



Q2 2026

**Management Discussion and Analysis
of Financial Condition and Results of Operation
For the Three and Six Months ended December 31, 2025 and December 31, 2024**

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion & Analysis ("MD&A") dated as of February 11, 2026 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 December 31, 2025 compared to June 30, 2025, and the consolidated results of operations for the three and six months ended December 31, 2025 compared with the corresponding three and six months ended December 31, 2024. This MD&A should be read in conjunction with the Company's interim condensed consolidated financial statements (unaudited) and related notes for the three and six months ended December 31, 2025. Unless otherwise noted, the financial information reported herein is derived from the interim condensed consolidated financial statements (unaudited), 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 interim condensed consolidated financial statements (unaudited). 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.
- The timing of closing of acquisitions and divestitures.

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, 2025 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 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 and AVOD/FAST platform presence, its digital marketing expertise and its advertising monetization capabilities; 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, and the Company's franchise management activities for key owned brands such as Teletubbies and Strawberry Shortcake.

In October 2025, the Company completed the cessation of operations and cancellation of broadcast licenses of its television broadcasting business ("WildBrain Television"), which consisted of the Family suite of linear specialty kids' channels in Canada. In December 2025, the Company announced that it had signed a definitive agreement to sell its 41% stake in Peanuts Holdings LLC, the holding entity for the Peanuts IP. The transaction is expected to close in financial Q3 2026. After close, WildBrain will remain a multi-year partner to Peanuts for key services, including exclusive licensing agent through WildBrain CPLG, exclusive production studio for new Peanuts content, and distributor of WildBrain-produced Peanuts content. As a result of the wind-down of WildBrain Television and the classification of the Peanuts interest as held for sale, the results of these businesses are presented as discontinued operations in the Company's consolidated financial statements.

Revenue Model

WildBrain operates through the following two 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 the Company's owned and partner brands, including 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.

Global Licensing also includes revenue earned through our WildBrain CPLG, the Company's global licensing agency which earns commissions by licensing both owned brands and third-party brands from lifestyle brand owners, film studios and other independent IP owners.

Discontinued operations: Canadian Television Broadcasting & Peanuts Holdings LLC ("Peanuts")

The Company's Canadian Television Broadcasting business, which consisted of the Family suite of linear specialty kids' channels in Canada, generated revenue primarily through monthly subscriber fees and advertising. Broadcast operations ceased on October 22, 2025, and the related broadcast licenses were terminated on October 31, 2025. The results of this business are presented as discontinued operations.

In December 2025, the Company announced an agreement to sell its interest in the Peanuts brand. The Peanuts business has been classified as held for sale, and its results are also presented as discontinued operations. With the sale of Peanuts, the Company is shifting towards prioritizing higher growth opportunities driven by wholly owned franchises and WildBrain CPLG, and on simplifying its corporate structure and operating model.

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 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 Year 2026 Outlook

Fiscal 2026 guidance remains paused while the Company accelerates a transformational agenda that is reshaping its growth profile and positioning it for durable, higher-quality returns. Over the past twelve months, the Company has executed a series of strategic moves — including the exit of its Television business, simplification of its share structure, and the anticipated sale of its interest in Peanuts with the associated full repayment of debt — that materially strengthen the balance sheet and sharpen management’s focus on high-growth opportunities.

With debt eliminated and strong free cash flow from continuing operations, the Company is primed to invest meaningfully in structural reorganization and automation initiatives that will reduce SG&A, improve scalability, and enhance long-term margins. These investments are expected to begin delivering measurable benefits in calendar 2027 and beyond, while the Company continues to drive near-term operational performance across its owned brands, WildBrain CPLG, its production slate, and its differentiated digital platforms.

To better reflect the Company’s go-forward operations and provide investors with clearer insight into underlying economics, the Company will re-segment its financial reporting. Given the timing and early stage of the infrastructure and technology investments, the Company is maintaining a pause on Fiscal 2026 guidance; management expects to learn more about the scale of our transformation opportunities in the coming months and anticipates resuming financial guidance for Fiscal 2027. The Company will continue to provide regular qualitative updates on strategic priorities, operational progress, and the path to enhanced profitability.

Financial Highlights for the Three-Months Ended December 31, 2025 ("Q2 2026")

Subsequent to the closure of Television on October 22, 2025, and the announcement of the definitive agreement to sell its 41% stake in Peanuts Holdings LLC on December 18, 2025, in order to provide a consistent and clear view of the continuing operations of the business, the Company is presenting its results both on a continuing operations and discontinued operations basis. The continuing operations basis excludes the results of Television, and Peanuts. The results of Peanuts remove the results arising directly from the Company's ownership of 41% of Peanuts LLC, the Company's current role as distributor of Peanuts content, and any adjustments made to balances to consolidate Peanuts activity into the Company's results. For example, commissions earned by WildBrain CPLG in representing Peanuts' consumer products business is now recorded as revenue from continuing operations, and the commensurate cost of sale is recorded as discontinued operations. Further, with the sale of the Company's interest in Peanuts, the Company no longer owns distribution rights to certain produced content. The benefit received during production capitalizing a portion of the production costs to Investment in Film and television programs for amortization over distribution revenues once released has been presented as part of discontinued operations, resulting in a negative cost in the Content Creation and Audience Engagement segment.

Highlights for continuing operations

- Revenues from continuing operations grew to \$72.4 million in Q2 2026, compared to \$65.5 million in Q2 2025, an increase of \$6.9 million or 11%.
- Global Licensing revenue rose to \$27.3 million in Q2 2026, an increase of 24%, compared with \$21.9 million in Q2 2025. WildBrain's owned brands, Strawberry Shortcake and Teletubbies, and our global licensing agency, WildBrain CPLG, all contributed to this strong growth.
- Content Creation and Audience Engagement revenue was \$45.1 million in Q2 2026, an increase of 4%, compared to \$43.6 million in Q2 2025. The increase in Q2 2026 revenue was driven by growth in production revenues as compared to the prior year, offset by lower content distribution revenues.
- Gross margin¹ percentage for Q2 2026 was 50%, compared with a gross margin percentage of 48% in Q2 2025, reflecting the growth of the higher margin Global Licensing business.
- SG&A costs for Q2 2026 were \$21.0 million, compared to \$19.5 million for Q2 2025, an increase of \$1.5 million or 8%, driven by higher variable compensation costs and the weakening of the Canadian dollar against the prior period.
- Net loss from continuing operations attributable to Shareholders of the Company was \$20.1 million in Q2 2026, a decrease of \$66.3 million, compared to a net loss of \$86.4 million in Q2 2025.
- Adjusted EBITDA from continuing operations attributable to Shareholders of the Company¹ was \$14.9 million in Q2 2026, compared with \$11.5 million in Q2 2025, an increase of \$3.4 million or 30%.

