

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

WildBrain Ltd. (“WildBrain” or the “Company”)  
25 York Street  
Suite 1201  
Toronto, Ontario  
M5J 2V5

**Item 2 Date of Material Change**

December 18, 2025

**Item 3 News Release**

The news release was disseminated through Newsfile and filed on SEDAR+ on December 18, 2025. See Schedule “A”.

**Item 4 Summary of Material Change**

The Company announced it has signed a definitive agreement to sell its 41% stake in Peanuts Holdings LLC, the holding entity for the Peanuts IP, to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc. for \$630 million cash.

**Item 5 Full Description of Material Change**

*5.1 Full Description of Material Change*

The Company announced it has signed a definitive agreement to sell its 41% stake in Peanuts Holdings LLC, the holding entity for the Peanuts IP (“Peanuts”), to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc. for \$630 million cash. The ownership of rights to the Peanuts brand and the management of its business are handled by Peanuts Worldwide LLC, a wholly owned subsidiary of Peanuts Holdings LLC. The family of Charles M. Schulz, creator of Peanuts, retain their 20% stake in the brand. The transaction is subject to certain closing conditions, including regulatory approvals. The net proceeds will fully repay WildBrain’s Senior Secured Credit Facility (including all fees), leaving over \$40 million cash surplus. Under the agreement, WildBrain also remains a multi-year partner to Peanuts for key services, including:

- Exclusive licensing agent through WildBrain CPLG for consumer products in all current territories across Europe, the Middle East, China, and Asia Pacific (excluding Japan & ANZ);

- Exclusive production studio for new Peanuts content—including the previously announced feature film—under an expansive partnership with Apple TV, recently renewed through 2030; and
- Distributor of WildBrain-produced Peanuts content and continued management of the Snoopy YouTube channel.

***Disclosure of Restructuring Transactions***

Not applicable.

**Item 6 Reliance on subsection 7.1(2) and (3) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

No information has been omitted from this report on the basis that it is confidential information.

**Item 8 Executive Officer**

The name and business telephone number of the officer of the Company who can answer questions regarding this material change report is as follows:

Mark Trachuk, General Counsel and Corporate Secretary  
Tel: (416) 977-7719

**Item 9 Date of Report**

December 22, 2025

## SCHEDULE “A”

### WILDBRAIN TO SELL ITS 41% STAKE IN PEANUTS TO SONY FOR \$630 MILLION

- **Strategic transaction crystallizes the brand’s substantial value creating opportunity to accelerate growth**
- **Fully de-levers WildBrain’s balance sheet, eliminating all debt and saving approximately \$50 million in annual interest payments and leaving over \$40 million cash surplus**
- **Allows reinvestment in high-growth, cash-accretive opportunities across wholly owned franchises, premium digital network, and innovative technologies**
- **WildBrain retained by Sony as key partner with multi-year Peanuts service arrangement across licensing, production, and distribution**

*All dollar values expressed in Canadian currency unless otherwise specified.*

Toronto – December 18, 2025 – WildBrain Ltd. (“**WildBrain**” or the “**Company**”) (TSX: WILD), a global leader in family entertainment, has signed a definitive agreement to sell its 41% stake in Peanuts Holdings LLC (“**Peanuts**”), the holding entity for the Peanuts IP, to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc. (together “**Sony**”) for \$630 million cash.<sup>1</sup> The ownership of rights to the Peanuts brand and the management of its business are handled by Peanuts Worldwide LLC, a wholly owned subsidiary of Peanuts Holdings LLC. The family of Charles M. Schulz, creator of Peanuts, retain their 20% stake in the brand. The transaction is subject to certain closing conditions, including regulatory approvals.

The net proceeds will fully repay WildBrain’s Senior Secured Credit Facility (including all fees), leaving over \$40 million cash surplus. These funds, plus annual interest savings and incremental balance sheet capacity, will fuel growth in:

- Wholly owned franchises, including Strawberry Shortcake and Teletubbies;
- Expanding the Company’s premium digital content network and ad footprint (YouTube, FAST, AVOD); and
- Investing across emerging technologies to drive innovation and efficiencies.

