

# **WildBrain Ltd.**

Interim Condensed Consolidated Financial Statements  
(unaudited)

**December 31, 2025**

(expressed in thousands of Canadian dollars)

February 11, 2026

## **Management's Responsibility for Financial Reporting**

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

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

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

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

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

# WildBrain Ltd.

## Interim Condensed Consolidated Balance Sheets (unaudited) As at December 31, 2025 and June 30, 2025

(expressed in thousands of Canadian dollars)

	December 31, 2025	June 30, 2025
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	69,206	68,871
Amounts receivable (note 5)	192,153	248,058
Prepaid expenses and other	15,629	12,594
Investment in film and television programs (note 6)	54,689	97,953
	<u>331,677</u>	<u>427,476</u>
Assets held-for-sale (note 4)	588,436	—
	<u>920,113</u>	<u>427,476</u>
Long-term amounts receivable	8,768	9,416
Acquired and library content (note 7)	16,965	54,535
Property and equipment	15,997	20,953
Intangible assets (note 4)	9,275	373,714
Goodwill (note 4)	6,321	28,468
Deferred income taxes (note 13)	33,919	22,777
	<u>1,011,358</u>	<u>937,339</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank indebtedness (note 9)	35,636	10,914
Accounts payable and accrued liabilities (note 8)	132,235	157,863
Deferred revenue (note 4)	18,147	37,741
Interim production financing (note 9)	57,219	56,472
Current portion of lease liabilities	9,770	10,514
Current portion of long-term debt (note 9)	5,535	69,202
	<u>258,542</u>	<u>342,706</u>
Liabilities directly associated with assets held-for-sale (note 4)	97,979	—
	<u>356,521</u>	<u>342,706</u>
Long-term debt (note 9)	498,947	417,931
Long-term lease liabilities	3,237	9,025
Other long-term liabilities	1,681	2,637
	<u>860,386</u>	<u>772,299</u>
<b>Shareholders' Equity</b>		
Deficit attributable to shareholders of the Company	(119,348)	(88,665)
Non-controlling interest (note 4)	270,320	253,705
	<u>150,972</u>	<u>165,040</u>
	<u>1,011,358</u>	<u>937,339</u>

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

# WildBrain Ltd.

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

For the three and six month periods ended December 31, 2025 and 2024

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

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
<b>Revenues</b> (note 20)	<b>72,380</b>	65,499	<b>131,004</b>	124,504
<b>Expenses</b> (note 15)				
Direct production costs and expense of film and television produced	<b>36,472</b>	34,315	<b>68,971</b>	69,801
Amortization of acquired and library content (note 7)	<b>683</b>	1,135	<b>1,335</b>	2,256
Amortization of property and equipment and intangible assets	<b>2,800</b>	4,985	<b>5,767</b>	10,181
Write-down of investment in film and television programs, acquired and library content, and intangible assets (note 12)	<b>16,352</b>	53,247	<b>16,352</b>	53,247
Selling, general and administrative	<b>21,035</b>	19,455	<b>43,165</b>	40,178
Share-based compensation (note 11)	<b>2,969</b>	857	<b>4,224</b>	2,854
Finance costs, net (note 14)	<b>21,971</b>	17,518	<b>54,073</b>	42,061
Foreign exchange (gain) loss	<b>(9,254)</b>	25,902	<b>(4,104)</b>	20,567
Reorganization, development and other expense (note 15)	<b>1,535</b>	2,581	<b>2,399</b>	4,762
	<b>94,563</b>	159,995	<b>192,182</b>	245,907
<b>Loss before income taxes</b>	<b>(22,183)</b>	(94,496)	<b>(61,178)</b>	(121,403)
<b>Provision for (recovery of) income taxes</b> (note 13)				
Current	<b>2,869</b>	(585)	<b>1,235</b>	(987)
Deferred	<b>(4,979)</b>	(5,435)	<b>(2,729)</b>	(9,089)
	<b>(2,110)</b>	(6,020)	<b>(1,494)</b>	(10,076)
<b>Net loss from continuing operations</b>	<b>(20,073)</b>	(88,476)	<b>(59,684)</b>	(111,327)
Net income from discontinued operations (note 4)	<b>46,179</b>	22,900	<b>65,024</b>	47,446
<b>Net income (loss) for the period</b>	<b>26,106</b>	(65,576)	<b>5,340</b>	(63,881)
Net loss from continuing operations attributable to non-controlling interests	<b>(23)</b>	(2,088)	<b>(177)</b>	(2,133)
Net income from discontinued operations attributable to non-controlling interests (note 4)	<b>26,551</b>	11,424	<b>38,568</b>	23,784
<b>Net income (loss) attributable to shareholders of the Company</b>	<b>(422)</b>	(74,912)	<b>(33,051)</b>	(85,532)
<b>Basic and diluted loss per common share from continuing operations</b> (note 17)	<b>(0.09)</b>	(0.41)	<b>(0.28)</b>	(0.52)
<b>Basic and diluted income per common share from discontinued operations</b> (note 4)	<b>0.09</b>	0.05	<b>0.12</b>	0.11
<b>Basic and diluted loss per common share attributable to the shareholders of the Company</b> (note 17)	<b>—</b>	(0.35)	<b>(0.16)</b>	(0.41)

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

# WildBrain Ltd.

## Interim Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited) For the three and six month periods ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars)

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
<b>Net loss from continuing operations</b>	<b>(20,073)</b>	<b>(88,476)</b>	<b>(59,684)</b>	<b>(111,327)</b>
<b>Other comprehensive (loss) income from continuing operations</b>				
Items that may be subsequently reclassified to the consolidated statements of income (loss):				
Foreign currency translation adjustment attributable to shareholders of the Company from continuing operations	<b>(5,289)</b>	<b>11,397</b>	<b>(792)</b>	<b>13,232</b>
<b>Comprehensive loss for the period from continuing operations</b>	<b>(25,362)</b>	<b>(77,079)</b>	<b>(60,476)</b>	<b>(98,095)</b>
<b>Net income from discontinued operations (note 4)</b>	<b>46,179</b>	<b>22,900</b>	<b>65,024</b>	<b>47,446</b>
<b>Other comprehensive income from discontinued operations</b>				
Foreign currency translation adjustment attributable to non-controlling interests from discontinued operations	<b>(4,322)</b>	<b>17,469</b>	<b>951</b>	<b>13,818</b>
<b>Comprehensive income for the period from discontinued operations</b>	<b>41,857</b>	<b>40,369</b>	<b>65,975</b>	<b>61,264</b>