Highlights for discontinued operations

- Revenues from discontinued operations grew to \$131.8 million in Q2 2026, compared to \$72.2 million in Q2 2025, an increase of \$59.6 million or 83% mainly due to the recognition of the Peanuts library renewal deal with Apple TV.
- Adjusted EBITDA from discontinued operations attributable to Shareholders of the Company¹ was \$22.6 million, compared with \$14.7 million in Q2 2025.

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 December 31, 2025, and December 31, 2024 has been derived from the Company's interim condensed consolidated financial statements (unaudited) 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.

(expressed in \$000s, except per share data)	Three Months Ended		Six Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Consolidated Statements of (loss) income Data:				
Revenues	72,380	65,499	131,004	124,504
Direct production costs and expense of film and television produced	36,472	34,315	68,971	69,801
Gross margin ¹	35,908	31,184	62,033	54,703
Selling, general, and administrative expenses	21,035	19,455	43,165	40,178
Share-based compensation	2,969	857	4,224	2,854
Write-down of investment in film and television programs and acquired and library content, property and equipment, and intangible assets	16,352	53,247	16,352	53,247
Amortization, finance costs and other expenses	17,735	52,121	59,470	79,827
Income tax (provision) recovery	(2,110)	(6,020)	(1,494)	(10,076)
Net loss from continuing operations	(20,073)	(88,476)	(59,684)	(111,327)
Net income from discontinued operations	46,179	22,900	65,024	47,446
Net income (loss) for the period	26,106	(65,576)	5,340	(63,881)
Net loss from continuing operations attributable to non-controlling interests	(23)	(2,088)	(177)	(2,133)
Net income from discontinued operations attributable to non-controlling interests	26,551	11,424	38,568	23,784
Net loss from continuing operations attributable to the shareholders of the Company	(20,050)	(86,389)	(59,506)	(109,196)
Net income from discontinued operations attributable to shareholders of the Company	19,628	11,477	26,455	23,664
Net loss attributable to the Shareholders of the Company	(422)	(74,912)	(33,051)	(85,532)
Basic and Diluted loss per common share from continuing operations	(0.09)	(0.41)	(0.28)	(0.52)
Basic and Diluted loss per common share from discontinued operations	0.09	0.05	0.12	0.11
Weighted average common shares outstanding (in 000s)				
Basic	213,639	212,131	213,010	211,186
Diluted	214,743	212,177	215,980	211,240
Other Key Performance Measures (including discontinued operations):				
Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company ¹	14,859	11,546	18,961	14,331
Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company ¹	22,569	14,703	39,348	27,252
Cash flow provided by operating activities	45,684	81,409	59,735	107,225
Free Cash Flow ¹	15,280	49,316	4,574	54,079
	As at December 31, 2025	As at June 30, 2025		
Consolidated Balance Sheet Data:				
Total assets	1,011,358	937,339		
Total liabilities	860,386	772,299		
Shareholders' equity	150,972	165,040		

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 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.

Selected Quarterly Financial Information for Continuing Operations

The following table provides selected historical information and other data for continuing operations, which should be read in conjunction with the annual financial statements and current and past interim financial statements.

	Fiscal 2026		Fiscal 2025				Fiscal 2024	
	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar
(expressed in \$000s except per share data) ¹								
Revenues from continuing operations	72,380	58,624	78,099	73,859	65,499	59,005	78,478	53,831
Gross margin from continuing operations	35,908	26,125	31,566	23,766	31,184	23,519	33,438	26,054
Net loss from continuing operations attributable to the Shareholders of the Company	(20,050)	(39,456)	6,234	(18,611)	(86,389)	(22,807)	(17,805)	(22,292)
Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company ¹	14,859	4,100	8,081	4,241	11,546	2,789	12,124	6,300
Weighted average common shares outstanding (in 000s)								
Basic	213,639	211,908	212,654	212,452	212,131	210,194	206,555	206,605
Diluted	214,743	211,908	212,817	212,452	212,131	210,194	206,555	206,605
Basic (loss) income per common share	(0.09)	(0.19)	0.03	(0.09)	(0.41)	(0.11)	(0.09)	(0.11)
Diluted (loss) income per common share	(0.09)	(0.19)	0.03	(0.09)	(0.41)	(0.11)	(0.09)	(0.11)

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.

Selected Quarterly Financial Information for discontinued operations

The following table provides selected historical information and other data for discontinued operations, which should be read in conjunction with the annual financial statements and current and past interim financial statements.

	Fiscal 2026		Fiscal 2025				Fiscal 2024	
	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar
(expressed in \$000s except per share data) ¹								
Revenues from discontinued operations	131,844	71,923	65,681	71,439	72,223	55,678	53,846	49,314
Gross margin from discontinued operations	56,322	37,343	31,690	39,087	33,124	29,219	26,111	24,469
Net income from discontinued operations attributable to the Shareholders of the Company	19,628	6,827	3,299	4,798	11,477	12,187	4,686	7,507
Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company ¹	22,569	16,779	16,543	21,852	14,703	12,549	11,791	13,313
Weighted average common shares outstanding (in 000s).....								
Basic	213,639	211,908	212,654	212,452	212,131	210,194	206,555	206,605
Diluted	214,743	212,490	212,817	212,606	212,131	210,194	206,601	206,612
Basic (loss) income per common share.....	0.09	0.03	0.02	0.02	0.05	0.06	0.02	0.04
Diluted (loss) income per common share.....	0.09	0.03	0.02	0.02	0.05	0.06	0.02	0.04

¹Gross Margin from discontinued operations and Adjusted EBITDA from discontinued operations 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 December 31, 2025 ("Q2 2026") compared to the three-months ended December 31, 2024 ("Q2 2025") from Continuing Operations

Revenues from continuing operations

Revenue from continuing operations by business stream was comprised of the following:

(expressed in \$000s)	Q2 2026		Q2 2025		Variance	
	\$	\$	\$	\$	\$	%
Content Creation and Audience Engagement	45,116	43,581	1,535			4 %
Global Licensing	27,264	21,918	5,346			24 %
Total Revenue from continuing operations	72,380	65,499	6,881			11 %

Content Creation and Audience Engagement: Revenue increased \$1.5 million, or 4% to \$45.1 million in Q2 2026, compared to \$43.6 million in Q2 2025. The increase in Q2 2026 revenue was driven by higher production revenues offset by weaker Audience Engagement revenues across distribution, YouTube and FAST as compared to the comparative quarter. Despite lower revenues, engagement levels across distribution, YouTube, and FAST platforms remained strong during Q2 2026, supporting ongoing brand awareness and long-term franchise growth.

