



Q4 2025

**Management Discussion and Analysis
of Financial Condition and Results of Operation
For the Three and Twelve Months ended June 30, 2025 and June 30, 2024**

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion & Analysis ("MD&A") dated as of September 25, 2025 presents an analysis of the consolidated financial condition of WildBrain Ltd. and its subsidiaries (together referred to as "WildBrain", the "Company", "we", "our" or "us") as at June 30, 2025 compared to June 30, 2024, and the consolidated results of operations for the three months and year ended June 30, 2025 compared with the corresponding three months and year ended June 30, 2024. This MD&A should be read in conjunction with the Company's consolidated financial statements and related notes for the three months and year ended June 30, 2025. Unless otherwise noted, the financial information reported herein is derived from the consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), including International Accounting Standards ("IAS") 34, Interim Financial reporting, and are presented in thousands of Canadian Dollars, except per share amounts and as otherwise indicated. Some figures and percentages may not total exactly due to rounding.

This MD&A refers to certain financial measures that are not determined in accordance with IFRS Accounting Standards. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to our consolidated financial statements. The Company discusses these measures because it believes that they assist the reader in better understanding operations and key financial results.

WildBrain is a public company whose common voting shares ("Common Voting Shares") and variable voting shares ("Variable Voting Shares") are traded on the Toronto Stock Exchange ("TSX") under the ticker 'WILD'. Headquartered in Toronto, Canada, WildBrain has offices worldwide.

Further information about the Company can be found on our website at www.wildbrain.com or on SEDAR+ at www.sedarplus.ca.

Caution Regarding Forward-Looking Statements

Certain statements contained in this MD&A and documents referenced herein constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities legislation (collectively herein referred to as "forward-looking statements"), including the provincial securities legislation in Canada. These statements relate to future events or future performance and reflect the Company's expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of the Company and its subsidiaries. Forward looking statements are often, but not always, identified by the use of words such as "may", "would", "could", "will", "should", "expect", "expects", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "pursue", "continue", "seek", "intend" or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the Company's or any of its subsidiaries' objectives, plans and goals, including those related to future operating results, financial performance, and the markets and industries in which the Company operates are or involve forward-looking statements. Specific forward-looking statements in this document include, but are not limited to:

- the business strategies, operational activities, and strategic priorities of WildBrain and its subsidiaries;
- management's financial targets and priorities, and the future financial and operating performance, projections, and goals of the Company and its subsidiaries, including revenue, adjusted EBITDA and leverage;
- plans for use of capital and excess cash flow;
- the Company's plans and ability to reduce its leverage;
- target leverage;
- the timing for implementation of certain business strategies and other operational activities of WildBrain;
- the markets and industries, including competitive conditions, in which WildBrain operates, including the market and demand for content and strategies of streaming platforms;
- legal and regulatory changes and potential impacts on WildBrain and the markets and industries in which it operates;
- the value, prospects and opportunities of the Company and its assets and businesses;
- WildBrain's production and deal pipeline and projects in development;
- the ability of the Company to license its content into numerous markets repeatedly;
- the positioning and ability of the Company to monetize its library, content, assets and other business lines;

- the growth and proliferation of digital/non-linear distribution of media content;
- the activation of the Company's IP and results and benefits therefrom;
- benefits provided from the Company's Canadian broadcasting assets, including cash flows and content funding; and
- investments, acquisitions and other growth opportunities, use of capital for such opportunities and expected returns and benefits therefrom.

Forward-looking statements are based on factors and assumptions that management believes are reasonable at the time they are made, but a number of assumptions may prove to be incorrect, including, but not limited to, assumptions about: (i) the Company's future operating results, (ii) the expected pace of expansion of the Company's operations, (iii) future general economic and market conditions, including debt and equity capital markets and the availability of financing on acceptable terms, (iv) the impact of increasing competition on the Company and industry mergers and acquisitions on the Company, (v) changes in the industries and changes in laws and regulations related to the industries in which the Company operates, (vi) consumer and customer preferences, (vii) the ability of the Company to execute on and integrate acquisition and other growth strategies and opportunities and realize the expected benefits therefrom, (viii) the ability of the Company to execute production, distribution, licensing and other revenue-generating arrangements, (ix) the availability of investment opportunities at acceptable valuations and the ability of the Company to execute on such investment opportunities, (x) interest and foreign exchange rates, (xi) the timing for commencement and completion of productions, (xii) the ability of the Company and its partners to execute on its brand plans and consumer products programs, (xiii) changes in the markets and industries in which the Company operates and the ability of the Company to adapt to such changes, (xiv) changes to YouTube and in advertising markets, (xv) the ability of the Company to commercialize consumer products related to its brands, (xvi) the current geopolitical landscape, (xvii) the impact of direct and indirect tariffs on the business including tariffs on the production of non-US produced content, (xviii) general economic and industry growth rates, and (xix) the economic impact of any potential recession on consumer behavior and advertising sales. Although the forward-looking statements contained in this MD&A and any documents incorporated by reference herein are based on what the Company considers to be reasonable assumptions based on information currently available to the Company, there can be no assurances that actual events, performance, or results will be consistent with these forward-looking statements and these assumptions may prove to be incorrect.

Forward-looking statements are inherently subject to risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections, or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. A number of known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, the Company's leverage and indebtedness and failure to refinance or meet covenant requirements under the senior credit facility of the Company (as and where applicable), product development and acceptance, the ability of the Company to acquire, develop and exploit entertainment properties, dependence on key third party relationships and partnerships with buyers, the Company's ability to source IP and creative talent who can develop IP, consumer and customer preferences, and audience acceptance of the Company's shows and other IP, competition and competitor activities, the potential impact of industry mergers and acquisitions, the ability of the Company to execute on its strategy, the ability of the Company to identify and execute production, distribution and licensing arrangements, termination or renegotiation of contracts, and contractual counterparty risk, litigation or regulatory or arbitral action, unauthorized disclosure of confidential, proprietary or sensitive information, cybersecurity and informational technology incidents and issues, internal conflicts of interest, financial reporting and other public company regulatory obligations and potential errors therein, the ability of the Company to attract and retain talent, reliance on key personnel, risks relating to the Company's exposure to advertising revenues through YouTube and the ability of the Company to attract and realize on advertising revenues, including through YouTube and on other platforms, adverse publicity, risks related to doing business internationally, interest rate risk and interest and foreign exchange rate fluctuations, the reliance of the Company on the Internet and other technologies to continue to conduct its business, technology changes, intellectual property infringement and other claims, the ability of the Company to exploit its content library, access to capital, maintaining effective internal controls, equity capital markets risk and market share price fluctuations, loss of Canadian status, access to and existence of tax credits, subsidies, co-production treaties and other government incentives, loss of television licenses, the availability of acquisition and investment opportunities at acceptable valuations and the ability to execute on and integrate such opportunities, production risks, financial risks and dilution from the Company's capital requirements, strikes and labour relations, changes in the regulatory environment, general economic and market segment conditions, the direct and indirect impact of tariffs, market factors, and catastrophic events and circumstances, including epidemics, pandemics or other public health crises, including impacts on the consumer products and retail sectors through supply chain disruptions. In evaluating these forward-looking statements, investors and prospective investors should specifically consider these and various other risks, uncertainties and other factors which may cause actual events, performance, or results to differ materially from any forward-looking statement.

This is not an exhaustive list of the factors that may affect any of the Company's forward-looking statements. Please refer to a discussion of the above and other risk factors related to the business of the Company and the industry in which it operates

that will continue to apply to the Company, which are discussed in the Company's Annual Information Form ("AIF") for the year ended June 30, 2024 filed on www.sedarplus.ca and in this MD&A below under the "Risk Assessment" section.

These forward-looking statements are made as of the date of this MD&A or, in the case of documents referenced herein, as of the date of such documents, and the Company does not intend, and does not assume any obligation, to update or revise them to reflect new events or circumstances, except in accordance with applicable securities laws. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements.

Business Overview

WildBrain is a leading independent kids' and family entertainment company, recognized globally for high-profile properties including Peanuts, Strawberry Shortcake, Teletubbies, Degrassi, Inspector Gadget, and Yo Gabba Gabba!. WildBrain focuses on kids' and family content, given the international reach and longer lifespan of this genre of programming and the potential to monetize this content across multiple revenue streams. Kids' and family content travels across cultures and geographies and consists largely of animated series, which can be easily dubbed into multiple languages. Such content is evergreen and therefore can be licensed into numerous markets repeatedly for many years.

In addition to producing award-winning series, WildBrain owns what management estimates to be one of the world's most extensive independent libraries of children's and family content of approximately 14,000 half-hours.

WildBrain takes a 360° approach to growing brands by managing and monetizing content and IP across its business through the following core capabilities:

- Content Creation – comprising all of the Company's development and production capabilities, including its animation studio, its digital studio (formerly the WildBrain Spark digital studio) and its animation pre-production business, House of Cool, bringing creative excellence across all formats for WildBrain's proprietary content as well as partner projects;
- Audience Engagement – comprising the Company's extensive capabilities in delivering entertainment content to audiences around the world, including its global distribution business, its YouTube network, its digital marketing expertise and its digital advertising business; and
- Global Licensing – comprising the Company's activities across consumer products licensing, franchise management, global partnerships, location-based entertainment and direct-to-consumer e-commerce, including the activities of the Company's leading global licensing agency, WildBrain CPLG, the Company's franchise management activities for key owned brands such as Teletubbies and Strawberry Shortcake, and the Company's majority interest in the Peanuts brand.