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

# WildBrain Ltd.

## Interim Condensed Consolidated Statements of Changes in Equity (unaudited) For the six month periods ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars)

	Common shares	Contributed surplus	Accumulated other comprehensive loss	Deficit	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
<b>Balance - July 1, 2024</b>	415,808	45,794	(10,039)	(462,307)	257,234	246,490
Net (loss) income for the period	—	—	—	(85,532)	21,651	(63,881)
Other comprehensive income for the period	—	—	13,232	—	13,818	27,050
Comprehensive income (loss) for the period	—	—	13,232	(85,532)	35,469	(36,831)
Common shares issued, net of issuance costs and payroll taxes remitted	1,283	(2,230)	—	—	—	(947)
Common shares issued to settle warrant exercise	6,250	1,000	—	—	—	7,250
Share-based compensation	—	2,854	—	—	—	2,854
Distributions to non-controlling interests	—	—	—	—	(17,552)	(17,552)
<b>Balance - December 31, 2024</b>	<b>423,341</b>	<b>47,418</b>	<b>3,193</b>	<b>(547,839)</b>	<b>275,151</b>	<b>201,264</b>
<b>Balance - July 1, 2025</b>	<b>423,371</b>	<b>48,786</b>	<b>(8,701)</b>	<b>(552,121)</b>	<b>253,705</b>	<b>165,040</b>
Net (loss) income for the period	—	—	—	(33,051)	38,391	5,340
Other comprehensive (loss) income for the period	—	—	(792)	—	951	159
Comprehensive (loss) income for the period	—	—	(792)	(33,051)	39,342	5,499
Common shares issued, net of issuance costs and payroll taxes remitted	1,062	(2,126)	—	—	—	(1,064)
Share-based compensation	—	4,224	—	—	—	4,224
Distributions to non-controlling interests	—	—	—	—	(22,727)	(22,727)
<b>Balance - December 31, 2025</b>	<b>424,433</b>	<b>50,884</b>	<b>(9,493)</b>	<b>(585,172)</b>	<b>270,320</b>	<b>150,972</b>

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

# WildBrain Ltd.

## Interim Condensed Consolidated Statements of Cash Flows (unaudited) For the six month periods ended December 31, 2025 and 2024

(expressed in thousands of Canadian dollars)

	December 31, 2025	December 31, 2024
<b>Cash provided by (used in)</b>	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Net income (loss) for the period	5,340	(63,881)
Charges (credits) to reconcile net loss to cash provided by operating activities		
Amortization of property and equipment	4,736	5,160
Amortization of intangible assets	1,727	5,649
Amortization of acquired and library content	2,899	3,988
Accretion expense and amortization of deferred financing fees	9,099	3,953
Unrealized foreign exchange loss	1,944	27,842
Share-based compensation	4,224	2,854
Loss on modification of debt and write-down of unamortized issue costs	16,019	6,313
Change in fair value of forward foreign exchange contract	(44)	268
Interest income	(776)	(2,781)
Interest expense	29,584	34,217
Deferred tax expense (recovery)	726	(5,436)
Write-down of investment in film and television programs	10,826	32,097
Write-down of acquired and library content	5,526	15,838
Write-down of intangible assets	—	5,312
Net investment in film and television programs (note 19)	(3,097)	8,638
Net change in non-cash balances related to operations (note 19)	(28,998)	27,194
<b>Cash provided by operating activities</b>	<b>59,735</b>	<b>107,225</b>
<b>Financing activities</b>		
Common shares issued, net of issuance costs and payroll taxes remitted	(1,064)	6,303
Distributions to non-controlling interests	(22,727)	(17,552)
Proceeds from bank indebtedness	24,880	6,585
Repayment of bank indebtedness	—	(13,800)
Proceeds from long-term debt	—	504,947
Repayment of long-term debt	(2,580)	(513,567)
Payment of debt issue costs	(6,912)	(18,020)
Interest paid on long-term debt and lease liabilities	(28,600)	(19,003)
Repayment of lease liabilities	(4,581)	(4,496)
Net proceeds from (repayment of) interim production financing (note 19)	747	(12,095)
<b>Cash used in financing activities</b>	<b>(40,837)</b>	<b>(80,698)</b>
<b>Investing activities</b>		
Proceeds from sale of assets	—	5,500
Acquisition of acquired and library content	—	(92)
Acquisition of property and equipment	(1,124)	(70)
Acquisition of intangible assets	(358)	(880)
<b>Cash (used in) provided by investing activities</b>	<b>(1,482)</b>	<b>4,458</b>
Effect of foreign exchange rate changes on cash	(883)	1,118
<b>Net change in cash during the period</b>	<b>16,533</b>	<b>32,103</b>
<b>Cash - Beginning of the period</b>	<b>68,871</b>	<b>49,715</b>
<b>Cash - End of the period</b>	<b>85,404</b>	<b>81,818</b>
<b>Cash included in assets held-for-sale (note 4)</b>	<b>(16,198)</b>	<b>—</b>
<b>Cash - End of the period as reported</b>	<b>69,206</b>	<b>81,818</b>

Supplemental information (notes 4 and 19)

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

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

---

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

### 1 Nature of business

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

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

On December 18, 2025, the Company signed a definitive agreement to sell its 41% stake in Peanuts Holdings LLC ("Peanuts"), the holding entity for the Peanuts IP ("Intellectual Property"), to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc. As a result, Peanuts was classified as held-for-sale in these interim condensed consolidated financial statements and their comparatives have been re-presented to show the discontinued operations separately from continuing operations.

