



Q3 2026

**Management Discussion and Analysis
of Financial Condition and Results of Operation
For the Three and Nine Months ended March 31, 2026 and March 31, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion & Analysis ("MD&A") dated as of May 13, 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 March 31, 2026 compared to June 30, 2025, and the consolidated results of operations for the three and nine months ended March 31, 2026 compared with the corresponding three and nine months ended March 31, 2025. 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 nine months ended March 31, 2026. 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 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 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; 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, 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, 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, Deggrassi, 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 closed on March 2, 2026. WildBrain will remain a multi-year service-provider 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 sale of the Peanuts interest, 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. On March 2, 2026, the Company completed the sale of its 41% stake in Peanuts previously classified as held-for-sale. The Peanuts business results are 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 sale of its interest in Peanuts with the associated full repayment of debt—that materially strengthened the balance sheet and sharpened management’s focus on high-growth opportunities.

With debt eliminated and strong free cash flow from continuing operations, the Company is well positioned 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.

The Company will re-segment its financial reporting structure to reflect our updated operating model and the way management reviews performance and allocates resources internally. 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 March 31, 2026 ("Q3 2026")

Subsequent to the closure of Television on October 22, 2025, and the announcement of the sale of the Company's 41% stake in Peanuts Holdings LLC on March 2, 2026, 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. Presenting Peanuts as discontinued operations removes the results arising directly from the Company's sale 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 from continuing 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 decreased to \$61.2 million in Q3 2026, compared to \$72.9 million in Q3 2025, a decrease of \$11.7 million or 16%.
- Global Licensing revenue rose to \$25.1 million in Q3 2026, an increase of 35%, compared with \$18.7 million in Q3 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 \$36.1 million in Q3 2026, a decrease of 33%, compared to \$54.2 million in Q3 2025. The decrease in Q3 2026 revenue was driven by the timing of animation and production revenues and lower content distribution revenues.
- Gross margin¹ percentage for Q3 2026 was 46%, compared with a gross margin percentage of 33% in Q3 2025, reflecting the growth of the higher margin Global Licensing business.
- SG&A costs for Q3 2026 were \$22.2 million, compared to \$20.3 million for Q3 2025, an increase of \$1.8 million or 9%, driven by higher variable compensation and compliance costs compared to prior period.
- Net loss from continuing operations attributable to Shareholders of the Company was \$19.9 million in Q3 2026, an increase in net loss of \$1.3 million, compared to a net loss of \$18.6 million in Q3 2025.
- Adjusted EBITDA from continuing operations attributable to Shareholders of the Company¹ was \$5.8 million in Q3 2026, compared with \$4.2 million in Q3 2025, an increase of \$1.6 million or 38%.
- Completed the sale of the Company's 41% interest in Peanuts for gross proceeds of \$630 million and fully repaid the Senior Secured Credit Facility.
- Subsequent to the quarter, commenced a normal course issuer bid ("NCIB") share buyback program approved by the Company's Board of Directors and the TSX; repurchased and cancelled 358,600 common shares for \$0.5 million.

Highlights for discontinued operations

- Revenues from discontinued operations decreased to \$42.1 million in Q3 2026, compared to \$63.9 million in Q3 2025, a decrease of \$21.9 million or 34% mainly due to the sale of Peanuts in Q3 2026 quarter and the closure of the TV business in Q2 2026.
- Adjusted EBITDA from discontinued operations attributable to Shareholders of the Company¹ was \$5.4 million, compared with \$21.9 million in Q3 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 March 31, 2026, and March 31, 2025 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.