WildBrain also owns and operates its television broadcasting business ("WildBrain Canadian Television Broadcasting"), consisting of the Family suite of linear specialty kids' channels in Canada. In Q2 2025, the Company signed a definitive agreement ("the Sale Agreement") to sell 66 2/3% of its television broadcast business. In April 2025, the Company announced it had entered renegotiation of certain commercial aspects of the Sale Agreement following the decision of Bell Canada ("Bell") to remove Canadian Television Broadcasting channels from its distribution service. In August 2025, the Company announced that it was unable to negotiate a new carriage agreement with Rogers Communications Canada ("Rogers") for the Channels. Rogers subsequently informed the Company that it intended to remove the Channels from its distribution service. As a result, WildBrain's previously announced transaction to sell a majority stake in the Channels to IoM Media Ventures was terminated. In light of these events in combination with the previously announced decision by Bell to also remove the Channels, WildBrain assessed that the Channels are no longer commercially viable and intends to cease broadcast after their removal from Rogers in Q2 2026 and surrender the Channel licenses to the CRTC.

Revenue Model

WildBrain operates through the following three reportable segments:

Content Creation and Audience Engagement

Content Creation and Audience Engagement includes revenue generated from: i) production revenue on new proprietary content commissioned by major streaming platforms; ii) service revenue earned when producing animation or live-action programs for third parties (service work does not typically result in the ownership of IP); iii) licensing revenue from selling content from our library, which includes internally produced proprietary titles, acquired library titles and third-party produced titles for which we hold distribution rights, to digital platforms such as Apple TV+, Amazon Prime, and Netflix, and to linear

broadcast channels across different geographic territories; and iv) a share of revenues from offering our shows on non-YouTube AVOD and FAST platforms such as Pluto, Roku, Amazon, LG and Samsung.

Revenue is also generated from our platform of kids and family AVOD channels, where we distribute both our owned content and third-party content on YouTube. Revenues are earned primarily through third-party algorithmic advertising sales on the platform. Other sources of revenue include producing original short-form content (animation, toy play, stop motion and live action), running paid media advertising campaigns and direct advertising sales on AVOD platforms.

Global Licensing

Global Licensing revenue is earned from generating licensing royalties on our proprietary brands (including among others, Peanuts, Strawberry Shortcake, and Teletubbies, from merchandising, publishing, music rights, live tours and themed-events, interactive games and apps, and from consumer products royalties earned through our strategic brand partnerships, such as with SEGA and Mattel.

Global Licensing also includes revenue earned through our WildBrain CPLG agency business. WildBrain CPLG earns commissions as agents by licensing owned brands and third-party brands from lifestyle brand owners, film studios and other independent IP owners.

Canadian Television Broadcasting

Canadian Television Broadcasting revenue is earned primarily through monthly subscriber fees as well as advertising, promotion and other revenues through our portfolio of owned broadcast channels including Family Channel, Family Jr, Télémagino, and WildBrain TV. Subscription fees are earned monthly through partnerships with Canadian cable and satellite television distributors. In addition, all four channels have multi-platform applications, which allow their content to be distributed both on-demand and via streaming.

In Q4 2025, Bell Canada ceased carriage of the channels. The Company intends to cease broadcast after their removal from Rogers in Q2 2026 and surrender the Channel licenses to the CRTC.

Strategy and Outlook

As a content producer, distributor and IP owner, WildBrain is focused on creating and building brands and managing them throughout their life cycles by producing and distributing content and creating consumer awareness for these brands across all media platforms and generating royalties from the sale of consumer products based on our shows and brands.

Content Overview

As the market for content evolves, major streaming platforms, such as Apple TV+, Amazon Prime, Hulu and Netflix, continue to invest in content to attract and retain subscribers, often gravitating towards original shows, based on established brands. Simultaneously, YouTube has emerged as one of the most popular destinations for kids' entertainment. More recently, Free Ad-Supported Streaming TV ("FAST") has emerged as a meaningful driver of content consumption and engagement.

We capitalize on the demand for both premium and short-form content to grow brands by leveraging our position as the owner of many well-known brands. We estimate that we are the world's largest independent library of kids' and family's content with approximately 14,000 half-hours of programming available, and we possess a large digital audience on our market-leading AVOD platform of kids' videos on YouTube and other FAST and AVOD services.

Given its large viewership, our AVOD platform drives audience awareness and builds user engagement for our IP and partner brands. The strategic value of its massive audience engagement and its insights enhance our ability to build partnerships with brand owners, leveraging the full range of our capabilities.

Strategy

Management is executing on a disciplined strategy aimed at generating attractive returns on invested capital, improving cash flow and driving organic growth by leveraging our full suite of in-house capabilities spanning content creation, audience engagement and global licensing to activate and grow key owned and partner brands.

Fiscal 2026 Outlook

We see a return to growth for the business in Fiscal Year 2026. This is driven by improving conditions in the content production market, continued advances for our YouTube and FAST platforms, and strong growth for our portfolio of owned brands.

Over Fiscal Year 2026 and beyond, we will look to drive organic growth, streamline our cost base and reduce our leverage. We will continue to leverage WildBrain’s 360° capabilities in content creation, audience engagement and licensing to maximize the monetization of our assets and IP.

Fiscal 2026 Strategic Priorities

PRIORITIES	OBJECTIVES
Focus on Key Brands & Partnerships	<ul style="list-style-type: none"> - Focus on owned and partner IP to grow brand franchises by leveraging our vertically integrated, 360° capabilities across Content Creation, Audience Engagement, and Global Licensing - Produce and distribute premium and omni-platform, content worldwide - Build franchise strategies for reach, relevance and revenue for owned IP - Leverage our capabilities to provide world-class services to third-party partners
Deliver Sustainable Growth	<ul style="list-style-type: none"> - Maintain a disciplined approach to managing our cost base while leveraging investments made over recent years - In Fiscal Year 2026, we expect consolidated revenue including Canadian Television Broadcasting of approximately \$560 million to \$590 million and consolidated Adjusted EBITDA¹ growth including Canadian Television Broadcasting of \$80 million to \$85 million. - In Fiscal Year 2026 we expect revenue growth excluding Canadian Television Broadcasting of approximately 15% to 20% and Adjusted EBITDA¹ growth excluding Canadian Television Broadcasting of approximately 15% to 20%.
Improve Balance Sheet	<ul style="list-style-type: none"> - Continue our commitment to financial discipline, reducing leverage and consistent free cash flow generation. We continue to target leverage of under 4x over time. We expect leverage to remain elevated through Fiscal Year 2026 as underlying growth in our content licensing businesses does not fully offset the reduction in Adjusted EBITDA¹ from the closure of our Canadian Television Broadcasting business.

Our Fiscal 2026 financial outlook is based on our latest projections and our current pipeline, as well as expected timing around revenue recognition on our production projects.

¹Adjusted EBITDA is a non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

Financial Highlights for the Year Ended June 30, 2025 ("Q4 2025")

In December 2024, the Company announced that it had signed the Sale Agreement and that in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, the results of Canadian Television Broadcasting ("Television") were presented as discontinued operations during the second and third quarters of 2025. In the Q3 financial statements, the Company disclosed that as a result of Bell's decision to cancel Television channels, the Company was renegotiating certain elements of the Sale Agreement. At June 30, 2025, the Company determined that the sale of Television no longer met the threshold set out in IFRS 5 of being highly probable within the next twelve months and as a result, classified the Television segment into held-for-use. In August 2025, the Company announced that it would be ceasing operation of Television later this year. Until the cessation occurs, Television will be reported in net income from operations. In Q2 2026, Television will have been abandoned when the broadcast licenses are returned to the CRTC, therefore it is expected that the results of the Canadian Television Broadcasting segment will be reclassified to discontinued operations at that time. The Company is presenting its results isolating Television from its continuing businesses to provide a consistent and clear view of both the Company's core continuing operations and total operations in the applicable periods.

Highlights including the results of Television

- Consolidated revenues grew to \$523.4 million in Fiscal 2025, compared to \$461.8 million in Fiscal 2024, an increase of \$61.5 million.
- Content Creation and Audience Engagement revenue was \$203.1 million in Fiscal 2025, a decrease of 5%, compared to \$212.8 million in Fiscal 2024. The Fiscal 2025 revenue was driven by growth in production revenues as compared to the prior year, offset by lower distribution revenue in YouTube, Media Solutions and FAST.
- Global Licensing revenue rose to \$284.2 million in Fiscal 2025, an increase of 33%, compared with \$213.6 million in Fiscal 2024. The Peanuts brand, WildBrain's owned brands, Strawberry Shortcake and Teletubbies, and our global licensing agency, WildBrain CPLG, all contributed to this strong growth.
- Gross margin¹ percentage for Fiscal 2025 was 46%, compared with a gross margin percentage of 48% in Fiscal 2024.
- SG&A costs for Fiscal 2025 were \$111.7 million, compared to \$102.4 million for Fiscal 2024, an increase of \$9.3 million or 9%, driven for the most part by the weakening of the Canadian dollar against the prior period, and investment in our growth businesses.
- Net loss attributable to Shareholders of the Company was \$89.8 million in Fiscal 2025, a decrease of \$16.2 million, compared to a net loss of \$106.0 million in Fiscal 2024.
- Adjusted EBITDA attributable to Shareholders of the Company¹ was \$92.3 million in Fiscal 2025, compared with \$87.6 million in Fiscal 2024, an increase of \$4.7 million or 5%.
- Cash provided by operating activities in Fiscal 2025 was \$152.5 million, compared to cash provided by operating activities of \$73.6 million in Fiscal 2024. Free Cash Flow² for Fiscal 2025 was \$49.5 million, compared to \$(29.5) million in Fiscal 2024.