### 2 Basis of preparation

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

These interim condensed consolidated financial statements have been authorized for issuance by the Board of Directors on February 11, 2026.

### 3 Summary of material accounting policies, judgments and estimation uncertainty

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

#### Accounting pronouncements issued but not yet effective

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

## **WildBrain Ltd.**

### **Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024**

---

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

#### **4 Held-for-Sale and discontinued operations**

##### ***Peanuts held-for-sale and discontinued operations***

On December 18, 2025, the Company signed a definitive agreement to sell its 41% stake in Peanuts Holdings LLC ("Peanuts"), the holding entity for the Peanuts intellectual property ("IP"), to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc.

Prior to the closing of the previously noted transaction, Sony Entertainment holds a 39.2% existing interest in Peanuts which is reflected in Non-controlling interest at \$271,899 as of December 31, 2025.

Under the agreement, the Company will remain a multi-year partner to Peanuts for key services, including:

- 1) Exclusive licensing agent through WildBrain CPLG for consumer products in all current territories across Europe, the Middle East, China, and Asia Pacific (excluding Japan & ANZ);
- 2) Exclusive production studio for new Peanuts content—including the previously announced feature film—under an expansive partnership with Apple TV, recently renewed through 2030; and
- 3) Distributor of WildBrain-produced Peanuts content and continued management of the Snoopy YouTube channel.

As Peanuts represents a separate major line of business, upon classification as held-for-sale, the Interim Consolidated Statements of Income (Loss) and Interim Condensed Consolidated Statements of Comprehensive Income (Loss), and their comparatives, have been re-presented to show the discontinued operation separately from continuing operations.

As a result of the Company's continuing involvement subsequent to disposal, management has elected to attribute certain transactions that would historically have been eliminated in consolidation between continuing operations and discontinued operations in a way that reflects the results of the continuing operations on an ongoing basis. For the three and six months ended December 31, 2025, the allocation of these transactions between continuing and discontinued operations resulted in a reduction of the net loss from continuing operations before income taxes and a reduction of the net income from discontinued operations before taxes of \$6,328 and \$11,348 respectively (2024 - \$4,657 and \$8,313, respectively).

Within discontinued operations related to Peanuts, the Direct production costs and expense of film and television produced included a benefit received from capitalized Investment in Film and television programs related to the distribution rights of certain produced content that the Company will no longer own as a result of the anticipated sale. For the three and six months ended December 31, 2025, the amounts reclassified to discontinued operations Direct production costs and expense of film and television produced was \$3,852 and \$7,781 respectively (2024 - \$2,505 and \$4,205, respectively).

The operations of Peanuts were previously included in the Content Creation and Audience Engagement and Global Licensing segments. The segment disclosures in Note 20 have been adjusted to reflect the reclassification of Peanuts to discontinued operations.

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

A reconciliation of the major classes of line items constituting net income from discontinued operations of the Peanuts business, net of tax, as presented in the Interim Consolidated Statements of Income (Loss) is as follows:

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
<b>Revenues</b>	<b>130,255</b>	<b>64,921</b>	<b>197,495</b>	<b>113,329</b>
<b>Expenses</b>				
Direct production costs and expense of film and television produced	75,477	36,984	109,844	61,324
Amortization of acquired and library content	787	877	1,564	1,732
Amortization of property and equipment and intangible assets	245	293	492	559
Selling, general and administrative and other expenses	5,260	4,485	12,995	5,117
	<b>81,769</b>	<b>42,639</b>	<b>124,895</b>	<b>68,732</b>
<b>Income before taxes</b>	<b>48,486</b>	<b>22,282</b>	<b>72,600</b>	<b>44,597</b>
<b>Provision (recovery) of income taxes</b>				
Current	2,533	(204)	4,057	468
Deferred	1,138	3,127	3,074	4,694
	<b>3,671</b>	<b>2,923</b>	<b>7,131</b>	<b>5,162</b>
<b>Net income from discontinued operations</b>	<b>44,815</b>	<b>19,359</b>	<b>65,469</b>	<b>39,435</b>
Net income from discontinued operations attributable to non-controlling interests	26,551	11,424	38,568	23,784
<b>Net income from discontinued operations attributable to shareholders of the Company</b>	<b>18,264</b>	<b>7,935</b>	<b>26,901</b>	<b>15,651</b>
<b>Basic and diluted earnings per common share</b>	<b>0.08</b>	<b>0.04</b>	<b>0.13</b>	<b>0.07</b>

The net cash flows for the six-month period provided by Peanuts discontinued operations were as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Operating activities	35,448	34,074
Financing activities <sup>1</sup>	(31,070)	(24,114)
Net cash flow from discontinued operations	<b>4,378</b>	<b>9,960</b>

<sup>1</sup> The financing activities within net cash flow from discontinued operations are presented net of distributions to all owners. Distributions attributable to the Company with interest of 40.8% were \$12,485 for the six months ended December 31, 2025 (2024 - \$9,631).

## WildBrain Ltd.

### Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

The assets and liabilities which are classified as held-for-sale related to Peanuts were as follows:

	December 31, 2025 \$
<b>Current assets</b>	
Cash	16,198
Amounts receivable	86,064
Prepaid expenses and other	507
Investment in film and television programs	35,011
<b>Non-current assets</b>	
Long-term amounts receivable	33,137
Acquired and library content	29,219
Property and equipment	1,320
Intangible assets	364,722
Goodwill	22,258
<b>Assets held-for-sale</b>	<u>588,436</u>
<b>Current liabilities</b>	
Accounts payable and accrued liabilities	45,547
Deferred revenue	18,557
	<u>64,104</u>
<b>Non-current liabilities</b>	
Long-term lease liabilities	1,348
Deferred Income Taxes	12,894
Other non-current liabilities	19,633
<b>Liabilities directly associated with assets held-for-sale</b>	<u><u>97,979</u></u>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### **Canadian Television Broadcasting discontinued operations**

On October 22, 2025, the Company's Canadian Television Broadcasting business ceased operations and its broadcasting licenses were formally revoked by the CRTC on October 31, 2025. As it represents a major line of business, the Company is presenting the Canadian Television Broadcasting business as discontinued operations effective Q2 2026.