Global Licensing: Revenue increased \$5.3 million, or 24% to \$27.3 million in Q2 2026, compared with \$21.9 million in Q2 2025. Revenue in the quarter was driven by strong growth in our owned brands Strawberry Shortcake and Teletubbies, supplemented by third party revenue growth from our global licensing agency, WildBrain CPLG. Global Licensing in continuing operations for both quarters also includes commissions earned as the agent for Peanuts, which previously had been eliminated upon consolidation.

Gross Margin from continuing operations²

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

(expressed in \$000s, except percentages)	Q2 2026		Q2 2025	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	10,340	23 %	9,852	23 %
Global Licensing	25,568	94 %	21,332	97 %
Total Gross Margin from continuing operations	35,908	50 %	31,184	48 %

²Gross 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 \$10.3 million in Q2 2026, compared with \$9.9 million in Q2 2025. Gross margins increased year over year due to product mix in Audience Engagement, as well as an increased contribution from the Content Creation business as compared to the prior year's quarter.

Global Licensing gross margin was \$25.6 million in Q2 2026, compared with \$21.3 million in Q2 2025. The gross margin increase was driven by growth in higher margin brands. Gross margin percentage for Q2 2026 was 94%, compared to 97% in Q2 2025, driven by revenue mix.

Operating Expenses (Income) from continuing operations

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

SG&A expenses in Q2 2026 were \$21.0 million, compared to \$19.5 million for Q2 2025, an increase of \$1.6 million or 8% primarily due to higher variable compensation costs.

Share-Based Compensation

Share-based compensation was \$3.0 million in Q2 2026, compared with \$0.9 million for Q2 2025, an increase of \$2.1 million, reflecting the vesting of certain performance-based restricted stock units.

Amortization

Total amortization of acquired and library content, property and equipment ("P&E") including right-of-use assets, and intangible assets was \$3.5 million for Q2 2026 for continuing operations, compared with \$6.1 million in Q2 2025.

Amortization of acquired and library content was \$0.7 million in Q2 2026, compared to \$1.1 million in Q2 2025. Depreciation of P&E was \$2.1 million in Q2 2026, compared with \$2.2 million in Q2 2025. Amortization of intangible assets was \$0.7 million in Q2 2026, compared with \$2.8 million in Q2 2025.

Amortization of acquired and library content relating to Peanuts is included in discontinued operations.

Write-down of investment in film and television programs, acquired and library content, and intangible assets

Write-down of investment in film and television programs, acquired and library content, and intangible assets was \$16.4 million in Q2 2026 compared to \$53.2 million in Q2 2025. 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 2025. The Company has changed its capital allocation strategy and is focusing its investments into the high value brands in its library, such as Strawberry Shortcake and Teletubbies and its growth businesses.

Reorganization, Development and Other

Reorganization, Development and Other expenses were \$1.5 million in Q2 2026, compared to \$2.6 million in Q2 2025. Q2 2026 included the impact of certain transaction costs relating to the Peanuts sale, as well as termination and other charges of million. Q2 2025 primarily included termination and other benefits of \$1.5 million, the write-down of refinancing costs of \$0.5 million, and \$0.3 million of development write-off costs.

Finance Costs, net

Net finance costs were \$22.0 million in Q2 2026, compared to \$17.5 million in Q2 2025. The increase in Q2 2026 was primarily driven by the interest and accreted fees on long-term debt of \$20.9 million in the current quarter compared to \$15.0 million in Q2 2025.

Foreign Exchange

The foreign exchange gain of \$9.3 million in Q2 2026, as compared to a loss of \$25.9 million in Q2 2025, was driven primarily by the stronger Canadian dollar compared to the US dollar, which resulted in an unrealized foreign exchange translation gain on our US dollar denominated term debt and other US denominated liabilities.

Income Taxes from continuing operations

Income tax recovery for Q2 2026 was \$2.1 million, compared to a recovery of \$6.0 million in Q2 2025. The income tax 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 from continuing operations

Net loss from continuing operations attributable to the Shareholders of the Company for Q2 2026 was \$20.1 million, compared to net loss of \$86.4 million for Q2 2025.

Comprehensive income was \$25.4 million for Q2 2026, compared to loss of \$77.1 million for Q2 2025.

Basic and diluted loss per share was \$0.09 in Q2 2026, as compared to basic and diluted loss per share of \$0.41 in Q2 2025.

Adjusted EBITDA from continuing operations Attributable to the Shareholders of the Company¹

Adjusted EBITDA attributable to the Shareholders of the Company was \$14.9 million in Q2 2026, compared with \$11.5 million in Q2 2025, an increase of \$3.3 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.

Results for the three-months ended December 31, 2025 ("Q2 2026") compared to the three-months ended December 31, 2024 ("Q2 2025") from discontinued operations

Revenue from discontinued operations

Revenue from discontinued operations by business stream was comprised of the following:

(expressed in \$000s)	Q2 2026	Q2 2025	Variance	
	\$	\$	\$	%
Content Creation and Audience Engagement	44,665	2,166	42,499	1,962 %
Global Licensing	85,590	62,754	22,836	36 %
Canadian Television Broadcasting	1,589	7,303	(5,714)	(78)%
Total Revenue from discontinued operations	131,844	72,223	59,621	83 %

Content Creation and Audience Engagement: Revenue increased \$42.5 million to \$44.7 million in Q2 2026, compared to \$2.2 million in Q2 2025. The increase in Q2 2026 revenue was driven by higher content distribution revenues in the quarter, including the renewal of the Peanuts library license deal.