Highlights excluding the results of Television

- Revenue excluding Television grew to \$487.3 million in Fiscal 2025, compared to \$426.4 million in Fiscal 2024, an increase of \$60.9 million or 14%.
- Adjusted EBITDA attributable to Shareholders of the Company¹ excluding Television was \$68.6 million in Fiscal 2025, compared with \$66.7 million in Fiscal 2024, an increase of 3%.

¹ Gross margin and Adjusted EBITDA attributable to the Shareholders of the Company are non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

² Free Cash Flow is defined as operating cash flow less distributions to non-controlling interests, changes in interim production financing, cash interest paid on our long-term debt, bank indebtedness, and lease liabilities, and principal repayments on our lease liabilities. Free Cash Flow is a non-GAAP financial measure, see "Non-GAAP Financial Measures" section of this MD&A for a reconciliation to GAAP measures. Free Cash Flow includes discontinued operations.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The summary consolidated financial information set out below for the periods ended June 30, 2025, and June 30, 2024 has been derived from the Company's consolidated financial statements and accompanying notes and can be found on WildBrain's website at www.wildbrain.com and on SEDAR+ at www.sedarplus.ca.

The following information should be read in conjunction with the above-mentioned statements and the related notes.

	Three Months Ended		Twelve Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(expressed in \$000s, except per share data)				
Consolidated Statements of Income(Loss) Data:				
Revenues	139,123	129,968	523,362	461,820
Direct production costs and expense of film and television produced	(75,867)	(70,420)	(280,207)	(240,710)
Gross margin ¹	63,256	59,548	243,155	221,110
Selling, general, and administrative expenses	(30,097)	(27,516)	(111,737)	(102,405)
Share-based compensation	(1,003)	(233)	(4,576)	(3,752)
Write-down of investment in film and television programs and acquired and library content, property and equipment, and intangible assets	(15,530)	(90,403)	(68,777)	(90,403)
Amortization, finance costs and other expenses	6,586	(29,744)	(112,729)	(119,760)
Income tax (provision) recovery	(3,939)	14,010	781	14,873
Net income (loss)	19,273	(74,338)	(53,883)	(80,337)
Net income attributable to non-controlling interests	(9,742)	(6,373)	(35,931)	(25,633)
Net income (loss) attributable to the Shareholders of the Company	9,531	(80,711)	(89,814)	(105,970)
Basic and Diluted income (loss) per common share	0.04	(0.39)	(0.42)	(0.51)
Weighted average common shares outstanding (in 000s) ..				
Basic	212,654	206,555	211,908	205,943
Diluted	212,817	206,555	211,908	205,943
Other Key Performance Measures (including discontinued operations):				
Adjusted EBITDA attributable to the Shareholders of the Company ¹	24,622	23,915	92,297	87,563
Cash flow (used in) provided by operating activities	(2,025)	18,277	152,536	73,597
Free Cash Flow ¹	(17,265)	(6,627)	49,507	(29,520)
	As at	As at		
	June 30,	June 30,		
	2025	2024		
Consolidated Balance Sheet Data:				
Total assets	937,339	1,053,203		
Total liabilities	772,299	806,713		
Shareholders' equity	165,040	246,490		

¹Gross Margin, Adjusted EBITDA attributable to the Shareholders of the Company, and Free Cash Flow are non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

SUMMARY OF SELECTED CONSOLIDATED QUARTERLY INFORMATION

WildBrain's results may vary on a quarterly basis due to the timing of production deliveries and distribution deals as well as seasonality in our kids and family channels, AVOD and consumer products licensing businesses. Historically, WildBrain's first quarter is the lightest (during summer months). WildBrain's second and third quarters tend to be stronger as our main markets are geared towards the fall and winter months, especially during the holiday season. Additionally, the timing of material content licensing agreements can impact WildBrain's results¹ from quarter to quarter.

	Fiscal 2025				Fiscal 2024			
	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep
(expressed in \$000s except per share data)								
Revenues excluding Television	129,410	128,352	125,763	103,757	121,715	90,380	117,562	96,706
Gross margin excluding Television ¹	56,449	51,412	59,121	47,586	53,558	43,154	52,769	45,343
Net income (loss) excluding Television attributable to the Shareholders of the Company	11,242	(15,292)	(78,453)	(15,094)	(16,979)	(20,472)	(421)	(20,325)
Overall Adjusted EBITDA attributable to the Shareholders of the Company ¹	24,622	26,092	26,249	15,335	23,916	19,613	25,175	18,860
Weighted average common shares outstanding (in 000s)								
Basic	212,654	212,452	212,131	210,194	206,555	206,605	206,309	204,323
Diluted	212,817	212,452	212,131	210,194	206,555	206,605	206,316	204,323
Basic income(loss) per common share	0.05	(0.07)	(0.37)	(0.07)	(0.41)	(0.09)	0.00	(0.10)
Diluted income(loss) per common share	0.05	(0.07)	(0.37)	(0.07)	(0.41)	(0.09)	0.00	(0.10)

¹Gross Margin and Adjusted EBITDA attributable to the Shareholders of the Company is a non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

Results for the three-months ended June 30, 2025 ("Q4 2025") compared to the three-months ended June 30, 2024 ("Q4 2024")

Revenues

Revenue by segment was comprised of the following:

(expressed in \$000s)	Q4 2025		Q4 2024		Variance	
	\$		\$		\$	%
Content Creation and Audience Engagement	59,993		68,027		(8,034)	(12)%
Global Licensing	69,417		53,688		15,729	29 %
Canadian Television Broadcasting ¹	9,713		8,253		1,460	18 %
Total Revenue	139,123		129,968		9,155	7 %

¹In Q2 2025, the Company classified its Canadian Television Broadcasting segment as Held for Sale and accordingly, presents the results of the television segment as discontinued operations in its financial statements. At June 30, 2025, the Company determined that the sale of the WildBrain Television no longer met the threshold set out in IFRS 5 of being highly probable to be completed within the next twelve months.

Content Creation and Audience Engagement: Revenue decreased \$8.0 million, or 12% to \$60.0 million in Q4 2025, compared to \$68.0 million in Q4 2024. The decrease in Q4 2025 revenue was driven by lower distribution revenues, and lower revenues in YouTube, Media Solutions and FAST in the quarter, offset by stronger production revenues as compared to the prior year's quarter.

Global Licensing: Revenue increased \$15.7 million, or 29% to \$69.4 million in Q4 2025, compared with \$53.7 million in Q4 2024. Revenue in the quarter was driven by strong growth in our owned brands, Peanuts, Strawberry Shortcake and Teletubbies, supplemented by third party revenue growth from our global licensing agency, WildBrain CPLG.

Canadian Television Broadcasting: Revenue increased \$1.5 million or 18% to \$9.7 million in Q4 2025, compared to \$8.3 million in Q4 2024. Included in revenue this period was the recognition of previously-deferred revenues of \$3.4 million due to resolution of the uncertainties surrounding its measurement. Absent this, the performance of Canadian Television Broadcasting continues to reflect industry-wide softness in advertising revenue, and subscriber erosion in line with the broader linear TV market.

Gross Margin¹

Gross margin represents revenue less direct production and distribution costs and amortization of film and television produced.

(expressed in \$000s, except percentages)	Q4 2025		Q4 2024	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	21,616	36 %	25,466	37 %
Global Licensing	34,833	50 %	28,092	52 %
Canadian Television Broadcasting	6,807	70 %	5,991	73 %
Total Gross Margin	63,256	45 %	59,548	46 %

¹Gross margin and Adjusted EBITDA attributable to the Shareholders of the Company is a non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

Content Creation and Audience Engagement gross margin was \$21.6 million in Q4 2025, compared with \$25.5 million in Q4 2024. Gross margins decreased year over year due primarily to lower content licensing revenues as a proportion of total revenue, due to the timing of recognition of distribution agreements quarter to quarter.

Global Licensing gross margin was \$34.8 million in Q4 2025, compared with \$28.1 million in Q4 2024. Gross margin percentage for Q4 2025 was 50%, compared to 52% in Q4 2024 due to higher franchise marketing expenses in Q4 2025.

Canadian Television Broadcasting gross margin was \$6.8 million in Q4 2025, compared with \$6.0 million in Q4 2024. The Company continued cost containment measures and utilized the large library to control content costs. Gross margin percentage for Q4 2025 was 70%, compared with 73% in Q4 2024, primarily due to a reversal of amounts which were determined not to be recoverable relating to cost of revenue on reclassification of Television assets as held-for-use offset by the release of previously recorded deferred revenue in the quarter. Previous losses from the revaluation of assets held for sale recognized in previous quarters of \$7,807 were allocated to the assets to which the impairment related, had the assets been recorded as held for use in those periods with additional impairment on reclassification of the assets to held for use of \$7,497 for total impairment of assets within the Canadian Television Broadcasting business during the period of \$15,304. These impairment losses were recorded on revaluation to recoverable amount of Television's investment in film and television program assets. The recoverable amount of the assets was determined by assessing the expected net cash flows from the CGU until the date of termination of the TV business on Oct 31, 2025.

Operating Expenses (Income)

Selling, General & Administrative ("SG&A")

SG&A expenses in Q4 2025 were \$30.1 million, compared to \$27.5 million for Q4 2024, an increase of \$2.6 million or 9% due to the impact of translating foreign currency denominated expenses at less favourable rates than in the prior year, higher variable compensation charges and increased investment in our growth businesses.