The Canadian Television Broadcasting business was previously included in a separate segment. The segment disclosures in note 20 have been adjusted to reflect the reclassification of the Canadian Television Broadcasting business to discontinued operations.

During Q1 2026, the Company recorded provisions of \$5,105 related to severance agreements and certain contracts that were identified as onerous contracts as part of the continued windup of the Canadian Television Broadcasting business. As of December 31, 2025, there has been no material changes to the provision balance.

A reconciliation of the major classes of line items constituting net income from discontinued operations of the Canadian Television Broadcasting business, net of tax, as presented in the Interim Consolidated Statements of Income (Loss) is as follows:

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
<b>Revenues</b>	<b>1,588</b>	<b>7,303</b>	<b>6,271</b>	<b>14,572</b>
<b>Expenses</b>				
Direct production costs and expense of film and television produced	44	2,115	257	4,234
Amortization of property and equipment and intangible assets	—	13	204	69
Selling, general and administrative and other expenses	548	2,327	6,623	3,309
	<b>592</b>	<b>4,455</b>	<b>7,084</b>	<b>7,612</b>
<b>Income (loss) before taxes</b>	<b>996</b>	<b>2,848</b>	<b>(813)</b>	<b>6,960</b>
<b>(Recovery of) provision for income taxes</b>				
Current	(749)	(10)	(749)	(10)
Deferred	381	(683)	381	(1,041)
	<b>(368)</b>	<b>(693)</b>	<b>(368)</b>	<b>(1,051)</b>
<b>Net income (loss) from discontinued operations</b>	<b>1,364</b>	<b>3,541</b>	<b>(445)</b>	<b>8,011</b>
<b>Basic and diluted earnings per common share</b>	<b>0.01</b>	<b>0.02</b>	<b>0.00</b>	<b>0.04</b>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

The net cash flows for the six-month period provided by the Canadian Television Broadcasting discontinued operations were as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Operating activities	3,677	4,923
Net cash flow from discontinued operations	<u>3,677</u>	<u>4,923</u>

### 5 Amounts receivable

	December 31, 2025	June 30, 2025
	\$	\$
Trade receivables (note 4)	122,842	180,111
Less: ECL allowance on trade receivables	(7,607)	(7,261)
Trade receivables, net of loss allowance	<u>115,235</u>	172,850
Sales tax receivable	2,610	3,482
Federal and provincial film tax credits	74,308	71,726
Amounts receivable	<u>192,153</u>	<u>248,058</u>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### 6 Investment in film and television programs

	Development	In Production	Delivered	Program and film rights - broadcasting	Total
	\$	\$	\$		\$
<b>Cost</b>					
<b>June 30, 2025</b>	<b>1,384</b>	<b>17,769</b>	<b>898,770</b>	<b>185,024</b>	<b>1,102,947</b>
Additions	1,037	8,639	22,772	—	32,448
Reclassifications <sup>(1)</sup>	(352)	(137)	489	—	—
Impact of foreign exchange	(274)	—	(3,585)	—	(3,859)
Assets reclassified as held-for-sale <sup>(2)</sup>	—	(25,081)	(186,637)	—	(211,718)
<b>December 31, 2025</b>	<b>1,795</b>	<b>1,190</b>	<b>731,809</b>	<b>185,024</b>	<b>919,818</b>
<b>Accumulated amortization</b>					
<b>June 30, 2025</b>			<b>819,970</b>	<b>185,024</b>	<b>1,004,994</b>
Amortization			29,076	—	29,076
Write-downs			10,826	—	10,826
Assets reclassified as held-for-sale <sup>(2)</sup>			(176,707)	—	(176,707)
Impact of foreign exchange			(3,059)	—	(3,059)
<b>December 31, 2025</b>			<b>680,106</b>	<b>185,024</b>	<b>865,130</b>
<b>Net book value</b>					
<b>June 30, 2025</b>	<b>1,384</b>	<b>17,769</b>	<b>78,800</b>	<b>—</b>	<b>97,953</b>
<b>December 31, 2025</b>	<b>1,795</b>	<b>1,190</b>	<b>51,703</b>	<b>—</b>	<b>54,688</b>

<sup>(1)</sup> Reclassifications represent content that has progressed from one classification to another (such as from Development to In Production).

<sup>(2)</sup> Net book value of \$35,011 reclassified as held-for-sale (see note 4).

During the six-month period ended December 31, 2025, interest of \$209 (June 30, 2025 - \$570) was capitalized to investment in film and television programs.

During the six-month period ended December 31, 2025, additions to investment in film and television programs were reduced by \$6,842 (June 30, 2025 - \$20,502) in respect of production tax credits.

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### 7 Acquired and library content

	Acquired and library content \$
<b>Cost</b>	
<b>June 30, 2025</b>	<b>173,741</b>
Assets reclassified as held-for-sale <sup>(1)</sup>	(68,319)
Impact of foreign exchange	(265)
<b>December 31, 2025</b>	<b>105,157</b>
<b>Accumulated amortization</b>	
<b>June 30, 2025</b>	<b>119,206</b>
Amortization	1,335
Write-down	5,526
Assets reclassified as held-for-sale <sup>(1)</sup>	(39,100)
Impact of foreign exchange	1,225
<b>December 31, 2025</b>	<b>88,192</b>
<b>Net book value</b>	
<b>June 30, 2025</b>	<b>54,535</b>
<b>December 31, 2025</b>	<b>16,965</b>

<sup>(1)</sup> Net book value of \$29,219 reclassified as held-for-sale (see note 4).