Global Licensing: Revenue increased \$22.8 million, or 36% to \$85.6 million in Q2 2026, compared with \$62.8 million in Q2 2025. Revenue in the quarter was driven by growth in the Peanuts brand.

Canadian Television Broadcasting: Revenue decreased \$5.7 million or 78% to \$1.6 million in Q2 2026, compared to \$7.3 million in Q2 2025 reflecting a reduction in advertising and carriage fees in the quarter of closure, Q2 2026,

Gross Margin from discontinued operations²

Gross margin represents revenue less direct production and distribution costs, franchise management costs and amortization of film and television produced. See Financial Highlights for commentary on items included in discontinued operations.

(expressed in \$000s, except percentages)	Q2 2026		Q2 2025	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	21,036	47 %	4,492	207 %
Global Licensing	33,742	39 %	23,444	37 %
Canadian Television Broadcasting	1,544	97 %	5,188	71 %
Total Gross Margin from discontinued operations	56,322	43 %	33,124	46 %

²Gross 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 \$21.0 million in Q2 2026, compared with \$4.5 million in Q2 2025. Gross margins increased year over year due to the renewal of the Peanuts library license deal. Gross margin percentage in Q2 2026 was 47%, compared with 207% in Q2 2025. The high gross margin percentage in Q2 2025 was impacted by the reclassification of the benefit received from the capitalization of Investment in Film and television programs costs from continuing operations to discontinued operations, resulting in a negative cost attributed to the Content Creation and Audience Engagement segment.

Global Licensing gross margin was \$33.7 million in Q2 2026, compared with \$23.4 million in Q2 2025. Gross margin percentage for Q2 2026 was 39%, compared to 37% in Q2 2025.

Canadian Television Broadcasting gross margin was \$1.5 million in Q2 2026, compared with \$5.2 million in Q2 2025. Gross margin percentage for Q2 2026 was 97%, compared with 71% in Q2 2025.

Operating Expenses (Income) from discontinued operations

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

SG&A expenses in Q2 2026 were \$8.0 million, compared to \$6.9 million for Q2 2025, an increase of \$1.1 million or 15% due to the impact of higher variable compensation costs as compared to last year.

Amortization

Total amortization of acquired and library content, property and equipment ("P&E") including right-of-use assets, and intangible assets was \$1.0 million for Q2 2026, compared with \$1.2 million in Q2 2025.

Amortization of acquired and library content was \$0.8 million in Q2 2026, compared to \$0.9 million in Q2 2025. Depreciation of P&E and intangibles was \$0.2 million in Q2 2026, compared with \$0.3 million in Q2 2025.

Reorganization, Development and Other

Reorganization, Development and Other expenses were \$nil in Q2 2026 and Q2 2025.

Finance Costs, net

Net finance income was \$0.2 million in Q2 2026, compared to income of \$0.1 million in Q2 2025.

Foreign Exchange

The foreign exchange gain of \$2.0 million in Q2 2026, as compared to a gain of \$0.1 million in Q2 2025.

Income Taxes from discontinued operations

Income tax expense for Q2 2026 was \$3.3 million, compared to an expense of \$2.2 million in Q2 2025.

Net income and Net income per Share from discontinued operations

Net income attributable to the Shareholders of the Company for Q2 2026 was \$19.6 million, compared to net income of \$11.5 million for Q2 2025, an increase of \$8.2 million.

Basic and diluted income per share was \$0.09 in Q2 2026, as compared to basic and diluted income per share of \$0.05 in Q2 2025.

Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company¹

Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company was \$22.6 million in Q2 2026, compared with \$14.7 million in Q2 2025, an increase of \$7.9 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.

Results for the six month period ended December 31, 2025 ("Six Months 2026") compared to the six month period ended December 31, 2024 ("Six Months 2025") from Continuing Operations

Revenues from continuing operations

Revenue by business stream was comprised of the following:

(expressed in \$000s)	Six Months 2026	Six Months 2025	Variance	
	\$	\$	\$	%
Content Creation and Audience Engagement	83,585	82,058	1,527	2 %
Global Licensing	47,419	42,446	4,973	12 %
Total Revenue from continuing operations	131,004	124,504	6,500	5 %

Content Creation and Audience Engagement: Revenue increased 2% or \$1.5 million to \$83.6 million in the Six Months 2026, compared to \$82.1 million in Six Months 2025. Six Months 2026 revenue increase was driven by higher Content Creation revenues, offset by lower Audience Engagement revenues across distribution, YouTube and FAST compared to the comparative year.

Global Licensing: Revenue increased \$5.0 million, to \$47.4 million in Six Months 2026, compared to \$42.4 million in Six Months 2025. The increase in revenue was driven by strong growth in our owned brands Strawberry Shortcake and Teletubbies, supplemented by third party revenue growth from our global licensing agency, WildBrain CPLG. Global Licensing revenues from continuing operations for both quarters also now includes commissions earned as the agent for Peanuts, which previously had been eliminated upon consolidation.

Gross Margin from continuing operations

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

(expressed in \$000s, except percentages)	Six Months 2026		Six Months 2025	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	17,095	20 %	15,702	19 %
Global Licensing	44,938	95 %	39,001	92 %
Total Gross Margin from continuing operations	62,033	47 %	54,703	44 %

Content Creation and Audience Engagement gross margin increased \$1.4 million to \$17.1 million in Six Months 2026, compared to \$15.7 million in Six Months 2025. The gross margin increase was driven by product mix in Audience Engagement, as well as an increased contribution from the Content Creation business as compared to the prior year. Gross margin percentage for Six Months 2026 was 20% of revenue, compared to 19% in Six Months 2025.

Global Licensing gross margin increased \$5.9 million to \$44.9 million in Six Months 2026, compared to \$39.0 million, in Six Months 2025. The change in gross margin was driven by revenue from higher margin brands. Gross margin percentage for Six Months 2026 was 95% of revenue, compared to 92% in Six Months 2025.

Operating Expenses (Income) from continuing operations

Selling, General & Administrative

SG&A expenses for continuing operations in Six Months 2026 were \$43.2 million, compared to \$40.2 million for Six Months 2025, an increase of \$3.0 million, or 7%. The increase is primarily due to an increase in variable compensation recognized in the Six Months 2026 and the translation of certain foreign currency denominated expenses at less favourable rates than in the prior year.