Share-Based Compensation

Total share-based compensation was \$1.0 million in Q4 2025, compared with \$0.2 million for Q4 2024, a increase of \$0.8 million.

Amortization

Total amortization of acquired and library content, property and equipment ("P&E") including right-of-use assets, and intangible assets was \$6.0 million for Q4 2025 for continuing operations, compared with \$8.3 million in Q4 2024.

Amortization of acquired and library content was \$1.7 million in Q4 2025, compared to \$2.2 million in Q4 2024.

Depreciation of P&E was \$2.5 million in Q4 2025, compared with 2.9 million in Q4 2024.

Amortization of intangible assets was \$1.8 million in Q4 2025, compared with \$3.2 million in Q4 2024.

Reorganization, Development and Other

Reorganization, Development and Other expenses were \$3.6 million in Q4 2025, compared to \$4.5 million in Q4 2024. Q4 2025 included termination and other benefits of \$0.6 million, \$1.7 million development write-off and other charges of \$1.3 million. (Q4 2024 included termination and other benefits of \$0.6 million, and other charges of \$3.9 million (\$1.1 million development write-off, \$0.9 million system implementation costs, refinancing costs of \$0.9 million, and other of \$1.0 million other projects.)

Finance Costs, net

Net finance costs were \$15.1 million in Q4 2025, compared to \$13.9 million in Q4 2024. The increase in Q4 2025 was primarily driven by the higher interest expense on its new senior secured credit facility of \$4.5 million, higher amortization of deferred financing fees of \$0.4 million, offset by lower accretion on convertible debentures of \$1.0 million, lease liabilities and other items of \$0.6 million, change in fair value of interest rate swap of \$2.9 million, interest on completed and released productions of \$1.0 million, and lower interest income of \$1.4 million as compared to Q4 2024.

Foreign Exchange Loss

The Company recognized a foreign exchange gain of \$23.5 million in Q4 2025, compared to a loss of \$3.1 million in Q4 2024 due primarily to the weakening US dollar in the quarter and its impact on the Company's US dollar denominated debt. In the prior year's quarter, the Company had yet to refinance its debt, therefore it was not subject to similar exchange rate exposures.

Income Taxes

Income tax expense for Q4 2025 was \$3.9 million, compared to a recovery of \$14.0 million in Q4 2024. 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 to recipients of this income outside the Company. Further items impacting the effective tax rate include the different statutory tax rates in the various taxing jurisdictions, non-deductible items and the continued nonrecognition of certain deferred tax assets in Canada.

Net Loss, Comprehensive Loss, and Loss Per Share

Net income attributable to the Shareholders of the Company for Q4 2025 was \$9.5 million, compared to net loss of \$80.7 million for Q4 2024, an increase of \$90.2 million.

Comprehensive loss was \$10.7 million for Q4 2025, compared to loss of \$73.2 million for Q4 2024.

Basic and diluted income per share from continuing operations was \$0.04 in Q4 2025, as compared to basic and diluted loss per share from continuing operations of \$0.4 in Q4 2024.

Adjusted EBITDA Attributable to the Shareholders of the Company¹

Adjusted EBITDA attributable to the Shareholders of the Company was \$24.6 million in Q4 2025, compared with \$23.9 million in Q4 2024.

¹Adjusted EBITDA attributable to the Shareholders of the Company is a non-GAAP measure, refer to section “Non-GAAP Financial Measures” and “Reconciliation of Historical Results to Adjusted EBITDA and Adjusted EBITDA attributable to the Shareholders of the Company” of this MD&A for the definition and detailed calculation of this non-GAAP measure.

Results for the twelve month period ended June 30, 2025 ("Fiscal 2025") compared to the twelve month period ended June 30, 2024 ("Fiscal 2024")

Revenues

Revenue by segment was comprised of the following:

(expressed in \$000s)	Twelve Months 2025	Twelve Months 2024	Variance	
	\$	\$	\$	%
Content Creation and Audience Engagement	203,095	212,765	(9,670)	(5)%
Global Licensing	284,187	213,598	70,589	33 %
Canadian Television Broadcasting ¹	36,080	35,457	623	2 %
Revenue including Television Broadcasting	523,362	461,820	61,542	13 %

¹In Q2 2025, the Company classified its Canadian Television Broadcasting segment as Held for Sale and accordingly, presents the results of the television segment as discontinued operations in its financial statements. At June 30, 2025, the Company determined that the sale of the Canadian Television Broadcasting no longer met the threshold set out in IFRS 5 of being highly probable to be completed within the next twelve months.

Content Creation and Audience Engagement: Revenue decreased 5% or \$9.7 million to \$203.1 million in Fiscal 2025, compared to \$212.8 million in Fiscal 2024. Revenue growth in our animation and live action production businesses in Fiscal 2025 was offset by lower distribution revenues driven by the timing of content distribution deals.

Global Licensing: Revenue increased \$70.6 million, to \$284.2 million in Fiscal 2025, compared to \$213.6 million in Fiscal 2024. The increase in revenue was driven double digit growth across our licensing businesses, led by strong Peanuts and Strawberry Shortcake performance in the US, and strong Peanuts and Teletubbies performance in Asia. CPLG’s third party business also performed strongly in the year.

Canadian Television Broadcasting: Revenue increased \$0.6 million to \$36.1 million in Fiscal 2025, compared to \$35.5 million in Fiscal 2024. Included in revenue this period was the recognition of previously-deferred revenues of \$7.2 million due to resolution of the uncertainties surrounding its measurement.

Gross margin represents revenue less direct production costs and expense of film and television produced.

(expressed in \$000s, except percentages)	Twelve Months 2025		Twelve Months 2024	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	59,439	29 %	79,316	37 %
Global Licensing	155,129	55 %	119,274	56 %
Canadian Television Broadcasting	28,587	79 %	22,520	64 %
Gross Margin	243,155	46 %	221,110	48 %

Content Creation and Audience Engagement gross margin decreased \$19.9 million to \$59.4 million in Fiscal 2025, compared to \$79.3 million in Fiscal 2024. The gross margin change was driven by a change in concentration of revenues between production and distribution, as well as by higher participation costs in the year. Gross margin percentage for Fiscal 2025 was 29% of revenue, compared to 37% in Fiscal 2024.

Global Licensing gross margin increased \$35.8 million to \$155.1 million in Fiscal 2025, compared to \$119.3 million, in Fiscal 2024. The increase in gross margin dollars was driven by continued investments in owned brands to drive sustainable growth. Gross margin percentage for Fiscal 2025 was 55% of revenue, compared to 56% in Fiscal 2024.

Canadian Television Broadcasting gross margin was \$28.6 million in Fiscal 2025, compared to \$22.5 million in Fiscal 2024, an increase of \$6.1 million, driven primarily by the release of deferred revenue. Gross margin percentage for Fiscal 2025 was at 79%, compared to 64% in Fiscal 2024, primarily due to the release of previously recorded deferred revenue in the year, as well as cessation of amortization of the television programming assets upon classification as held for sale. An adjustment of \$15,304 million to decrease the fair value of the assets held for sale was recorded below gross margin in the Canadian Television Broadcasting segment as a result of the expected decrease in future revenues arising from the loss of Bell and Roger's carriage and the announced cessation of operations on October 31, 2025.

Operating Expenses (Income)

Selling, General & Administrative

SG&A expenses in Fiscal 2025 were \$111.7 million, compared to \$102.4 million for Fiscal 2024, an increase of \$9.3 million, or 9%. Absent a Q1 2024 benefit of \$2.8 million arising from the recovery of a previously reserved bad debt, and the impact of translating foreign currency denominated expenses at less favourable rates than in the prior year, SG&A expenses increased due to increased investment in our growth businesses and higher variable compensation costs.

Share-Based Compensation

Total share-based compensation was \$4.6 million in Fiscal 2025, compared to \$3.8 million for Fiscal 2024, an increase of \$0.8 million.

Amortization

Total amortization of acquired and library content, P&E including right-of-use assets and intangible assets was \$27.6 million for Fiscal 2025, compared with \$33.7 million in Fiscal 2024.

Amortization of acquired and library content was \$8.2 million in Fiscal 2025, compared to \$8.7 million in Fiscal 2024.

Amortization of P&E was \$10.3 million in Fiscal 2025, compared to \$12.2 million in Fiscal 2024.

Amortization of intangible assets was \$9.1 million in Fiscal 2025, compared with \$12.8 million in Fiscal 2024.

Reorganization, Development and Other

Reorganization, Development and Other expense was \$11.8 million in Fiscal 2025, compared to \$16.0 million in Fiscal 2024, a decrease of \$4.2 million. Fiscal 2025 included termination costs and other benefits of \$2.2 million (Fiscal 2024: \$5.1 million). Other charges in Fiscal 2025 included \$2.3 million development write-off (Fiscal 2024: \$3.7 million), \$0.6 million system implementation costs for systems upgrade and process enhancement initiatives (Fiscal 2024: \$4.3 million), \$1.1 million in respect of refinancing costs (Fiscal 2024: \$0.9 million), and \$2.8 million of other costs (Fiscal 2024: \$1.6 million).