### 8 Accounts payable and accrued liabilities

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

	December 31, 2025 \$	June 30, 2025 \$
Accounts payable	29,949	31,829
Accrued liabilities		
Accrued agency, participation and licensor fees	40,178	59,650
Accrued goods and services received	34,600	27,935
Accrued people costs	5,520	14,465
Accrued interest and loan fees	10,423	10,107
Minimum guarantees payable	986	1,531
Other	—	362
Income tax payable	10,579	11,984
	<b>132,235</b>	<b>157,863</b>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### 9 Credit facilities

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

	December 31, 2025	June 30, 2025
	\$	\$
Revolving Facility	35,636	10,914
Term Loan Facility, net of unamortized issue costs of \$nil (June 30, 2025 - \$14,541)	504,482	487,133
Interim production financing <sup>(1)</sup>	57,219	56,472
Total	597,337	554,519
Less: amount due within 12 months	(98,390)	(136,588)
Amount due beyond 12 months	498,947	417,931

<sup>(1)</sup> Assignment and direction of specific production financing, licensing contracts receivable and film tax credits receivable have been pledged as security. As at December 31, 2025, the Canadian dollar bank prime rate was 4.70% (June 30, 2025 - 4.95%).

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

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

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

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

<sup>(1)</sup> As defined in the Senior Secured Credit Facility

<sup>(2)</sup> As defined in the September 2025 amendment of the Senior Secured Credit Facility

As a result of the amendment signed in September 2025, the Company recorded a loss on the modification of its debt of \$16,019.

Subsequent to December 31, 2025, the Company made a 1.5% prepayment premium of US\$5,998 in accordance with the amended agreement.

### **a) Revolving Facility**

During the six-month period ended December 31, 2025, the Revolving Facility bore average interest of 9.48%.

Amounts owed under the Revolving Facility are recorded in Bank Indebtedness and are classified as current liabilities. As at December 31, 2025, US\$25,000 or \$35,636 (June 30, 2025 - US\$8,000 or \$10,914) was drawn on the Revolving Facility.

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### b) Term Loan Facility

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

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

<sup>(1)</sup> As defined in the Senior Secured Credit Facility

During the six-month period ended December 31, 2025, the Term Loan Facility bore average interest of 9.48%.

The Company is required to comply with a leverage covenant of 5.75x. As at December 31, 2025, the Company's Total Net Leverage Ratio was 4.88x and in compliance with the leverage covenant requirement.

As at December 31, 2025, the Company's Term Loan had a principal balance of US\$365,840, or \$504,482 (June 30, 2025 - US\$367,715 or \$501,674).

Refer to Management of financial risks and financial instruments (note 16) for information related to principal and fixed rate interest payments as at December 31, 2025.

### 10 Share capital

	December 31, 2025		June 30, 2025	
	Number #	Amount \$	Number #	Amount \$
<b>Common shares</b>				
Opening balance	212,380,753	423,371	206,116,162	415,808
Options exercised	—	—	716,747	—
Issuance of Common Shares	1,273,045	1,062	547,844	1,313
Shares for warrant exercise	—	—	5,000,000	6,250
Ending balance	213,653,798	424,433	212,380,753	423,371

On November 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.

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### 11 Share-based compensation

#### Omnibus equity incentive plan ("Omnibus Plan")

As at December 31, 2025, the total amount available for issuance under the Omnibus Plan subject to the 10% maximum was 21,365,380 (December 31, 2024 - at 10% - 20,724,943).

During the three and six-month periods ended December 31, 2025, the Company recognized the following share-based compensation expense with a corresponding adjustment to contributed surplus:

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Options	—	9	—	9
Performance share unit plan ("PSUs")	—	127	—	346
Restricted share unit plan ("RSUs")	2,695	492	3,310	1,116
Deferred share unit plan ("DSUs")	274	229	914	1,383
	<b>2,969</b>	<b>857</b>	<b>4,224</b>	<b>2,854</b>

#### Options

As at December 31, 2025 and 2024, the Company had the following stock options outstanding:

	Number of options #	Weighted average exercise price per stock option
		\$
<b>Outstanding at June 30, 2024</b>	1,911,000	2.71
Granted	450,000	1.51
Expired	(587,500)	5.75
Exercised	(450,000)	1.51
<b>Outstanding at December 31, 2024</b>	<b>1,323,500</b>	<b>1.57</b>
<b>Exercisable at December 31, 2024</b>	<b>1,323,500</b>	<b>1.57</b>
<b>Outstanding at June 30, 2025</b>	<b>798,500</b>	<b>1.62</b>
<b>Outstanding at December 31, 2025</b>	<b>798,500</b>	<b>1.62</b>
<b>Exercisable at December 31, 2025</b>	<b>798,500</b>	<b>1.62</b>

## WildBrain Ltd.

### Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

The range of exercise prices for options outstanding at December 31, 2025 and 2024, is presented below.

Range of exercise prices	Number outstanding at December 31, 2025 #	Weighted average remaining contractual life years	Weighted average exercise price \$	Number outstanding at December 31, 2024 #	Weighted average exercise price \$
\$1.50 - \$3.49	798,500	0.25	1.62	1,323,500	1.57
Total	798,500	0.25	1.62	1,323,500	1.57

#### Performance share unit plan ("PSUs")

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

	Six months ended	
	December 31, 2025 PSUs #	December 31, 2024 PSUs #
Outstanding, beginning of period	2,192,508	1,890,163
Granted	482,812	717,345
Forfeited	(614,122)	(245,000)
Exercised	(249,346)	—
Outstanding, end of period	1,811,852	2,362,508

#### Restricted share unit plan ("RSUs")

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

	Six months ended	
	December 31, 2025 RSUs #	December 31, 2024 RSUs #
Outstanding, beginning of period	4,088,815	2,227,137
Granted	802,577	915,526
Forfeited	(14,957)	(73,860)
Exercised	(919,784)	(1,034,123)
Outstanding, end of period	3,956,651	2,034,680

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### Deferred share unit plan ("DSUs")

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

	Six months ended	
	December 31, 2025	December 31, 2024
	DSUs	DSUs
	#	#
Outstanding, beginning of period	4,235,744	3,008,691
Granted	177,119	1,066,696
Outstanding, end of period	4,412,863	4,075,387

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

For the three and six-month period ended December 31, 2025, an impairment charge of \$16,352 was recorded, (December 31, 2024 - \$53,247). This included an intangible asset impairment of \$nil (December 31, 2024 - \$5,312), write-down of acquired and library content of \$5,526 (December 31, 2024 - \$15,838) and investment in film assets of \$10,826 (December 31, 2024 - \$32,097). The write-downs reflect the weaker than expected revenue performance and current market conditions for the brands and titles impaired in library that the Company invested into prior to 2025 and the Company's change in capital allocation strategy.