Share-Based Compensation

Total share-based compensation was \$4.2 million in Six Months 2026, compared to \$2.9 million for Six Months 2025, an increase of \$1.4 million.

Amortization

Total amortization of acquired and library content, P&E including right-of-use assets and intangible assets was \$7.1 million for Six Months 2026, compared with \$12.4 million in Six Months 2025.

Amortization of acquired and library content was \$1.3 million in Six Months 2026, compared to \$2.3 million in Six Months 2025.

Amortization of P&E was \$4.7 million in Six Months 2026, compared to \$4.5 million in Six Months 2025.

Amortization of intangible assets was \$1.7 million in Six Months 2026, compared to \$5.6 million in Six Months 2025.

Write-down of investment in film and television programs, acquired and library content, and intangible assets

Write-down of investment in film and television programs, acquired and library content, and intangible assets was \$16.4 million in Six Months 2026, compared to \$53.2 million, a decrease of \$36.8 million.

Six Months 2026 included a write-down of acquired and library content of \$5.5 million and investment in film assets of \$10.8 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 2025. The Company has changed its capital allocation strategy and is focusing its investments into the high value brands in its library, such as Strawberry Shortcake and Teletubbies and its growth businesses.

Reorganization, Development and Other

Reorganization, Development and Other expense was \$2.4 million in Six Months 2026, compared to \$4.8 million in Six Months 2025, a decrease of \$2.4 million. Six Months 2026 included expenses primarily in respect of the sale of Peanuts and other termination costs. Six Months 2025 included expenses primarily in respect of termination and other benefits of \$2.8 million and the write-down of refinancing costs of \$1.0 million.

Finance Costs, net

Net finance costs were \$54.1 million in Six Months 2026, compared to \$42.1 million in Six Months 2025, an increase of \$12.0 million. The increase was primarily driven by the loss on modification of debt of \$16.0 million in the Six Months 2026 compared to the write-down of unamortized issue costs of \$6.3 million in the prior quarter.

Foreign Exchange (Gain) Loss

Foreign exchange gain was \$4.1 million in Six Months 2026, compared to a loss of \$20.6 million in Six Months 2025, primarily driven by the stronger Canadian dollar compared to the US dollar, which resulted in a foreign exchange translation gain on our US dollar denominated term debt that was entered into in Q1 2025 and other US denominated liabilities.

Income Taxes from continuing operations

Income tax recovery for Six Months 2026 was \$1.5 million, compared to a recovery of \$10.1 million in Six Months 2025. 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 for continuing operations

Net loss attributable to the Shareholders of the Company for Six Months 2026 was \$59.5 million, compared to net loss of \$109.2 million for Six Months 2025, a decrease in net loss of \$49.7 million. The decrease was driven primarily by a \$36.8 million decrease in non-cash impairment of investment in film and television, acquired library content and intangible assets of, lower amortization costs, offset by higher finance costs of \$12.0 million and higher SG&A of \$3.0 million in Six Months 2026.

Comprehensive loss for Six Months 2026 was \$60.5 million, compared to \$98.1 million in Six Months 2025 due to the impact of the strengthened Canadian dollar on the translation of foreign denominated subsidiaries' balance sheets.

Both basic and diluted loss per share was \$0.28, in Six Months 2026, compared to basic and diluted loss of \$0.52, in Six Months 2025.

Adjusted EBITDA from continuing operations Attributable to the Shareholders of the Company¹

Adjusted EBITDA attributable to the Shareholders of the Company was \$19.0 million in Six Months 2026, compared to \$14.3 million in Six Months 2025, an increase of \$4.7 million or 33%.

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 six month period ended December 31, 2025 ("Six Months 2026") compared to the six month period ended December 31, 2024 ("Six Months 2025") from discontinued operations

Revenue from discontinued operations

Revenue from discontinued operations by business stream was comprised of the following:

(expressed in \$000s)	Six Months 2026	Six Months 2025	Variance	
	\$	\$	\$	%
Content Creation and Audience Engagement	46,637	4,839	41,798	864 %
Global Licensing	150,858	108,490	42,368	39 %
Canadian Television Broadcasting	6,272	14,572	(8,300)	(57)%
Total Revenue from discontinued operations	203,767	127,901	75,866	59 %

Content Creation and Audience Engagement: Revenue increased \$41.8 million to \$46.6 million in the Six Months 2026, compared to \$4.8 million in Six Months 2025. Six Months 2026 revenue increase was driven by higher content distribution revenues in the Six Months 2026 compared to Six Months 2025, including a renewal of the Peanuts library license deal.

Global Licensing: Revenue increased \$42.4 million to \$150.9 million in Six Months 2026, compared to \$108.5 million in Six Months 2025. The increase in revenue in the Six Months 2026 compared to Six Months 2025 was driven by strong growth in the Peanuts brand.

Canadian Television Broadcasting: Revenue decreased \$8.3 million to \$6.3 million in Six Months 2026, compared to \$14.6 million in Six Months 2025 reflecting a reduction in advertising and carriage fees in Q2 2026 as the Television operated without Bell in 2026, and ceased operations by the end of October.

Gross Margin from discontinued operations

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

(expressed in \$000s, except percentages)	Six Months 2026		Six Months 2025	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	26,789	57 %	8,580	177 %
Global Licensing	60,862	40 %	43,425	40 %
Canadian Television Broadcasting	6,015	96 %	10,338	71 %
Total Gross Margin from discontinued operations	93,666	46 %	62,343	49 %

Content Creation and Audience Engagement gross margin increased \$18.2 million to \$26.8 million in Six Months 2026, compared to \$8.6 million in Six Months 2025. Gross margin percentage for Six Months 2026 was 57% of revenue, compared to 177% in Six Months 2025. The gross margin was impacted by the reclassification of the benefit received from the capitalization of Investment in Film and television programs costs from continuing operations to discontinued operations, resulting in a negative cost attributed to the Content Creation and Audience Engagement segment.

Global Licensing gross margin increased \$17.4 million to \$60.9 million in Six Months 2026, compared to \$43.4 million, in Six Months 2025. Gross margin percentage for Six Months 2026 was 40% of revenue, compared to 40% in Six Months 2025.

Canadian Television Broadcasting gross margin was \$6.0 million in Six Months 2026, compared to \$10.3 million in Six Months 2025, a decrease of \$4.3 million, driven primarily by the absence of amortization charges due to the impairment of the

Television Investment in Film and Program Rights in 2025. Gross margin percentage for Six Months 2026 was at 96%, compared to 71% in Six Months 2025.