Write-down of Certain Investments in Film and Television Programs, Acquired and Library Content, and Intangible Assets

During Fiscal 2025, a non-cash impairment charge of \$68.8 million was recorded, compared with \$90.4 million in Fiscal 2024. Fiscal 2025 included an intangible asset impairment of \$5.3 million, write-down of acquired and library content of \$17.0 million and investment in film assets of \$46.2 million. The write-downs reflect the weaker than expected revenue performance and current market conditions for the brands and titles impaired in our library that the Company invested in prior to 2023. The Company has changed its capital allocation strategy and is focusing its investments into the high value brands in its library, such as Peanuts, Strawberry Shortcake and Teletubbies and its growth businesses. The writedown in Fiscal 2025 also includes an impairment of Investments in Film and Television Programs held by WildBrain's Canadian Television Broadcasting business to record the investments at their recoverable value with operations of the TV channels ceasing in October 2025. An amount of \$7.8 million was previously recorded in Q3 2025 as a decrease in the fair value of assets held for sale. That amount was reversed in Q4 2025 and included as part of the impairment upon reinstatement of the Canadian Television Broadcasting business as held-for-use upon determination that the sale of the TV Channels was no longer highly probable.

Finance Costs, net

Net finance costs were \$73.0 million in Fiscal 2025, compared to \$55.8 million in Fiscal 2024, an increase of \$17.2 million. The increase was primarily driven by interest on long-term debt of \$22.8 million, amortization of deferred financing fees of \$1.0 million, write-down of unamortized deferred financing fees of \$6.3 million, and interest expense on bank indebtedness of \$1.0 million, offset by higher interest income of \$1.0 million, lower change in fair value of forward contract of \$9.6 million, lower interest on completed and released productions of \$1.9 million, and lower accretion on convertible debentures, lease liabilities, and other of \$3.6 million in Fiscal 2025.

Change in Fair Value of Embedded Derivatives

The change in fair value of embedded derivatives related to our convertible debenture was a gain of \$0.0 million in Fiscal 2025, compared to a gain of \$0.3 million to our convertible debentures in Fiscal 2024. The convertible debentures were settled in the first quarter of fiscal 2025.

Foreign Exchange Loss

Foreign exchange loss was \$0.3 million in Fiscal 2025, compared to a loss of \$14.7 million in Fiscal 2024, primarily driven by the weaker Canadian dollar compared to the US dollar, which resulted in a foreign exchange translation loss on our US dollar denominated term debt that was entered into in Q1 2025 and other US denominated liabilities.

Income Taxes

Income tax recovery for Fiscal 2025 was \$0.8 million, compared to a recovery of \$14.9 million in Fiscal 2024. The income tax (expense) recovery 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 to recipients of this income outside the Company. Further items impacting the effective tax rate include the different statutory tax rates in the various taxing jurisdictions, non-deductible items and the continued nonrecognition of certain deferred tax assets in Canada.

Net Loss, Comprehensive Loss, and Loss Per Share

Net loss attributable to the Shareholders of the Company for Fiscal 2025 was \$89.8 million, compared to net loss of \$106.0 million for Fiscal 2024, a decrease in net loss of \$16.2 million. The decrease was driven primarily by a non-cash impairment of investment in film and television, acquired library content and intangible assets of \$21.6 million, higher finance costs of \$17.2 million, higher SG&A of \$9.3 million, higher share-based compensation of \$0.8 million, and higher net income attributable to non-controlling interests of \$10.3 million, offset by higher gross margin of \$22.0 million, a change in the income tax recovery of \$14.1 million and other costs of \$4.2 million in Fiscal 2025.

Comprehensive loss for Fiscal 2025 was \$52.5 million, compared to an income of \$66.2 million in Fiscal 2024 due to the impact of the weakened Canadian dollar on the translation of foreign denominated subsidiaries' balance sheets.

Both basic and diluted loss per share was \$0.42, in Fiscal 2025, compared to basic and diluted loss of \$0.51, in Fiscal 2024.

Adjusted EBITDA Attributable to the Shareholders of the Company¹

Adjusted EBITDA attributable to the Shareholders of the Company was \$92.3 million in Fiscal 2025, compared to \$87.6 million in Fiscal 2024, an increase of \$4.7 million or 5%. The increase was driven by higher gross margin dollars of \$22.0 million and offset by higher SG&A of \$9.3 million, and a higher portion of Adjusted EBITDA attributable to non-controlling interests of \$6.3 million.

¹Adjusted EBITDA attributable to the Shareholders of the Company is a non-GAAP measure, refer to section "Non-GAAP Financial Measures" and "Reconciliation of Historical Results to Adjusted EBITDA and Adjusted EBITDA attributable to the Shareholders of the Company" of this MD&A for the definition and detailed calculation of this non-GAAP measure.

Financial Condition

The following table summarizes certain information with respect to WildBrain's capitalization and financial position as at June 30, 2025 and June 30, 2024:

(expressed in \$000s, except ratio data)	June 30, 2025	June 30, 2024
	\$	\$
Cash	68,871	49,715
Amounts receivable	257,474	301,499
Investment in film and television programs	97,953	159,584
Acquired and library content	54,535	78,882
Intangible assets	373,714	387,139
Other assets	84,792	76,384
Total assets	937,339	1,053,203
Bank indebtedness	10,914	13,800
Accounts payable and accrued liabilities	157,863	136,658
Interim production financing	56,472	59,101
Current portion of long-term debt	69,202	142,335
Long-term debt	417,931	367,400
Lease liabilities	19,539	24,954
Deferred revenue	37,741	57,118
Other liabilities	2,637	5,347
Total liabilities	772,299	806,713
Shareholders' equity	165,040	246,490
Working capital ¹	84,770	80,592
Working capital ratio ²	1.25	1.19
Net debt ³	429,176	473,820

¹Working capital is calculated as current assets less current liabilities.

²Working capital ratio is current assets divided by current liabilities.

³Net debt includes long-term debt and bank indebtedness less cash and excludes interim production financing.

Liquidity and Capital Resources

Summary of cash flow components:

	Three Months Ended		Year Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
Cash Inflows (Outflows) by Activity:				
Operating activities	(2,025)	18,277	152,536	73,597
Financing activities	(8,231)	(26,027)	(135,923)	(98,130)
Investing activities	(930)	(543)	2,406	(6,144)
Effect of foreign exchange rate changes on cash	(266)	78	136	44
Net cash inflows (outflows)	(11,452)	(8,215)	19,155	(30,633)

Changes in Cash

Cash at June 30, 2025 was \$68.9 million, as compared to \$49.7 million at June 30, 2024.

Operating Activities

During Q4 2025, cash used in operating activities was \$2.0 million, compared to \$18.3 million generated in operating activities in Q4 2024. The decrease of \$78.9 million was primarily due to higher conversion of EBITDA to cash and timing of working capital inflows and outflows in the period.

During Fiscal 2025, cash generated by operating activities was \$152.5 million, compared to \$73.6 million in Fiscal 2024, an increase of \$78.9 million. The increase was primarily driven by increase in EBITDA in Fiscal 2025 and the timing of working capital inflows and outflows in the period.

Financing Activities

During Q4 2025, cash flows used in financing activities were outflows of \$8.2 million, compared to outflows of \$26.0 million in Q4 2024. The decrease in outflows of \$17.8 million was primarily driven by lower distributions to non-controlling interests of \$4.4 million and higher draws on the long term debt facilities of \$8.5 million, and higher utilization of the Interim Production Financing lines of \$10.1 million, offset by higher cash interest paid of \$5.5 million.

Investing Activities

During Q4 2025, the Company used \$0.9 million of cash for investing activities, compared to using \$0.5 million in Q4 2024.

Bank Indebtedness and Long-Term Debt

Credit Facility and Revolving Facility

On July 23, 2024, the Company entered into an agreement for a new five-year US\$415 million credit agreement (the "Senior Secured Credit Facility") consisting of a US\$375 million Term Loan (the "Term Loan Facility") and a US\$40 million 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") Rate 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 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. Proceeds from the Senior Secured Credit Facility were used to fully repay the Company's seven-year \$358.4 million (US\$285.0 million) previous Senior Secured Term Loan (the "Prior Term Loan Facility"), due March 2028, and the Company's five-year US\$30.0 million previous Revolving Facility (the "Prior Revolver"), due July 2024.

In addition, proceeds from the Senior Secured Credit Facility, along with working capital and proceeds of \$7.25 million from the exercise by Fine Capital of the warrants to purchase 5,000,000 Variable Voting Shares at a price of \$1.45 per share used to fully repay the Company's Convertible Debentures, due September 30, 2024.

Starting on the quarter ending September 30, 2024, the Senior Secured Credit Facility requires quarterly repayment equal to 0.25% of the initial principal amount. The Senior Secured Credit Facility also require annual repayments equal to 100% Excess Cash Flow (the "Excess Cash Flow Payments") (as defined in the Credit Agreement), commencing for the fiscal year ended June 30, 2025, while total leverage is greater than 3.50x, reducing to 50% if total leverage ratio is less than 3.50x but in excess of 3.00x and 25% if total leverage ratio is equal to or less than 3.00x.

The termination of the Prior Credit Facility and the entering into the Senior Secured Credit Facility was accounted for as an extinguishment of the Prior Credit Facility. As a result, during the year ended June 30, 2025, unamortized issue costs of \$6,077 and professional and legal fees of \$236 were expensed within Finance Costs. Issue costs, professional and legal fees of \$18,166 were capitalized in relation to the Senior Secured Credit Facility and will be netted against the outstanding balance and accreted over the term of the Senior Secured Credit Facility using the effective interest method.

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.

Subsequent to year end, 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 by 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:

Fiscal Quarter	Total Leverage Ratio ⁽¹⁾	Total Leverage Ratio As Amended ⁽²⁾
Fiscal quarters ending September 30, 2024 and December 31, 2024	6.50x	6.50x
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	5.0x	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

During the year ended June 30, 2025, the average interest rate was 10.62% for the Senior Secured Credit Facility. As of June 30, 2025, the Senior Secured Credit Facility had a principal balance of \$501.7 million (US\$367.7 million). As of June 30, 2024, the Prior Term Loan had a principal balance of \$372.2 million (US\$275.7 million).