	Three Months Ended		Nine Months Ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
(expressed in \$000s, except per share data)				
Consolidated Statements of (loss) income Data:				
Revenues	61,195	72,885	190,741	196,643
Direct production costs and expense of film and television produced	33,245	49,119	100,758	118,174
Gross margin ¹	27,950	23,766	89,983	78,469
Selling, general, and administrative expenses	22,184	20,289	65,349	60,474
Share-based compensation	1,650	719	5,874	3,573
Write-down of investment in film and television programs and acquired and library content, property and equipment, and intangible assets	—	—	16,352	53,247
Amortization, finance costs and other expenses	32,517	26,654	91,986	106,481
Income tax (provision) recovery	(8,471)	(4,417)	(9,964)	(14,499)
Net loss from continuing operations	(19,930)	(19,479)	(79,614)	(130,807)
Net income from discontinued operations	438,439	10,204	503,463	57,651
Net income (loss) for the period	418,509	(9,275)	423,849	(73,156)
Net loss from continuing operations attributable to non-controlling interests	(49)	(868)	(227)	(3,001)
Net income from discontinued operations attributable to non-controlling interests	5,069	5,406	43,638	29,190
Net loss from continuing operations attributable to the shareholders of the Company	(19,881)	(18,611)	(79,387)	(127,806)
Net income from discontinued operations attributable to shareholders of the Company	433,370	4,798	459,825	28,461
Net income (loss) attributable to the Shareholders of the Company	413,489	(13,813)	380,438	(99,345)
Basic and Diluted loss per common share from continuing operations	(0.09)	(0.09)	(0.37)	(0.60)
Basic loss per common share from discontinued operations	2.03	0.02	2.16	0.13
Diluted loss per common share from discontinued operations	2.03	0.02	2.14	0.13
Weighted average common shares outstanding (in 000s)				
Basic	213,661	212,214	213,219	211,336
Diluted	213,923	212,452	215,289	211,574
Other Key Performance Measures (including discontinued operations):				
Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company ¹	5,796	4,246	24,757	18,570
Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company ¹	5,448	21,846	44,796	49,104
Cash flow provided by operating activities	28,182	47,336	87,917	154,561
Free Cash Flow ¹	(15,515)	12,693	(10,941)	66,772
	As at March 31, 2026	As at June 30, 2025		
Consolidated Balance Sheet Data:				
Total assets	472,626	937,339		
Total liabilities	196,125	772,299		
Shareholders' equity	276,501	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
	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun
(expressed in \$000s except per share data) ¹								
Revenues from continuing operations	61,195	71,602	57,943	77,391	72,885	65,069	58,689	78,243
Gross margin from continuing operations	27,950	35,908	26,125	31,566	23,766	31,184	23,519	33,438
Net loss from continuing operations attributable to the Shareholders of the Company	(19,881)	(20,050)	(39,456)	6,234	(18,611)	(86,389)	(22,807)	(17,805)
Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company ¹	5,796	14,859	4,100	8,081	4,246	11,546	2,789	12,124
Weighted average common shares outstanding (in 000s)								
Basic	213,661	213,639	211,908	212,654	212,452	212,131	210,194	206,555
Diluted	213,661	214,743	211,908	212,817	212,452	212,131	210,194	206,555
Basic (loss) income per common share	(0.09)	(0.09)	(0.19)	0.03	(0.09)	(0.41)	(0.11)	(0.09)
Diluted (loss) income per common share	(0.09)	(0.09)	(0.19)	0.03	(0.09)	(0.41)	(0.11)	(0.09)

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
	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun
(expressed in \$000s except per share data) ¹								
Revenues from discontinued operations	42,071	126,293	67,584	61,732	67,262	67,996	52,338	51,725
Gross margin from discontinued operations	17,394	56,322	37,343	31,690	39,087	33,124	29,219	26,111
Net income from discontinued operations attributable to the Shareholders of the Company	433,370	19,628	6,827	3,299	4,798	11,477	12,187	4,686
Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company ¹	5,448	22,569	16,779	16,543	21,852	14,703	12,549	11,791
Weighted average common shares outstanding (in 000s).....								
Basic	213,661	213,639	211,908	212,654	212,452	212,131	210,194	206,555
Diluted	213,923	214,743	212,490	212,817	212,452	212,131	210,194	206,601
Basic (loss) income per common share.....	2.03	0.09	0.03	0.02	0.02	0.05	0.06	0.02
Diluted (loss) income per common share.....	2.03	0.09	0.03	0.02	0.02	0.05	0.06	0.02

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 March 31, 2026 ("Q3 2026") compared to the three-months ended March 31, 2025 ("Q3 2025") from Continuing Operations

Revenues from continuing operations

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

(expressed in \$000s)	Q3 2026	Q3 2025	Variance	
	\$	\$	\$	%
Content Creation and Audience Engagement	36,061	54,204	(18,143)	(33)%
Global Licensing	25,134	18,681	6,453	35 %
Total Revenue from continuing operations	61,195	72,885	(11,690)	(16)%

Content Creation and Audience Engagement: Revenue decreased \$18.1 million, or 33% to \$36.1 million in Q3 2026, compared to \$54.2 million in Q3 2025. The decrease in Q3 2026 revenue was driven by lower production revenues in the quarter. Production revenue in the quarter depend on the number of projects in production and the level of activity of each production in that quarter. As such, production revenues can vary when compared to prior periods. Audience Engagement revenues were lower across distribution, YouTube and FAST as compared to the comparative quarter. Despite lower revenues, engagement levels across YouTube, and FAST platforms remained strong during Q3 2026, supporting ongoing brand awareness and long-term franchise growth.

Global Licensing: Revenue increased \$6.5 million, or 35% to \$25.1 million in Q3 2026, compared with \$18.7 million in Q3 2025. Revenue in the quarter was driven by strong growth in our owned Strawberry Shortcake and Teletubbies brands, supplemented by third party revenue growth from our global licensing agency, WildBrain CPLG.