Operating Expenses (Income) from discontinued operations

Selling, General & Administrative

SG&A expenses for discontinued operations in Six Months 2026 were \$15.2 million, compared to \$13.6 million for Six Months 2025, an increase of \$1.6 million, or 12%.

Amortization

Total amortization of acquired and library content, P&E including right-of-use assets and intangible assets was \$2.3 million for Six Months 2026, compared with \$2.4 million in Six Months 2025.

Amortization of acquired and library content was \$1.6 million in Six Months 2026, compared to \$1.7 million in Six Months 2025.

Amortization of P&E and intangibles assets was \$0.7 million in Six Months 2026, compared to \$0.6 million in Six Months 2025.

Reorganization, Development and Other

Reorganization, Development and Other expense was \$5.1 million in Six Months 2026, compared to \$0.1 million in Six Months 2025, an increase of \$5.0 million due mainly to expenses associated with the cessation of Canadian Television Broadcasting.

Finance Costs, net

Net finance income was \$0.2 million in Six Months 2026, compared to \$0.1 million in Six Months 2025, an decrease of \$0.1 million.

Foreign Exchange Gain

Foreign exchange gain was \$0.4 million in Six Months 2026, compared to a gain of \$5.1 million in Six Months 2025.

Income Taxes from discontinued operations

Income tax expense for Six Months 2026 was \$6.8 million, compared to a recovery of \$4.1 million in Six Months 2025. 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 income and Income Per Share from discontinued operations

Net income from discontinued operations attributable to the Shareholders of the Company for Six Months 2026 was \$26.5 million, compared to net income of \$23.7 million for Six Months 2025, an increase of \$2.8 million.

Both basic and diluted loss per share was \$0.12, in Six Months 2026 and Six Months 2025.

Adjusted EBITDA from discontinued operations Attributable to the Shareholders of the Company¹

Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company was \$39.3 million in Six Months 2026, compared to \$27.3 million in Six Months 2025, an increase of \$12.1 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 December 31, 2025 and June 30, 2025:

(expressed in \$000s, except ratio data)	December 31, 2025	June 30, 2025
	\$	\$
Cash	69,206	68,871
Amounts receivable	200,921	257,474
Investment in film and television programs	54,689	97,953
Acquired and library content	16,965	54,535
Intangible assets	9,275	373,714
Other assets	71,866	84,792
Assets held for sale and discontinued operations	588,436	—
Total assets	1,011,358	937,339
Bank indebtedness	35,636	10,914
Accounts payable and accrued liabilities	132,235	157,863
Interim production financing	57,219	56,472
Current portion of long-term debt	5,535	69,202
Long-term debt	498,947	417,931
Lease liabilities	13,007	19,539
Deferred revenue	18,147	37,741
Other liabilities	1,681	2,637
Liabilities directly associated with assets held for sale and discontinued operations	97,979	—
Total liabilities	860,386	772,299
Shareholders' equity	150,972	165,040
Working capital ¹	563,592	84,770
Working capital ratio ²	2.58	1.25
Net debt ³	454,714	429,176

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 consolidated cash flow components¹:

	Three Months Ended		Six Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Cash Inflows (Outflows) by Activity:				
Operating activities	45,684	81,409	59,735	107,225
Financing activities	(24,332)	(56,982)	(40,837)	(80,698)
Investing activities	(1,058)	4,923	(1,482)	4,458
Effect of foreign exchange rate changes on cash	(1,467)	1,032	(883)	1,118
Net cash inflows (outflows) ¹	18,827	30,382	16,533	32,103

¹ The consolidated cash flow components includes both the continuing and discontinued cash flows.

Operating Activities

During Q2 2026, cash generated in operating activities was \$45.7 million, compared to \$81.4 million generated by operating activities in Q2 2025. The decrease of \$35.7 million was primarily due to timing of working capital inflows and outflows in the period.

Financing Activities

During Q2 2026, cash flows used in financing activities were outflows of \$24.3 million, compared to outflows of \$57.0 million in Q2 2025. The decrease in outflows of \$32.7 million was primarily driven by lower repayment of debt in the prior year's quarter.

Investing Activities

During Q2 2026, the Company used \$1.1 million of cash for investing activities, compared to generating \$4.9 million in Q2 2025.

Bank Indebtedness and Long-Term Debt

Credit Facility and Revolving Credit 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 were being 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.

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, which was paid in Q3 2026, (iii) added further fees to lenders of \$6 million that were paid on October 1, 2025 and other lender fees in respect of the timing of any de-leveraging events that the Company may enter into, 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	N/A
Fiscal quarters ending March 31, 2025 and June 30, 2025	6.25x	6.25x
Fiscal quarters ending September 30, 2025, December 31, 2025 and March 31, 2026	5.75x	5.75x
Fiscal quarter ending June 30, 2026	5.75x	6.00x
Fiscal quarter ending September 30, 2026	5.00x	5.50x
Fiscal quarters ending December 31, 2026 through and including June 30, 2027	5.0x	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

As a result of the September 2025 amendment, the Company recorded a \$16 million non-cash loss on debt modification in the six-month period ended December 31, 2025.

During the six-month period ended December 31, 2025, the average interest rate was 9.48% for the Senior Secured Credit Facility. As of December 31, 2025, the Senior Secured Credit Facility had a principal balance of \$504.5 million (US\$365.8 million) as compared to \$501.7 million (US\$367.7 million) at June 30, 2025.

The Revolving Credit 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 six-month period ended December 31, 2025, the average interest rate was 9.48% for the Revolving Facility.

As of December 31, 2025, \$35.6 million (US\$25.0 million) was drawn on the Revolving Facility, as compared to, \$10.9 million (US\$8.0 million) at June 30, 2025.

The Company is required to comply with a leverage covenant and as of December 31, 2025, was in compliance with all financial maintenance covenants.

The Company intends to use proceeds arising from the agreement to sell its 41% stake in Peanuts Holdings LLC, the holding entity for the Peanuts IP, to pay down all of the outstanding Senior Secured Credit Facility on close of the transaction.

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 December 31, 2025, the Convertible Debentures had a principal balance of \$nil (June 30, 2025 - \$nil).