The Revolving Facility may be drawn in USD, with the option of SOFR Rate or Base Rate (the "Base Rate"). The interest rate is floating ranging from Base Rate + 4.5% to 6.0%, driven by the leverage ratio. During the year ended June 30, 2025, the average interest rate was 10.62% for the Revolving Facility.

As of June 30, 2025, \$10.9 million (US\$8.0 million) was drawn on the Revolving Facility. As of June 30, 2024, \$13.8 million was drawn on the Prior Revolver Facility.

The Company is required to comply with a leverage covenant and as of June 30, 2025, was in compliance with all financial maintenance covenants.

For additional information on the Facilities, refer to the Senior Secured Credit Agreement on SEDAR+ at www.sedarplus.ca.

Senior Unsecured Convertible Debentures

During the first quarter of fiscal 2025, the Company fully repaid the principal balance of \$140.0 million for the Convertible Debentures, bearing interest at a fixed annual rate of 5.875% paid semi-annually on March 31 and September 30 of each year. As at June 30, 2025, the Convertible Debentures had a principal balance of \$nil (June 30, 2024 - \$140.0 million).

Working Capital and Liquidity

Working capital represents the Company's current assets less current liabilities, which amounted to \$84.8 million as at June 30, 2025, as compared to \$80.6 million at June 30, 2024. The balance at June 30, 2024 included \$138.4 million of Convertible Debentures which have since been refinanced.

All of our significant businesses have quarterly fluctuations but are cash flow positive over the course of a year. The Company frequently reviews cash flows by business unit and actions are taken if and as necessary.

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.

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.

Subsequent to year end, on September 24, 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) increased the prepayment premium in the event of early repayment of the loan, (iii) committed the Company to fees payable to lenders in respect of the timing of any de-leveraging events that the Company may enter into, and (iv) further changes to the financial maintenance covenant, as outlined in Note 14.

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 (for more information refer to the Senior Secured Credit Facility, on SEDAR+ at www.sedarplus.ca). 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.

Technology Investments

Investments in technology, primarily in our studio and Audience Engagement businesses, are principally leases of equipment, and software licenses, which are paid for over time from financing activities.

Production Investments

Productions are principally funded with interim production credit facilities on a production by production basis that are secured by licensing contract receivables and film tax credits and are repaid as those receivables and tax credits are collected. When initiating new productions, we typically require the significant majority of expenditures to be covered by licensing contract receivables and film tax credits, and as a result the Company's investment in excess of these receivables and tax credits is typically limited. However, there could be some working capital variations depending on timing of production and collection of the underlying contracts.

Canadian Content Investments

As a Canadian broadcaster, we are required to invest in a certain amount of Canadian content which is used for programming our channels and for our distribution business. The amount required to be spent is calculated as a percentage of our revenues generated by our broadcasting business. These expenditures are funded from operating cash flows. This requirement will cease concurrently with the surrender of our broadcast license to CRTC.

Acquisitions

When making other investments and acquisitions, we assess the expected returns, the risks and timing of those expected returns and consider whether to use the Company's existing funds, Revolver, or the issuance of equity.

Based on our current revenue forecasts and expectations for Fiscal 2025, the Company believes that the working capital is sufficient to meet present requirements and near-term business plans for the next 12 months. The Company expects foreseeable cash needs to be funded through operating cash flows, existing cash resources, and the Revolver.

Contractual Obligations¹

The following table summarizes our outstanding cash commitments as of June 30, 2025:

Payments Due by Period	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
(expressed in \$000s)	\$	\$	\$	\$	\$
Bank indebtedness	10,914	10,914	—	—	—
Accounts payable and accrued liabilities	157,863	157,863	—	—	—
Interim production financing	56,472	56,472	—	—	—
Other long-term liabilities	2,850	—	2,850	—	—
Term facility	710,644	69,202	113,200	528,242	—
Lease liabilities	25,261	11,804	10,867	2,124	466
Total Contractual Obligations	964,004	306,255	126,917	530,366	466

¹ Contractual payments in the table above include fixed and variable interest obligations at current rates and are not discounted.

Acquisitions

Acquisition of House of Cool

In Q1 2024, the Company completed the acquisition of House of Cool, one of the top pre-production companies in the global animation industry. Under the agreement, the Company acquired full ownership of House of Cool through the issuance of 4,479,406 WildBrain shares and \$5.1 million in cash (subject to a customary working capital adjustment). Additionally, the Company is required to repay the seller for certain tax credits relating to in process productions at the date of acquisition and completed productions which have yet to receive their final tax credit. \$3.6 million has been recorded as a liability to the seller based on the estimated value of tax credits on acquisition (estimated cost incurred up until acquisition date over estimated total costs of the properties acquired).

Share Capital

As at June 30, 2025, our issued and outstanding share capital was as follows:

Common Voting Shares	21,195,875
Variable Voting Shares	191,184,878
<hr/>	
Total Common Shares	212,380,753
Preferred Variable Voting Shares	500,000,000
Stock Options	798,500
Restricted Share Units	4,088,815
Performance Share Units	2,192,508
Deferred Share Units	4,235,744

Pursuant to WildBrain's articles of incorporation and the *Broadcasting Act (Canada)*, the Common Voting Shares may only be held and controlled by Canadians, and the Variable Voting Shares may only be held and controlled by non-Canadians. The dual-class share structure is required to enable the Company to comply with Canadian ownership rules as an operator of broadcast assets in Canada. The preferred variable voting shares were instituted prior to the Company's initial public offering and are maintained to ensure compliance with Canadian ownership requirements related to its business and continuing qualification for tax credits. Following the surrender of the Company's broadcast license to CRTC, WildBrain will no longer be subject to applicable Canadian control restrictions under the Broadcasting Act and intends to remove its variable voting structure currently applicable to non-Canadian shareholders.

For additional information on WildBrain's share capital, see the Company's Fiscal 2025 AIF dated September 25, 2025 filed on www.sedarplus.ca.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

Related Party Transactions

Exercise of Warrants

On July 23, 2024, Fine Capital exercised the outstanding warrants to purchase 5,000,000 Variable Voting Shares at a price of \$1.45 per share.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS Accounting Standards requires Management to make estimates, judgments, and assumptions that Management believes are reasonable based upon the information available. These estimates, judgments, and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year or period. Actual results can differ from those estimates (refer to the section "Caution Regarding Forward-Looking Statements" of this MD&A for more information regarding forward-looking information). For a discussion of all of the Company's accounting policies, refer to note 3 of the audited consolidated financial statements for the year ended June 30, 2025 on www.sedarplus.ca or WildBrain's website at www.wildbrain.com.

Significant accounting judgments and estimation uncertainty

The preparation of financial statements under IFRS Accounting Standards require 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. The Company's significant accounting judgments and estimation uncertainty are as described in the Company's Fiscal 2025 notes to the consolidated financial statements.

Changes in Accounting Policies

During the first quarter of fiscal 2025, Non-current Liabilities with Covenants – Amendments to IAS 1 became effective. The amendments clarify that non-current liability classification requires a right to defer settlement at the reporting date without future contingencies, require certain disclosures on conditions and compliance, and introduce separate presentation for "non-current liabilities subject to conditions in the next 12 months". There was no impact on the financial statements as a result of adoption of this standard on July 1, 2024.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash and restricted cash, amounts receivable, bank indebtedness (when drawn), interim production financing, accounts payable and accrued liabilities, long-term debt, and certain items included within other liabilities. The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk, liquidity risk, and currency risk. Management monitors risk levels and reviews risk management activities as they determine to be necessary.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counter-party to a financial asset or liability fails to meet its contractual obligations, and arises primarily from the Company's cash and cash equivalents, and credit exposure to customers and partners through outstanding trade receivables and other receivables.

The maximum exposure to credit risk for cash and cash equivalents and trade receivables (excluding government and film tax credit and interest rate swap receivables) approximate the amount recorded on the consolidated balance sheets of \$258.4 million (June 30, 2024 - \$289.7 million). The Company manage credit risk on cash and cash equivalents by ensuring that the counter-parties are banks, governments and government agencies with high credit ratings.

The balance of trade amounts receivable is mainly with Canadian broadcasters and large international distribution companies. Management manages credit risk by performing a credit assessment on new customers and regularly reviewing aged accounts receivables. To determine the loss allowance for trade receivables, management assessed the lifetime expected credit losses of customers by categorizing these customers into different risk profile groups and applying provision percentages based on historical loss rates and management's experience and judgment. The loss allowance for trade receivables represents approximately 4.0% of current trade receivables which management believes is adequate. Further, long-term receivable arrangements are only granted to large international linear and digital broadcasting companies with good payment history.

To manage the risk of non-collection, The Company have increased collection efforts with customers, risk-adjusted certain customers when determining a loss allowance, and in some limited cases provided customers with payment plans on past due amounts. The majority of other customers are large Canadian and international broadcasters, or large international distribution companies, and have very good collection histories with these clients.

Based on collections subsequent to the current quarter, and discussions with customers, the Company believes that the loss provision is adequate as of June 30, 2025.

Interest rate risk

The Company's interest rate risk primarily relates to its interim production financing, the Facilities (and prior to entering into the Facilities, the Revolver and the Term Loan) and cash and cash equivalents which are subject to interest rate benchmarks that fluctuate such as prime rate, SOFR rate, bankers acceptance rates, and other applicable interest rate benchmarks.