Under the agreement, WildBrain also remains a multi-year partner to Peanuts for key services, including:

- Exclusive licensing agent through WildBrain CPLG for consumer products in all current territories across Europe, the Middle East, China, and Asia Pacific (excluding Japan & ANZ);

- Exclusive production studio for new Peanuts content—including the previously announced feature film—under an expansive partnership with Apple TV, recently renewed through 2030; and
- Distributor of WildBrain-produced Peanuts content and continued management of the Snoopy YouTube channel.

Josh Scherba, President and CEO of WildBrain, said: “Over the past several years, we’ve successfully executed a strategy to drive growth for our own and partner entertainment properties, harnessing our capabilities across franchise management and consumer products licensing, content distribution on our premium digital network, and production at our studio. The strength of this platform has been proven by the growth in revenue we’ve driven for Peanuts, achieving a record high for the brand in fiscal 2025. Selling our stake in Peanuts crystallizes the brand’s value, eliminating our debt and providing capital flexibility to reinvest in high-growth, high-margin opportunities, especially for IP that we own outright, such as Strawberry Shortcake, Teletubbies and others in our deep portfolio, such as Degrassi, Inspector Gadget and more.”

“Sony has been an excellent partner on the Peanuts brand for many years, and we’re confident that Charlie Brown, Snoopy and the gang are in good hands. Since we originally acquired the brand in 2017, we have materially grown its audience through an expansive partnership with Apple TV for new content, including a new feature film currently in production, and also through growing a robust licensing program across Europe, the Middle East, and Asia Pacific. We’d like to thank Tim Erickson and the Peanuts Worldwide team, as well as the Schulz family, for their incredible collaboration on these endeavors. We look forward to working with them and the Sony team as valued partners to continue driving global growth for Peanuts in the years to come.”

### **Transaction History & Returns**

- 2017: WildBrain acquired 80% of Peanuts and 100% of Strawberry Shortcake for \$448 million
- 2018: WildBrain sold 39% of Peanuts to Sony for \$236 million
- Total sale proceeds and distributions to WildBrain from owning Peanuts: \$1 billion+

EBITDA directly attributable to WildBrain’s 41% ownership stake in Peanuts was \$27 million in Fiscal 2025. Including certain consolidation benefits, WildBrain’s recognized EBITDA in respect of its 41% ownership stake in Peanuts was \$43 million in Fiscal 2025. Interest savings alone are more than double the free cash flow WildBrain earned from its stake in Peanuts over the last 12 months.

### **Refinement and simplification to focus on high-growth, high-cash generative opportunities**

Over the past three years WildBrain has demonstrated the power of its platform to drive meaningful growth across the kids’ digital ecosystem, first with Peanuts, and now more recently with Strawberry Shortcake and Teletubbies. WildBrain is leaning into this strong foundation of success to double down on its high growth opportunities driven at scale across its platform. The transaction announced today is expected to provide the Company with the capacity under an optimized capital structure to invest

approximately \$50 to \$100 million in growth opportunities to enhance its strategic platform and drive significant shareholder value.

With a clean balance sheet, the Company’s capital allocation priorities center on long-term value creation, including scaling its wholly owned franchises, expanding its premium digital content network and advertising footprint, investing in emerging technologies to drive innovation and efficiencies, and evaluating opportunities for share buybacks and disciplined bolt-on acquisitions.

Scherba continued: “At WildBrain, we are building the family entertainment company of the future, propelled by beloved franchises scaled across our unique, integrated platform. In the past year alone, we’ve delivered nearly 200% growth for Strawberry Shortcake and more than 60% for Teletubbies. Our flywheel strategy drives fandom and brand affinity, turning that into high-margin, repeatable profit. We have built a successful, brand-agnostic platform, and I’m confident we can replicate the success of Peanuts to unlock the value of our deep portfolio of IP. Going forward, as we lean into key opportunities to accelerate growth, we will continue to look for strategic ways to simplify and focus our global business.”