Working Capital and Liquidity

Working capital represents the Company's current assets less current liabilities, which amounted to \$563.6 million as at December 31, 2025, as compared to \$84.8 million at June 30, 2025. The increase in working capital in the six months ended December 31, 2025 is primarily a result of Peanuts assets and liabilities being classified as held-for-sale.

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 this interim condensed 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.

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 9 in the interim condensed consolidated financial statements.

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 ("Earnings Before Interest, Taxes, Depreciation, and Amortization") of a restricted group of WildBrain entities, adjusted for certain one-time and non-cash charges. Non-compliance with the financial maintenance covenant would be considered an event of default under the Senior Secured Credit facility, which could, absent a waiver from the lenders or cure by the Company, restrict the Company's access to funds required to run its business and settle its obligations in a timely manner. Management considers conditions that may cast significant doubt upon its ability to continue as a going concern, including the Company's ability to meet future covenants. The Company's future liquidity is dependent on the closing of the Peanuts sale, the proceeds of which would be used to pay down the Senior Secured Credit Facility, or absent that, 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 other 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. In the second half of 2026, the Company expects to repay the Senior Secured Credit Facility in full upon the closing of the Peanuts sale, 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.

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 December 31, 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	35,636	35,636	—	—	—
Accounts payable and accrued liabilities	132,235	132,235	—	—	—
Interim production financing	57,219	57,219	—	—	—
Other long-term liabilities	21,729	—	21,729	—	—
Term facility	664,974	52,298	125,874	486,802	—
Lease liabilities	18,549	10,653	5,854	2,042	—
Total Contractual Obligations	930,342	288,041	153,457	488,844	—

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

Share Capital

As at December 31, 2025, our issued and outstanding share capital was as follows:

Total Common Shares	213,653,798
Stock Options	798,500
Restricted Share Units	3,956,651
Performance Share Units	1,811,852
Deferred Share Units	<u>4,412,863</u>

Prior to November 18, 2025, and pursuant to WildBrain's previous articles of incorporation and the Broadcasting Act (Canada), WildBrain's Common Voting Shares could only be held and controlled by Canadians, and the Variable Voting Shares could only be held and controlled by non-Canadians. The dual-class share structure was 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.

On December 18, 2025, following the cessation of the Company's television broadcast business, shareholders approved a special resolution approving an amendment to the Company's Articles to, among other things, (i) eliminate the Company's non-voting shares and Preferred Variable Voting Shares, (ii) redesignate the Common Voting Shares and Variable Voting Shares as "Common shares", (iii) amend the rights, privileges and restrictions attached to the "Common shares" and (iv) create an unlimited number of Preferred shares, issuable in series. A copy of the new share terms can be found SEDAR+.

For additional information on WildBrain's share capital, see the Company's Fiscal 2025 AIF dated September 25, 2025 filed on www.sedarplus.ca and the subsequent release on December 18, 2025 confirming the approval of the special resolution noted above.

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 interim condensed consolidated balance sheets of \$200.9 million (June 30, 2025 - \$258.4 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 6.2% 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 December 31, 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 December 31, 2025 would have decreased pre-tax net income by \$5.4 million (December 31, 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 December 31, 2025, the Company had cash balances of \$69.2 million and amounts receivable of \$200.9 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.

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, which was paid in Q3 2026, (iii) added further fees to lenders of \$6 million paid on October 1, 2025 and other lender fees in respect of the timing of any de-leveraging events that the Company may enter into, which may result under certain scenarios in additional finance charges of 0.6% to 6.0% per annum, and (iv) further changes to the financial maintenance covenant, as outlined in Note 9.

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 \$504.5 million of debt, including \$498.9 million of long-term debt, \$5.5 million of short-term debt, which is recorded net of \$nil 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.

The Company intends to use proceeds arising from the agreement to sell its 41% stake in Peanuts Holdings LLC, the holding entity for the Peanuts IP, to pay down all of the outstanding Senior Secured Credit Facility on close of the transaction.

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.

Subsequent to December 31, 2025, the Company entered into foreign exchange hedging arrangements in the form of a forward contract to manage exposure to movements in foreign currency exchange rates in respect of the Canadian dollar proceeds from the sale of 41% of Peanuts Holding LLC and the use of those proceeds to pay down the US Dollar denominated Senior Secured Credit Facility. The notional amount of the contracts entered into was approximately US\$400 million. As the contracts were entered into after the reporting date, they have not been reflected in the financial statements for the period ended December 31, 2025.

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 Q2 2026 quarterly filings dated February 11, 2026, 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 December 31, 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 December 31, 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 from Continuing Operations and Adjusted EBITDA from Continuing Operations attributable to the Shareholders of the Company

In Q1 2026 the Company announced that it would cease operating the Canadian Television Broadcasting operations in Q2 2026. Broadcast ceased on October 22, 2026 and the Company's broadcast licenses were revoked on October 31, 2025. In Q2 2026, the segment become abandoned and was reclassified as discontinued operations. In Q2 2026, the Company signed a definitive agreement to sell its 41% stake in Peanuts, the holding entity for the Peanuts IP, to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc. Both Television and Peanuts is reported in net income from discontinued operations. The following table reconciles loss before income taxes from continuing operations to Adjusted EBITDA from continuing operations, and to Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company, for each three-month period ending as follows:

	Fiscal 2026		Fiscal 2025				Fiscal 2024	
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
(expressed in \$000s)								
Loss before income taxes from continuing operations	(22,183)	(38,995)	3,626	(23,901)	(94,495)	(26,909)	(104,336)	(24,504)
add back:								
Finance costs, net	21,971	32,102	15,099	16,014	17,518	24,542	13,955	13,808
Change in fair value of embedded derivatives	—	—	—	—	—	(1)	—	—
Foreign exchange (gain) loss	(9,254)	5,150	(19,680)	1,595	25,901	(5,334)	1,233	6,505
Amortization of P&E and intangible assets	2,800	2,967	4,047	4,060	4,986	5,196	5,651	5,882
Amortization of acquired and library content	683	652	854	1,580	1,135	1,121	1,238	1,229
Write-down of certain investment in film and television programs, acquired and library content, and intangible assets	16,352	—	226	—	53,247	—	90,403	—
Share-based compensation	2,969	1,255	1,003	719	857	1,997	233	839
Reorganization, development and other expenses ¹	1,535	861	3,062	3,405	2,580	2,188	4,312	2,728
Adjusted EBITDA from continuing operations	14,873	3,992	8,237	3,472	11,729	2,800	12,689	6,487
Adjusted EBITDA attributable to non-controlling interest	(14)	108	(156)	769	(183)	(11)	(565)	(187)
Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company	14,859	4,100	8,081	4,241	11,546	2,789	12,124	6,300