Management will continue to monitor the interest rate risk closely and ensure appropriate measures are implemented.

An increase of 100 basis points in interest rates during the quarter ended June 30, 2025 would have decreased pre-tax net income by \$5.5 million (June 30, 2024 - \$5.8 million).

Liquidity risk

Liquidity risk is the risk that we will not be able to meet the Company's financial obligations as they come due. The Company manages liquidity by regularly preparing cash flow forecasts, and continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. A summary of the Company's financial liabilities and their contractual maturities can be found in the "Contractual Obligations" section of this MD&A.

The Company operates a diverse range of business lines, including animation and live-action production studios, linear and digital content distribution, consumer products licensing and representation, advertising sales and linear broadcasting. While the operating results may experience variability from period to period, operating cash flows are generally predictable based on the Company's production and content pipeline, contract renewals, royalty agreements and associated minimum guarantees, and television subscriber fees. Significant cash outlays for investments are made after assessing return on investment and timing of cash flows.

As discussed above, all of the Company's significant business units are cash flow positive over the course of a year, while there are fluctuations during the year. The Company frequently review cash flows by business unit and actions are taken if and when necessary.

As of June 30, 2025, the Company had cash balances of \$68.9 million and amounts receivable of \$257.5 million. Based on the Company's cash balances and available credit facilities, expected collection of trade and other receivables, and forecasted operating results, management believes it will be able to fulfill its financial obligations as they become due.

Risks Related to Indebtedness and Refinancing

The Company is bound by certain financial management covenants in its Senior Secured Credit Facility, specifically a Leverage Ratio condition based on trailing twelve months EBITDA of a restricted group of WildBrain entities, adjusted for certain one-time and non-cash charges. Non-compliance with this financial maintenance covenant is considered event of default under the Senior Secured Credit facility, which could, absent a waiver or cure, restrict the Company's access to funds required to run its business and settle its obligations in a timely manner.

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.

Subsequent to year end, 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 by 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 14.

The Company is bound by certain financial and operational 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 (for more information refer to the Senior Secured Credit Facility, on SEDAR+ at www.sedarplus.ca). 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 significant 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.

The Company has \$501.6 million of debt, including \$417.9 million of long-term debt, \$69.2 million of short-term debt, which is recorded net of \$14.5 million of long-term unamortized deferred financing cost. Any refinancing or repayment could be at higher interest rates, less favorable terms, may require compliance with more onerous covenants or result in dilution of shareholders.

Currency risk

The Company has global operations which require holding cash and working capital balances, generating revenue and incurring costs in foreign currencies. These activities result in exposure to fluctuations in foreign currency exchange rates. The Company periodically enters into foreign exchange forward contracts to manage foreign exchange risk across the portfolio of currencies which are primarily denominated in Canadian dollar, US dollar and GBP.

The Company's current debt facility is also denominated in US dollar, 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.

Risk Assessment

The Company is exposed to a number of specific and general risks that could affect the Company that each reader should carefully consider. Additional risks and uncertainties not presently known to the Company or that we do not currently anticipate

will be material, may impair our business and results of operations and as a result could materially impact our business, results of operations, prospects, and financial condition. The specific and general risks include, but are not limited to the following: epidemics, pandemics or other public health crises, including the outbreaks like COVID-19, the magnitude and length of economic disruption as a result of a worldwide outbreak like COVID-19 and its impact on advertising markets and the consumer products and retail sectors including, among other things, supply chain disruptions which could materially and adversely impact the Company's business, financial condition, and performance, competition and competitor activities, product development and acceptance, risks associated with trade restrictions, trade laws and unexpected changes in regulatory requirements, the direct and indirect impact of tariffs including tariffs on the production of non-US produced content, the ability of the Company to acquire, develop and exploit entertainment properties, the Company's ability to source IP and creative talent who can develop IP, consumer and customer preferences, the ability of the Company to execute on its strategy, the Company's leverage and indebtedness and failure to meet covenant requirements under the senior credit facility of the Company (as and where applicable), the ability of the Company to identify and execute on production, distribution and licensing arrangements, dependence on key third party relationships and partnerships, termination or renegotiation of contracts, litigation or regulatory or arbitral action, unauthorized disclosure of confidential, proprietary or sensitive information, cybersecurity and informational technology incidents and issues, internal conflicts of interest, financial reporting and other public company regulatory obligations and potential errors therein, the ability of the Company to attract and retain talent, reliance on key personnel, risks relating to the Company's exposure to advertising revenues through YouTube and the ability of the Company to attract and realize on advertising revenues, including through YouTube and on other platforms, adverse publicity, risks related to doing business internationally, interest and foreign exchange rates fluctuations, the reliance of the Company on the Internet and other technologies to continue to conduct its business, technology changes, intellectual property infringement and other claims, the ability of the Company to exploit its content library, access to capital, maintaining effective internal controls, equity capital markets risk and market share price fluctuations, loss of Canadian status, access to government incentives, subsidies, and tax credits, the availability of acquisition and investment opportunities at acceptable valuations and the ability to execute on such opportunities, production risks, financial risks and dilution from the Company's capital requirements, labour relations, changes in the regulatory environment, general economic and market segment conditions, recessions, market factors, and catastrophic events and circumstances.

Global political instability and its associated economic repercussions (including, but not limited to, sanctions and restrictions on international payment services) subject the Company and its business to a number of known and unknown risks. Additionally, the Company's business and financial results may be materially and adversely impacted due to other factors arising from such situation, including, but not limited to, non-collectability of receivables, significant delays in exports or imports, supply chain interruptions in general, the potential effect of bans and other sanction programs, further boycotts on business, other political and social ramifications, impacts on financial markets and general economic effects, and patterns of consumption and service.

A discussion of the specific and general risks affecting the Company and its business is set forth under the heading "Risk Factors" in the Company's Fiscal 2025 Annual Information Form which is available on SEDAR+ at www.sedarplus.ca. The descriptions of the risks in the Annual Information Form, together with the risks discussed in this MD&A, do not include all possible risks, and there may be other risks of which the Company is currently not aware or is not presently anticipating that may arise and have a material adverse effect on the Company's business, results of operations, prospects, financial condition, financial performance and cash flows.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that material information is gathered and reported to senior Management to permit timely decisions regarding public disclosure and to provide reasonable assurance that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation is recorded, processed, summarized, and reported within the time period specified in those rules.

The CEO and the CFO have also designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

In its Q4 2025 quarterly filings dated September 25, 2025, the CEO and the CFO, after evaluating the effectiveness of the Company's disclosure controls and procedures, and internal control over financial reporting, concluded that as of June 30, 2025, both the Company's disclosure controls and procedures, and internal control over financial reporting were effective. It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected.

There were no changes in internal controls over financial reporting during the period ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Non-GAAP Financial Measures

In addition to the results reported in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the Company uses various non-GAAP financial measures, which are not recognized under IFRS Accounting Standards, as supplemental indicators of our operating performance and financial position. These non-GAAP financial measures are provided to enhance the user's understanding of our historical and current financial performance and our prospects for the future. Management believes that these measures provide useful information in that they exclude amounts that are not indicative of our core operating results and ongoing operations and provide a consistent basis for comparison between periods. The following discussion explains the Company's use of certain non-GAAP financial measures, which are Adjusted EBITDA, Adjusted EBITDA attributable to the Shareholders of the Company, Gross Margin and Free Cash Flow.

Investors are cautioned that these non-GAAP financial measures should not be construed as an alternative measure to net income or loss, or other measures as determined in accordance with GAAP, or as an indicator of the Company's financial performance or a measure of liquidity and cash flows.

"Adjusted EBITDA" means earnings (loss) before net finance costs, income taxes, amortization of property & equipment and right-of-use and intangible assets, amortization of acquired and library content, equity-settled share-based compensation expense, changes in fair value of embedded derivatives, gain/loss on foreign exchange, reorganization, development and other expenses, impairment of certain investments in film and television programs/acquired and library content/P&E/intangible assets/goodwill, and also includes adjustments for other identified charges, as specified in the accompanying tables. Adjusted EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Management believes that certain lenders, investors and analysts use Adjusted EBITDA to measure a company's ability to service debt and meet other payment obligations, and as a common valuation measurement in the media and entertainment industry. Further, certain of our debt covenants use Adjusted EBITDA in the calculation. The most comparable GAAP measure is earnings before income taxes.

"Adjusted EBITDA attributable to the Shareholders of the Company" means Adjusted EBITDA excluding the portion of Adjusted EBITDA attributable to non-controlling interests.

"Gross Margin" means revenue less direct production costs and expense of film and television produced. Gross Margin is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Gross Margin may not be comparable to similar measures presented by other issuers. Management believes Gross Margin is a useful measure of profitability before considering operating and other expenses and can be used to assess the Company's ability to generate positive net earnings and cash flows. The most comparable GAAP measure is gross profit, as calculated below.

"Free Cash Flow" means operating cash flow less distributions to non-controlling interests, changes in interim production financing, cash interest paid on our long-term debt, bank indebtedness, and lease liabilities, and principal repayments on our lease liabilities. Free Cash Flow does not have a standardized meaning prescribed by GAAP; accordingly, Free Cash Flow may not be comparable to similar measures presented by other issuers. Management believes Free Cash Flow is a useful measure of the Company's ability to repay debt, finance strategic business acquisitions and investments, pay dividends, and repurchase shares. The most comparable GAAP measure is cash from operating activities.