### 13 Income taxes

For the three and six months period ended December 31, 2025, the Company recorded an income tax recovery at a rate of 9.5% and 2.4% on the net loss from continuing operations, respectively (December 31, 2024 - income tax recovery rate of 6.4% and 8.3%, respectively). 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 outside the Company. Further items impacting the effective tax rate include the different statutory tax rates in the taxing jurisdictions, non-deductible items, the utilization of certain unrecognized tax losses and the continued non-recognition of certain deferred tax assets in Canada.

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### 14 Finance costs, net

Net finance costs comprise the following:

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
<b>Finance costs (income)</b>				
Loss on modification of debt and write-down of unamortized issue costs	—	—	16,019	6,313
Interest on long-term debt	20,928	14,983	34,424	30,992
Amortization of deferred financing fees	—	1,022	889	1,663
Change in fair value of interest rate swap and forward contract	(725)	93	(44)	269
Interest expense on bank indebtedness	1,534	956	2,095	1,722
Interest on completed and released productions	300	634	672	1,507
Accretion on convertible debentures, exchangeable debentures, lease liabilities and other	26	326	313	2,175
Interest income	(92)	(496)	(295)	(2,580)
	<b>21,971</b>	<b>17,518</b>	<b>54,073</b>	<b>42,061</b>

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

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### 15 Expenses by nature

The following sets out the expenses by nature:

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
<b>Direct production costs and expense of film and television produced:</b>				
Direct production and new media costs	21,377	23,298	39,895	46,856
Expense of film and television programs	15,095	11,017	29,076	22,945
	<b>36,472</b>	<b>34,315</b>	<b>68,971</b>	<b>69,801</b>
<b>Selling, general and administrative:</b>				
Office and administrative	3,651	3,707	6,943	7,415
Investor relations and marketing	252	486	325	650
Professional and regulatory	2,150	1,533	3,740	3,301
Salaries and employee benefits	14,982	13,729	32,157	28,812
	<b>21,035</b>	<b>19,455</b>	<b>43,165</b>	<b>40,178</b>
<b>Reorganization, development and other expense:</b>				
Reorganization, development and other expenses <sup>(2)</sup>	1,508	1,082	1,839	1,984
Termination and other benefits	27	1,499	560	2,778
	<b>1,535</b>	<b>2,581</b>	<b>2,399</b>	<b>4,762</b>
Amortization of property and equipment and intangible assets	2,800	4,985	5,767	10,181
Amortization of acquired and library content	683	1,135	1,335	2,256
Write-down of investment in film and television programs, acquired and library content, and intangible assets (note 12)	16,352	53,247	16,352	53,247
Share-based compensation (note 11)	2,969	857	4,224	2,854
Finance costs, net (note 14)	21,971	17,518	54,073	42,061
Impact of foreign exchange	(9,254)	25,902	(4,104)	20,567
	<b>35,521</b>	<b>103,644</b>	<b>77,647</b>	<b>131,166</b>
	<b>94,563</b>	<b>159,995</b>	<b>192,182</b>	<b>245,907</b>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

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

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Development write-off	217	305	217	305
System implementation costs	—	57	—	301
Write-down of refinancing costs	—	447	—	1,037
Other	1,291	272	1,622	340
	<u>1,508</u>	<u>1,082</u>	<u>1,839</u>	<u>1,984</u>

### 16 Management of financial risks and financial instruments

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

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

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

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

	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
	\$	\$	\$	\$	\$
Bank indebtedness	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	—
Finance lease obligations	18,549	10,653	5,854	2,042	—
	<u>930,342</u>	<u>288,041</u>	<u>153,457</u>	<u>488,844</u>	<u>—</u>

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

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

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

---

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

As at December 31, 2025 the Company had an unrestricted cash balance of \$69,206 and current amounts receivable of \$192,153 (June 30, 2025, \$68,871 and \$248,058 respectively). Based on the Company's cash balances and available credit facilities, expected collection of trade and other receivables and forecast operating results, management believes it will be able to fulfill its financial obligations as they become due.

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

In September 2025, the Company agreed with its lenders to a further amendment to the Senior Secured Credit Facility which (i) removed the requirement to execute one or several de-leveraging events by Q2 2026, (ii) added a 1.5% prepayment premium in the event of early repayment of the loan, which was paid in Q3 2026, (iii) added further fees to lenders of \$6 million were paid on October 1, 2025 and other lender fees in respect of the timing of any de-leveraging events that the Company may enter into, which may result under certain scenarios in additional finance charges of 0.6% to 6.0% per annum, and (iv) further changes to the financial maintenance covenant, as outlined in note 9. As a result of this amendment, the Company recorded a loss on the modification of its long-term debt of \$16,019.

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.

### **Fair value of financial instruments**

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

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

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### Financial assets and (liabilities) measured at fair value

	As at			
	December 31, 2025		June 30, 2025	
	Fair value hierarchy	Fair value <sup>(1)</sup>	Fair value hierarchy	Fair value <sup>(1)</sup>
		\$		\$
Foreign currency forwards <sup>(1)</sup>	Level 2	(29)	Level 2	(106)
Foreign currency forwards <sup>(1)</sup>	Level 2	4	Level 2	96

<sup>(1)</sup> The fair value of foreign currency contracts is determined using prevailing exchange rates. These are classified as Derivative assets and Derivative liabilities, respectively, in the interim condensed consolidated balance sheet.

