Capital disclosures

The Company's objectives when managing capital are to provide an adequate return to shareholders, safeguard its assets, maintain a competitive cost structure and continue as a going concern in order to pursue the development, production, distribution and licensing of its film and television properties and broadcast operations. The balance of the Company's cash is being used to reduce leverage.

The Company's capital structure is summarized in the table below:

	September 30, 2025	June 30, 2025
	\$	\$
Total bank indebtedness and long-term debt, excluding interim production financing	528,321	498,047
Less: Cash	(66,577)	(68,871)
Net debt	<u>461,744</u>	<u>429,176</u>
Total shareholders' equity	<u>147,740</u>	<u>165,040</u>
	<u>609,484</u>	<u>594,216</u>

To facilitate the management of its capital structure, the Company prepares annual operating budgets that are updated as necessary depending on various factors including industry conditions and operating cash flows. These budgets are regularly reviewed by the Board of Directors.

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the periods ended September 30, 2025 and 2024

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18 Interim Condensed Consolidated statement of cash flows - supplementary information

Net change in non-cash balances related to operations

	September 30, 2025	September 30, 2024
	\$	
Decrease in amounts receivable	(1,439)	15,876
Increase in prepaid expenses and other	(5,727)	(691)
(Increase) decrease in long-term amounts receivable	(563)	6,216
Decrease in accounts payable and accrued liabilities	(4,009)	(7,305)
Decrease in deferred revenue	(5,806)	(18,173)
Net change in non-cash balances related to operations	<u>(17,544)</u>	<u>(4,077)</u>

Net change in film and television programs

	September 30, 2025	September 30, 2024
	\$	\$
Net change in development costs	(16)	(191)
Net additions to productions in progress and productions completed and released	(15,031)	(7,127)
Additions to program and film rights - broadcasting	—	(1,154)
Amortization of film and television programs	13,981	11,928
Amortization of program and film rights - broadcasting	—	1,859
Net change in film and television programs	<u>(1,066)</u>	<u>5,315</u>

Net change in interim production financing

Supplemental cash flow information

	September 30, 2025	September 30, 2024
	\$	\$
Taxes paid	(1,417)	(231)
Taxes refunded	1,749	1
	<u>332</u>	<u>(230)</u>

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

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Reconciliation between the opening and closing balances on the interim condensed consolidated balance sheet arising from financing activities:

	Term facility \$	Senior unsecured convertible debentures \$	Lease liabilities \$	Total \$
Balance - June 30, 2024	371,301	138,434	24,954	534,689
Proceeds	504,947	—	—	504,947
Repayments	(372,218)	(140,000)	(2,431)	(514,649)
Payment of debt issue costs	(17,898)	—	—	(17,898)
Total financing cash flow activities	114,831	(140,000)	(2,431)	(27,600)
Amortization of deferred financing costs	641	240	—	881
Lease liabilities additions	—	—	849	849
Interest paid on lease liabilities	—	—	(371)	(371)
Accretion expense	—	1,327	371	1,698
Impact of foreign exchange	(5,396)	(1)	35	(5,362)
Loss on modification of long-term debt and write-down of unamortized issue costs	6,313	—	—	6,313
Total other activities	1,558	1,566	884	4,008
Balance - September 30, 2024	487,690	—	23,407	511,097

	Term facility \$	Senior unsecured convertible debentures \$	Lease liabilities \$	Total \$
Balance - June 30, 2025	487,133	—	19,539	506,672
Proceeds	—	—	(2,367)	(2,367)
Repayments	(1,295)	—	—	(1,295)
Payment of debt issue costs	(6,911)	—	—	(6,911)
Total financing cash flow activities	(8,206)	—	(2,367)	(10,573)
Amortization of deferred financing costs	889	—	—	889
Interest paid on lease liabilities	—	—	(324)	(324)
Accretion expense	—	—	324	324
Impact of foreign exchange	10,213	—	73	10,286
Write-down of unamortized issue costs	16,018	—	—	16,018
Total other activities	27,120	—	73	27,193
Balance - September 30, 2025	506,047	—	17,245	523,292

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended September 30, 2025 and 2024

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19 Revenues and segmented information

WildBrain operates entities and offices throughout Canada, the United States, the United Kingdom, Europe and Asia.