Reconciliation of Quarterly Results to Adjusted EBITDA and Adjusted EBITDA attributable to the Shareholders of the Company

In Q1 2026 the Company announced that it would cease operating the Canadian Television Broadcasting operations on October 31, 2025. At that time the segment will become abandoned and be reclassified as discontinued operations. The following table reconciles income (loss) before income taxes to Adjusted EBITDA, and to Adjusted EBITDA attributable to the Shareholders of the Company, for each three-month period ending as follows:

	Fiscal 2025				Fiscal 2024				Fiscal 2025	Fiscal 2024
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
(expressed in \$000s)	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep		
Income (loss) before income taxes excluding Television	24,923	(10,408)	(72,213)	(4,592)	(25,225)	(15,264)	4,778	(11,725)	(62,290)	(47,436)
add back:										
Finance costs, net	15,078	15,938	17,461	24,514	13,851	13,776	14,476	13,734	72,991	55,837
Change in fair value of embedded derivatives	—	—	—	(1)	—	—	(77)	(262)	(1)	(339)
Foreign exchange (gain) loss	(22,688)	8,348	24,707	(10,142)	2,968	8,657	(3,290)	5,788	225	14,123
Amortization of P&E and intangible assets	4,284	4,340	5,278	5,462	5,925	6,147	6,234	6,119	19,364	24,425
Amortization of acquired and library content	1,721	2,479	2,012	1,976	2,191	2,168	2,179	2,158	8,188	8,696
Write-down of certain investment in film and television programs, acquired and library content, and intangible assets	226	—	53,247	—	22,858	—	—	—	53,473	22,858
Share-based compensation	1,003	719	857	1,997	233	839	1,123	1,557	4,576	3,752
Reorganization, development and other expenses ¹	3,062	3,379	2,580	2,182	4,491	3,007	3,561	4,835	11,203	15,894
Adjusted EBITDA excluding Television	27,609	24,795	33,929	21,396	27,292	19,330	28,984	22,204	107,729	97,810
Adjusted EBITDA from Canadian Television Broadcasting operations	5,550	10,182	3,977	3,980	4,740	6,118	5,037	5,000	23,689	20,895
Less portion of Adjusted EBITDA attributable to non-controlling interests ²	(8,537)	(8,885)	(11,657)	(10,042)	(8,117)	(5,835)	(8,846)	(8,344)	(39,121)	(31,142)
Adjusted EBITDA attributable to the Shareholders of the Company	24,622	26,092	26,249	15,334	23,915	19,613	25,175	18,860	92,297	87,563

¹Refer to Reorganization, development and other section for information regarding how each component is described.

²Portion of Adjusted EBITDA attributable to non-controlling interests is calculated as net income attributable to non-controlling interests, less interest, taxes, depreciation and amortization attributable to non-controlling interests.

Reconciliation of Quarterly Results to Gross Margin

The following table reconciles revenue less direct production costs and amortization of film and television produced to gross margin, for each three-month period ending as follows:

(expressed in \$000s)	Fiscal 2025				Fiscal 2024				Fiscal 2025	Fiscal 2024
	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep		
Revenue	139,123	140,147	133,066	111,026	129,968	100,063	126,283	105,506	523,362	461,820
Content Creation and Audience Engagement	59,993	56,952	45,316	40,834	68,026	40,823	56,666	47,249	203,095	212,764
Global Licensing	69,417	71,400	80,447	62,923	53,689	49,557	60,897	49,456	284,187	213,599
Canadian Television Broadcasting	9,713	11,795	7,303	7,269	8,253	9,683	8,720	8,801	36,080	35,457
less: Direct production costs and amortization of film and television produced	(75,867)	(77,294)	(68,757)	(58,289)	(70,420)	(49,540)	(67,037)	(53,713)	(280,207)	(240,710)
Content Creation and Audience Engagement	(38,377)	(43,399)	(30,972)	(30,908)	(42,560)	(23,796)	(39,063)	(31,794)	(143,656)	(137,213)
Global Licensing	(34,584)	(33,541)	(35,670)	(25,263)	(25,597)	(23,430)	(25,730)	(19,568)	(129,058)	(94,325)
Canadian Television Broadcasting	(2,906)	(354)	(2,115)	(2,118)	(2,263)	(2,314)	(2,244)	(2,351)	(7,493)	(9,172)
Gross Margin	63,256	62,853	64,309	52,737	59,548	50,523	59,246	51,793	243,155	221,110
Content Creation and Audience Engagement	21,616	13,553	14,344	9,926	25,466	17,027	17,603	15,455	59,439	75,551
Global Licensing	34,833	37,859	44,777	37,660	28,092	26,127	35,167	29,888	155,129	119,274
Canadian Television Broadcasting	6,807	11,441	5,188	5,151	5,990	7,369	6,476	6,450	28,587	26,285

Reconciliation From Segment Profit to Loss before Income Tax excluding Television

The following table presents a reconciliation from segment Profit to Loss before income tax for the Consolidated group and Television for the year ended June 30, 2025:

(expressed in \$000s)	Consolidated	Television	Consolidated Excluding Television
Consolidated Segment profit	147,006	23,690	123,316
Less:			
Corporate selling, general and administrative expense and items unallocated to segments	20,164	—	20,164
Amortization of property and equipment and intangible assets	19,459	\$ 94	19,365
Amortization of acquired and library content	8,188	—	8,188
Write-down of investment in film and television programs, and acquired and library content (note 18)	68,777	15,304	53,473
Finance costs, net	72,985	(7)	72,992
Change in fair value of embedded derivatives	(1)	—	(1)
Foreign exchange gain	321	95	226
Reorganization, development and other expenses	11,777	574	11,203
Income before income taxes	(54,664)	7,630	(62,294)

The following table presents a reconciliation from segment Profit to Loss before income tax excluding Television for the year ended June 30, 2024:

(expressed in \$000s)	Consolidated	Television	Consolidated Excluding Television
Consolidated Segment profit	129,895	20,896	108,999
Less:			
Corporate selling, general and administrative expense and items unallocated to segments	14,942	—	14,942
Amortization of property and equipment and intangible assets	25,007	582	24,425
Amortization of acquired and library content	8,696	—	8,696
Write-down of investment in film and television programs, and acquired and library content (note 18)	90,403	67,545	22,858
Finance costs, net	55,779	(58)	55,837
Change in fair value of embedded derivatives	(339)	—	(339)
Foreign exchange gain	14,666	543	14,123
Reorganization, development and other expenses	15,951	57	15,894
Income before income taxes	(95,210)	(47,773)	(47,437)

Reconciliation of Loss(income) before income taxes to Adjusted EBITDA excluding Television

The following table presents a reconciliation for adjusted EBITDA for Television for the year ended June 2025:

(expressed in \$000s)	Consolidated	Television	Consolidated Excluding Television
Income (loss) before income taxes	(54,664)	7,630	(62,294)
add back:			
Finance costs, net	72,985	(7)	72,992
Change in fair value of embedded derivative	(1)	—	(1)
Foreign exchange gain / loss	321	94	227
Amortization of P&E and intangible assets	19,459	94	19,365
Amortization of acquired and library content	8,188	—	8,188
Write-down of certain investment in film and television and impairment of intangible assets	68,777	15,304	53,473
Equity-settled share-based compensation expense	4,576	—	4,576
Reorganization, Development and other	11,777	574	11,203
Adjusted EBITDA	131,418	23,689	107,729

The following table presents a reconciliation for Adjusted EBITDA excluding Television for the year ended June 2024:

(expressed in \$000s)	Consolidated	Television	Consolidated Excluding Television
Income (loss) before income taxes	(95,210)	19,772	(114,982)
add back:			
Finance costs, net	55,779	(58)	55,837
Change in fair value of embedded derivative	(339)	—	(339)
Foreign exchange gain / loss	14,666	542	14,124
Amortization of P&E and intangible assets	25,007	582	24,425
Amortization of acquired and library content	8,696	—	8,696
Write-down of certain investment in film and television and impairment of intangible assets	90,403	—	90,403
Equity-settled share-based compensation expense	3,752	—	3,752
Reorganization, Development and other	15,951	57	15,894
Adjusted EBITDA	118,705	20,895	97,810

Reconciliation of Quarterly Operating Cash Flow to Free Cash Flow

The following table reconciles cash flow from operating activities to Free Cash Flow, for each three-month period ending as follows:

	Fiscal 2025				Fiscal 2024				Fiscal 2025	Fiscal 2024
	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep		
(expressed in \$000s)										
Cash flow provided by operating activities	(2,025)	47,336	81,409	25,816	18,277	23,281	35,002	(2,963)	152,536	73,597
less:										
Distributions to non-controlling interests	(4,761)	(17,221)	(12,905)	(4,647)	(9,171)	(8,329)	(3,964)	(4,629)	(39,534)	(26,093)
Change in interim production financing	5,203	4,263	(2,965)	(9,130)	(4,915)	(4,698)	(13,088)	(5,089)	(2,629)	(27,790)
Interest paid	(13,615)	(19,560)	(14,158)	(4,845)	(8,113)	(10,581)	(10,010)	(10,242)	(52,178)	(38,946)
Repayment of lease liabilities	(2,067)	(2,125)	(2,065)	(2,431)	(2,705)	(2,612)	(2,517)	(2,454)	(8,688)	(10,288)
Free Cash Flow	(17,265)	12,693	49,316	4,763	(6,627)	(2,939)	5,423	(25,377)	49,507	(29,520)

Additional Information

Additional information related to WildBrain, its business and subsidiaries, including its AIF is available on SEDAR+ at www.sedarplus.ca.