As at December 31, 2025, the Company held forward contract options with the following notional value and average contractual exchange rates:

#### US\$ exchange for GBP

Less than one year	US\$1,394 to US\$2,091
Weighted average rate	1.3943

#### US\$ exchange for Canadian dollars

Less than one year	US\$10,598 to US\$10,598
Weighted average rate	1.3670

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

Less than one year	US\$11,078 to US\$11,078
Weighted average rate	157.3652

### Financial assets and liabilities not measured at fair value

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

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### 17 Earnings or loss per common share

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

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
Net loss attributable to shareholders of the Company	<b>(422)</b>	(74,912)	<b>(33,051)</b>	(85,532)
Weighted average number of common shares outstanding (in 000's) - Basic	<b>213,639</b>	212,131	<b>213,010</b>	211,186
Basic and diluted loss per common share attributable to shareholders of the Company <sup>1</sup>	<b>—</b>	(0.35)	<b>(0.16)</b>	(0.41)
Net loss from continuing operations attributable to shareholders of the Company	<b>(20,050)</b>	(86,389)	<b>(59,506)</b>	(109,196)
Weighted average number of common shares outstanding (in 000's) - Basic	<b>213,639</b>	212,131	<b>213,010</b>	211,186
Basic and diluted loss per common share from continuing operations <sup>1</sup>	<b>(0.09)</b>	(0.41)	<b>(0.28)</b>	(0.52)
Net income from discontinued operations attributable to shareholders of the Company	<b>19,628</b>	11,476	<b>26,456</b>	23,662
Weighted average number of common shares outstanding (in 000's) - Basic	<b>213,639</b>	212,131	<b>213,010</b>	211,186
Weighted average number of common shares outstanding (in 000's) - Diluted	<b>214,743</b>	212,177	<b>215,980</b>	211,240
Basic and diluted (loss) income per common share from discontinued operations	<b>0.09</b>	0.05	<b>0.12</b>	0.11

<sup>1</sup> During the three and six-month periods ended December 31, 2025 and December 31, 2024, the diluted weighted average number of common shares outstanding was the same as the basic weighted average number of common shares outstanding, as the Company had a net loss attributable to shareholders of the Company and net loss from continuing operations and all potential dilutive instruments were anti-dilutive. Basic and diluted loss per share are calculated using an adjusted denominator as shown above.

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### 18 Capital disclosures

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

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

	December 31, 2025	June 30, 2025
	\$	\$
Total bank indebtedness and long-term debt, excluding interim production financing	540,118	498,047
Less: Cash	(69,206)	(68,871)
Net debt	470,912	429,176
Total shareholders' equity	150,972	165,040
	<b>621,884</b>	<b>594,216</b>

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

### 19 Interim Condensed Consolidated statement of cash flows - supplementary information

#### Net change in non-cash balances related to operations

	December 31, 2025	December 31, 2024
	\$	
(Increase) decrease in amounts receivable	(2,207)	35,196
(Increase) decrease in prepaid expenses and other	(3,924)	582
Decrease in long-term amounts receivable	648	9,386
Increase (decrease) in accounts payable and accrued liabilities	2,598	(6,190)
Increase in deferred revenue	1,934	384
Net change in non-cash balances related to continuing operations	(951)	39,358
Net change in non-cash balances related to discontinued operations	(28,047)	(12,164)
	<b>(28,998)</b>	<b>27,194</b>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

### Net change in film and television programs

	December 31, 2025	December 31, 2024
	\$	\$
Net change in development costs	(411)	279
Net additions to productions in progress and productions completed and released	(31,764)	(17,158)
Additions to program and film rights - broadcasting	—	(1,095)
Amortization of film and television programs	29,076	22,945
Amortization of program and film rights - broadcasting	—	3,667
Net change in film and television programs	<u>(3,099)</u>	<u>8,638</u>

### Net change in interim production financing<sup>1</sup>

	December 31, 2025	December 31, 2024
	\$	\$
Proceeds from interim production financing	13,034	16,575
Repayment of interim production financing	(12,287)	(28,670)
	<u>747</u>	<u>(12,095)</u>

<sup>(1)</sup> There were no change in cash flow for interim production financing related to discontinued operations

### Supplemental cash flow information

	December 31, 2025	December 31, 2024
	\$	\$
Taxes paid	(1,308)	(837)
Taxes refunded	250	1
	<u>(1,058)</u>	<u>(836)</u>

## WildBrain Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)  
For the periods ended December 31, 2025 and 2024

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

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

	Term facility \$	Senior unsecured convertible debentures \$	Lease liabilities \$	Total \$
<b>Balance - June 30, 2024</b>	371,301	138,434	24,954	534,689
Proceeds	504,947	—	(4,495)	500,452
Repayments	(373,567)	(140,000)	—	(513,567)
Payment of debt issue costs	(18,020)	—	—	(18,020)
<b>Total financing cash flow activities</b>	113,360	(140,000)	(4,495)	(31,135)
Amortization of deferred financing costs	1,663	240	—	1,903
Lease liabilities additions	—	—	2,615	2,615
Interest paid on lease liabilities	—	—	(760)	(760)
Accretion expense	—	1,327	760	2,087
Impact of foreign exchange	27,896	(1)	200	28,095
Loss on modification of long-term debt and write-down of unamortized issue costs	6,313	—	—	6,313
<b>Total other activities</b>	35,872	1,566	2,815	40,253
<b>Balance - December 31, 2024</b>	520,533	—	23,274	543,807

**WildBrain Ltd.****Notes to the Interim Condensed Consolidated Financial Statements (unaudited)  
For the periods ended December 31, 2025 and 2024**

---

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

	Term facility	Senior unsecured convertible debentures	Lease liabilities	Total
	\$	\$	\$	\$
<b>Balance - June 30, 2025</b>	<b>487,133</b>	<b>—</b>	<b>19,539</b>	<b>506,672</b>
Proceeds	—	—	(4,581)	(4,581)
Repayments	(2,580)	—	—	(2,580)
Payment of debt issue costs	(6,912)	—	—	(6,912)
<b>Total financing cash flow activities</b>	<b>(9,492)</b>	<b>—</b>	<b>(4,581)</b>	<b>(14,073)</b>
Amortization of deferred financing costs	889	—	—	889
Interest paid on lease liabilities	—	—	(602)	(602)
Accretion expense	7,607	—	602	8,209
Impact of foreign exchange	2,326	—	4	2,330
Write-down of unamortized issue costs	16,019	—	(607)	15,412
Reclassification of lease liability to discontinued operation	—	—	(1,348)	(1,348)
<b>Total other activities</b>	<b>26,841</b>	<b>—</b>	<b>(1,951)</b>	<b>24,890</b>
<b>Balance - December 31, 2025</b>	<b>504,482</b>	<b>—</b>	<b>13,007</b>	<b>517,489</b>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