The Company has an integrated approach to managing and monetizing its content and intellectual property ("IP"), including production, distribution and consumer-product royalties, representation, and organization structure.

In evaluating performance, the Chief Operating Decision Maker ("CODM"), defined as the Company's President and CEO, and CFO, rely on recommendations by the CIG to assess and allocate resources. The composition of the CODM group changed in the second quarter of fiscal 2024.

As a result, in the fourth quarter of fiscal 2024, the Company further refined its view of the reportable segments and made changes to report three reportable segments, being 1) Content and Licensing; 2) Global Licensing and 3) Canadian Television Broadcasting.

- 1) Content Creation and Audience Engagement - comprises revenue generated from production of proprietary content and distribution of proprietary titles owned by the Company and its strategic partners, and third-party service work.
- 2) Global Licensing - comprises royalties from IPs owned by the Company and its strategic partners, and commissions earned from the licensing agency business.
- 3) Canadian Television Broadcasting - comprises revenue from operating the broadcast channels in Canada.

	Three months ended September 30, 2024			
	Content Creation and Audience Engagement	Global Licensing	Canadian Television Broadcasting	Consolidated
	\$	\$	\$	\$
Revenues	40,834	62,923	7,269	111,026
Direct production costs and expense of film and television produced	30,908	25,263	2,119	58,290
Segment margin	9,926	37,660	5,150	52,736
Share based compensation and selling, general and administrative	7,484	14,519	1,170	23,173
Segment profit	2,442	23,141	3,980	29,563
Corporate selling, general and administrative expense and items unallocated to segments				6,184
Amortization of property and equipment and intangible assets				5,518
Amortization of acquired and library content				1,976
Finance costs, net				24,510
Change in fair value of embedded derivatives				(1)
Impact of foreign exchange				(10,371)
Reorganization, development and other expenses				2,226
Loss before income taxes				(479)

WildBrain Ltd.

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	Three months ended September 30, 2025			
	Content Creation and Audience Engagement	Global Licensing	Canadian Television Broadcasting	Consolidated
	\$	\$	\$	\$
Revenues	39,760	81,084	4,683	125,527
Direct production costs and expense of film and television produced	27,252	34,595	212	62,059
Segment margin	12,508	46,489	4,471	63,468
Share based compensation and selling, general and administrative	8,160	16,810	961	25,931
Segment profit	4,348	29,679	3,510	37,537
Corporate selling, general and administrative expense and items unallocated to segments				4,614
Amortization of property and equipment and intangible assets				3,418
Amortization of acquired and library content				1,429
Finance costs, net				32,103
Impact of foreign exchange				6,709
Reorganization, development and other expenses				5,954
Loss before income taxes				(16,690)

The following table presents the Company's disaggregated revenues recognized from contracts with customers:

	Three months ended	
	September 30, 2025	September 30, 2024
	\$	\$
Timing of revenue recognition		
At a point in time⁽¹⁾		
Content Creation and Audience Engagement	1,716	9,201
	1,716	9,201
Over time		
Content Creation and Audience Engagement (including royalties)	38,044	31,633
Global licensing	81,084	62,923
Canadian Television Broadcasting	4,683	7,269
	125,527	111,026

⁽¹⁾ All revenues recognized at a point in time relate to Audience Engagement.

WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)

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20 Commitments and contingencies

As at September 30, 2025, the Company has entered into various contracts to buy broadcast rights with future commitments totaling \$1,997.

The Company is, from time-to-time, involved in various claims, legal proceedings and complaints arising in the normal course of business and as such, provisions have been recorded where appropriate. Management does not believe that the final determination of these claims will have a material adverse effect on the financial position or results of operations of the Company.