¹Refer to Reorganization, development and other sections 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 Adjusted EBITDA from discontinued operations and Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company

In Q2 2026, Television and Peanuts is reported in net income from discontinued operations. The following table reconciles income before income taxes from discontinued operations to Adjusted EBITDA from discontinued operations, and to Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company, for each three-month period ending as follows:

	Fiscal 2026		Fiscal 2025				Fiscal 2024	
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
(expressed in \$000s)								
Income before income taxes from discontinued operations	49,482	22,304	19,588	15,871	25,129	26,430	15,988	14,971
add back:								
Finance costs, net	(207)	1	(21)	(78)	(57)	(32)	(100)	(84)
Change in fair value of embedded derivatives	—	—	(7,807)	7,807	—	—	—	—
Foreign exchange (gain) loss	(2,001)	1,559	(3,772)	6,740	(92)	(5,037)	1,904	2,546
Amortization of P&E and intangible assets	245	451	250	293	305	322	419	410
Amortization of acquired and library content	787	777	867	899	877	855	953	939
Write-down of certain investment in film and television programs, acquired and library content, and intangible assets	—	—	15,304	—	—	—	—	—
Share-based compensation	—	—	—	—	—	—	—	—
Reorganization, development and other expenses ¹	1	5,092	515	(26)	15	41	179	179
Adjusted EBITDA from discontinued operations	48,307	30,184	24,924	31,506	26,177	22,579	19,343	18,961
Adjusted EBITDA attributable to non-controlling interest	(25,738)	(13,405)	(8,381)	(9,654)	(11,474)	(10,030)	(7,552)	(5,648)
Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company	22,569	16,779	16,543	21,852	14,703	12,549	11,791	13,313

¹Refer to Reorganization, development and other sections 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 from Continuing Operations

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

	Fiscal 2026		Fiscal 2025				Fiscal 2024	
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
(expressed in \$000s) ¹								
Revenue	72,380	58,624	78,099	73,859	65,499	59,005	78,478	53,831
Content Creation and Audience Engagement.....	45,116	38,469	58,725	55,179	43,581	38,477	66,414	39,095
Global Licensing.....	27,264	20,155	19,374	18,680	21,918	20,528	12,064	14,736
less: Direct production costs and amortization of film and television produced	(36,472)	(32,499)	(46,533)	(50,093)	(34,315)	(35,486)	(45,040)	(27,777)
Content Creation and Audience Engagement.....	(34,776)	(31,712)	(44,053)	(49,133)	(33,729)	(32,629)	(43,870)	(27,024)
Global Licensing.....	(1,696)	(787)	(2,480)	(960)	(586)	(2,857)	(1,170)	(753)
Gross Margin from continuing operations	35,908	26,124	31,566	23,766	31,184	23,519	33,437	26,054
Content Creation and Audience Engagement.....	10,340	6,756	14,672	6,046	9,852	5,850	22,543	12,071
Global Licensing.....	25,568	19,368	16,894	17,720	21,332	17,669	10,894	13,983

Reconciliation of Quarterly Results to Gross Margin from discontinued operations

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

	Fiscal 2026		Fiscal 2025				Fiscal 2024	
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
(expressed in \$000s) ¹								
Revenue	131,844	71,923	65,681	71,439	72,223	55,678	53,846	49,314
Content Creation and Audience Engagement.....	44,665	1,972	1,977	2,747	2,166	2,673	1,847	1,920
Global Licensing.....	85,590	65,268	53,991	56,897	62,754	45,736	43,746	37,711
Canadian Television Broadcasting.....	1,589	4,683	9,713	11,795	7,303	7,269	8,253	9,683
less: Direct production costs and amortization of film and television produced	(75,522)	(34,580)	(33,991)	(32,352)	(39,099)	(26,459)	(27,735)	(24,845)
Content Creation and Audience Engagement ¹	(23,629)	3,780	4,967	4,760	2,326	1,415	1,076	3,036
Global Licensing.....	(51,848)	(38,148)	(36,052)	(36,758)	(39,310)	(25,755)	(26,548)	(25,567)
Canadian Television Broadcasting.....	(45)	(212)	(2,906)	(354)	(2,115)	(2,119)	(2,263)	(2,314)
Gross Margin from discontinued operations	56,322	37,343	31,690	39,087	33,124	29,219	26,111	24,469
Content Creation and Audience Engagement.....	21,036	5,752	6,944	7,507	4,492	4,088	2,923	4,956
Global Licensing.....	33,742	27,120	17,939	20,139	23,444	19,981	17,198	12,144
Canadian Television Broadcasting.....	1,544	4,471	6,807	11,441	5,188	5,150	5,990	7,369

¹ During the production of content where the Company has distribution rights, a portion of the direct costs of production are capitalized into Investment in Film and television programs for amortization over the course of distribution revenues. With the sale of the Company's interest in Peanuts, the Company no longer owns distribution rights to certain produced content. The benefit received from the Investment in Film and television programs capitalization has been presented as part of discontinued operations, resulting in a negative cost in the Content Creation and Audience Engagement segment.

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 2025				Fiscal 2024	
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
(expressed in \$000s)								
Cash flow provided by operating activities	45,684	14,051	(2,025)	47,336	81,409	25,816	18,277	23,281
less:								
Distributions to non-controlling interests	(15,168)	(7,559)	(4,761)	(17,221)	(12,905)	(4,647)	(9,171)	(8,329)
Change in interim production financing	1,654	(907)	5,203	4,263	(2,965)	(9,130)	(4,915)	(4,698)
Interest paid	(14,676)	(13,924)	(13,615)	(19,560)	(14,158)	(4,845)	(8,113)	(10,581)
Repayment of lease liabilities	(2,214)	(2,367)	(2,067)	(2,125)	(2,065)	(2,431)	(2,705)	(2,612)
Free Cash Flow	15,280	(10,706)	(17,265)	12,693	49,316	4,763	(6,627)	(2,939)

Additional Information

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