WildBrain further simplified its business in recent quarters through the closure of its broadcast television channels in Canada, as previously announced, which has unburdened it from ownership restrictions under Canadian broadcast regulations, providing greater strategic flexibility and opportunities for the Company as it optimizes long-term shareholder value. As a result of this change, the Company has removed its variable voting structure, previously applicable to non-Canadian shareholders, and has simplified its share structure to a single voting class of Common shares for all shareholders, as approved by WildBrain shareholders at its annual and special meeting on December 18, 2025.

The Company has undertaken a number of strategic actions in the past 18 months, with this transaction representing the most material. As the Company continues to evolve its operating model, it intends to pursue several initiatives to create efficiencies, as well as re-segmenting its financial reporting to better reflect the business post-transaction. As a result of these changes, Fiscal 2026 guidance is being paused.

Nick Gawne, WildBrain CFO, said: “This transaction marks a pivotal moment for WildBrain as we look to the future. By deleveraging, we can now redeploy cash flows from debt service into strategic investments that not only accelerate growth in our franchises and premium digital content network but also allow us to invest in technologies to streamline operations and drive margin expansion. We remain highly confident in the growth potential of our core business, and by improving our capital structure, this transaction enables us to better demonstrate the strong cash-generation characteristics embedded in our business model.”

*1. Subject to customary closing adjustments.*

## **Investor webcast**

The Company will hold an investor webcast with presentation on December 19, 2025 at 10:00 am ET to discuss the transaction and strategic road forward for WildBrain. Listeners can join the webcast at the following link:

<https://www.gowebcasting.com/14568>

The webcast will also be archived at the above link, and the slide presentation and transcript will be archived on WildBrain’s website at [wildbrain.com](http://wildbrain.com).

### **Advisors**

Goldman Sachs is acting as exclusive financial advisor and Barnes & Thornburg LLP and Goodmans LLP are acting as co-legal advisors to WildBrain Ltd.

Morgan Stanley & Co. LLC, together with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. are acting as financial advisors and Hogan Lovells US LLP is acting as legal advisor to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc.

### **For more information, please contact:**

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### **About WildBrain**

At WildBrain we inspire imaginations through the wonder of storytelling. A leader in 360° franchise management—spanning Content Creation, Audience Engagement and Global Licensing—our mission is to cultivate and grow love for our own and partner brands through exceptional entertainment experiences. Home to such franchises as Peanuts, Teletubbies, Strawberry Shortcake, Yo Gabba Gabba!, Inspector Gadget, and Degrassi, we produce such acclaimed series as *The Snoopy Show*, *Snoopy in Space*, *Camp Snoopy*, *Teletubbies Let’s Go!*, *Yo Gabba GabbaLand!*, *Sonic Prime*, and *Strawberry Shortcake: Berry in the Big City*. With a library of approximately 14,000 half-hours, our shows reach kids and families everywhere, including on our YouTube network, which has generated more than 1.7 trillion minutes of watch time. Our consumer products licensing arm, WildBrain CPLG, represents our own and partner brands in every major territory worldwide. Headquartered in Toronto, WildBrain trades on the Toronto Stock Exchange (TSX: WILD). Visit us at [wildbrain.com](http://wildbrain.com).

### **Forward-Looking Statements**

This press release contains "forward-looking statements" under applicable securities laws with respect to the Company. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and are based on information currently available to the Company. Actual results or events may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations, among other things, include the availability of and cost of financing, general economic and market conditions and the impact of such conditions on the industries in which WildBrain operates, competition and the potential impact of industry mergers and acquisitions, market factors, WildBrain's ability to identify and execute anticipated production, distribution, licensing and other contracts, contractual counterparty risk, the ability of WildBrain to realize the expected value of its assets, supply chain and other related disruptions, and risk factors discussed in materials filed with applicable securities regulatory authorities from time to time including matters discussed under "Risk Factors" in the Company's most recent Annual Information Form and annual Management Discussion and Analysis. These forward-looking statements are made as of the date hereof, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.