---

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

### **20 Revenues and segmented information**

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

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

In evaluating performance, the Chief Operating Decision Maker ("CODM"), defined as the Company's President and CEO, and CFO, rely on recommendations by the CIG to assess and allocate resources. The Company views its results in three reportable segments, being 1) Content and Licensing; 2) Global Licensing and 3) Canadian Television Broadcasting.

In Q2 2026, Broadcasting ceased and the licenses were formally revoked by the CRTC on October 31, 2025. The Company is presenting the operations of Television as discontinued operations effective Q2 2026. As a result, the Company further refined its view of the reportable segments to report two reportable segments, being 1) Content and Licensing, and 2) Global Licensing.

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

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 (see Note 4). As a result, the Content Creation and Audience Engagement and Global Licensing segments were further refined to exclude the results of the Peanuts discontinued operation.

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

	Three months ended December 31, 2025		
	Content Creation and Audience Engagement	Global Licensing	Total
	\$	\$	\$
<b>Revenues</b>	45,116	27,264	72,380
Direct production costs and expense of film and television produced	34,776	1,696	36,472
Segment margin	10,340	25,568	35,908
Share based compensation and selling, general and administrative	7,525	10,474	17,999
<b>Segment profit</b>	<b>2,815</b>	<b>15,094</b>	<b>17,909</b>
Corporate selling, general and administrative expense and items unallocated to segments			6,005
Amortization of property and equipment and intangible assets			2,800
Amortization of acquired and library content			683
Write-down of investment in film and television programs and acquired and library content			16,352
Finance costs, net			21,971
Impact of foreign exchange			(9,254)
Reorganization, development and other expenses			1,535
<b>Loss before income taxes</b>			<b>(22,183)</b>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

	Three months ended December 31, 2024		
	Content Creation and Audience Engagement	Global Licensing	Total
	\$	\$	\$
<b>Revenues</b>	43,581	21,918	65,499
Direct production costs and expense of film and television produced	33,729	586	34,315
Segment margin	9,852	21,332	31,184
Share based compensation and selling, general and administrative	7,328	9,293	16,621
<b>Segment profit</b>	<b>2,524</b>	<b>12,039</b>	<b>14,563</b>
Corporate selling, general and administrative expense and items unallocated to segments			3,691
Amortization of property and equipment and intangible assets			4,985
Amortization of acquired and library content			1,135
Write-down of investment in film and television programs, and acquired and library content (note 12)			53,247
Finance costs, net			17,518
Impact of foreign exchange			25,902
Reorganization, development and other expenses			2,581
<b>Loss before income taxes</b>			<b>(94,496)</b>

# WildBrain Ltd.

## Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

	Six months ended December 31, 2025		
	Content Creation and Audience Engagement	Global Licensing	Total
	\$	\$	\$
<b>Revenues</b>	83,585	47,419	131,004
Direct production costs and expense of film and television produced	66,490	2,481	68,971
Segment margin	17,095	44,938	62,033
Share based compensation and selling, general and administrative	15,684	21,086	36,770
<b>Segment profit</b>	<b>1,411</b>	<b>23,852</b>	<b>25,263</b>
Corporate selling, general and administrative expense and items unallocated to segments			10,619
Amortization of property and equipment and intangible assets			5,767
Amortization of acquired and library content			1,335
Write-down of investment in film and television programs and acquired and library content			16,352
Finance costs, net			54,073
Impact of foreign exchange			(4,104)
Reorganization, development and other expenses			2,399
<b>Loss before income taxes</b>			<b>(61,178)</b>

	Six months ended December 31, 2024		
	Content Creation and Audience Engagement	Global Licensing	Total
	\$	\$	\$
<b>Revenues</b>	82,058	42,446	124,504
Direct production costs and expense of film and television produced	66,356	3,445	69,801
Segment margin	15,702	39,001	54,703
Share based compensation and selling, general and administrative	14,824	18,333	33,157
<b>Segment profit</b>	<b>878</b>	<b>20,668</b>	<b>21,546</b>
Corporate selling, general and administrative expense and items unallocated to segments			9,875
Amortization of property and equipment and intangible assets			10,181
Amortization of acquired and library content			2,256
Write-down of investment in film and television programs, and acquired and library content (note 12)			53,247
Finance costs, net			42,061
Impact of foreign exchange			20,567
Reorganization, development and other expenses			4,762
<b>Loss before income taxes</b>			<b>(121,403)</b>

## WildBrain Ltd.

### Notes to the Interim Condensed Consolidated Financial Statements (unaudited) For the periods ended December 31, 2025 and 2024

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

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

	Three months ended		Six months ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	\$	\$	\$	\$
<b>Timing of revenue recognition</b>				
<b>At a point in time<sup>(1)</sup></b>				
Content Creation and Audience Engagement	1,868	2,908	3,584	12,109
	<b>1,868</b>	<b>2,908</b>	<b>3,584</b>	<b>12,109</b>
<b>Over time</b>				
Content Creation and Audience Engagement (including royalties)	<b>43,248</b>	40,673	<b>80,001</b>	69,949
Global licensing	<b>27,264</b>	21,917	<b>47,419</b>	42,445
	<b>72,380</b>	<b>65,498</b>	<b>131,004</b>	<b>124,503</b>

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

## **WildBrain Ltd.**

Notes to the Interim Condensed Consolidated Financial Statements (unaudited)

For the periods ended December 31, 2025 and 2024

---

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

### **21 Commitments and contingencies**

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