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)	Q3 2026		Q3 2025	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	5,587	15 %	6,048	11 %
Global Licensing	22,363	89 %	17,718	95 %
Total Gross Margin from continuing operations	27,950	46 %	23,766	33 %

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 \$5.6 million in Q3 2026, compared with \$6.0 million in Q3 2025. Gross margins on a dollar basis decreased year over year due to a commensurate decrease in revenues, however, profitability increased on a percentage basis due to revenue mix.

Global Licensing gross margin was \$22.4 million in Q3 2026, compared with \$17.7 million in Q3 2025. The gross margin increase was driven by growth in higher margin brands. Gross margin percentage for Q3 2026 was 89%, compared to 95% in Q3 2025, driven by revenue mix.

Operating Expenses (Income) from continuing operations

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

SG&A expenses in Q3 2026 were \$22.2 million, compared to \$20.3 million for Q3 2025, an increase of \$1.9 million or 9% primarily due to higher variable compensation costs due to Global Licensing performance in the quarter as compared to last year, and a slight strengthening of local currencies against the Canadian dollar, leading to higher SG&A costs.

Share-Based Compensation

Share-based compensation was \$1.7 million in Q3 2026, compared with \$0.7 million for Q3 2025, an increase of \$1.0 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 Q3 2026 for continuing operations, compared with \$5.6 million in Q3 2025.

Amortization of acquired and library content was \$0.7 million in Q3 2026, compared to \$1.6 million in Q3 2025. The decrease was due to the lower book value to be amortized through library content after certain impairments were taken in the previous quarter and year.

Depreciation of P&E was \$2.1 million in Q3 2026, compared with \$2.3 million in Q3 2025.

Amortization of intangible assets was \$0.7 million in Q3 2026, compared with \$1.8 million in Q3 2025 due to the expiry of certain merchandising right arrangements at the end of fiscal 2025.

Reorganization, Development and Other

Reorganization, Development and Other expenses were \$6.4 million in Q3 2026, compared to \$3.4 million in Q3 2025. Q3 2026 included the impact of certain transaction and transaction related costs relating to the Peanuts sale that were not classified as costs to sell within the gain on sale of Peanuts. Q3 2025 primarily included termination and other benefits of \$1.6 million, \$0.4 million of system implementation costs, and \$0.3 million of development write-off costs.

Finance Costs, net

Net finance costs were \$21.5 million in Q3 2026, compared to \$16.0 million in Q3 2025. The increase in Q3 2026 was primarily driven by the interest and accreted fees on long-term debt of \$18.8 million in the current quarter compared to \$14.1 million in Q3 2025 and the recognition of a loss on extinguishment of debt of \$1.1 million in the current period compared to \$nil in prior period. Interest and accreted fees were higher in the quarter due to the Company's expectation of repaying its long-term debt prior to the end of the term.

Foreign Exchange

The foreign exchange loss of \$1.1 million in Q3 2026, as compared to a loss of \$1.6 million in Q3 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. This was offset by an increase in foreign exchange loss in Q3 2026 compared to Q3 2025 primarily due to the recognition of a \$2.4 million loss from a foreign exchange forward contract used to manage the foreign currency fluctuations related to the conversion of Canadian dollar proceeds from sale of Peanuts to US dollars to settle the Company's credit facility.

Income Taxes from continuing operations

Income tax recovery for Q3 2026 was \$8.5 million, compared to a recovery of \$4.4 million in Q3 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 Q3 2026 was \$19.9 million, compared to net loss of \$18.6 million for Q3 2025.

Comprehensive loss was \$24.0 million for Q3 2026, compared to loss of \$14.7 million for Q3 2025.

Basic and diluted loss per share was \$0.09 in Q3 2026, as compared to basic and diluted loss per share of \$0.09 in Q3 2025.

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

Adjusted EBITDA attributable to the Shareholders of the Company was \$5.8 million in Q3 2026, compared with \$4.2 million in Q3 2025, an increase of \$1.6 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 March 31, 2026 ("Q3 2026") compared to the three-months ended March 31, 2025 ("Q3 2025") from discontinued operations

Revenue from discontinued operations

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

(expressed in \$000s)	Q3 2026	Q3 2025	Variance	
	\$	\$	\$	%
Content Creation and Audience Engagement	3,709	2,748	961	35 %
Global Licensing	38,362	49,379	(11,017)	(22)%
Canadian Television Broadcasting	—	11,795	(11,795)	(100)%
Total Revenue from discontinued operations	42,071	63,922	(21,851)	(34)%

Content Creation and Audience Engagement: Revenue increased \$1.0 million to \$3.7 million in Q3 2026, compared to \$2.7 million in Q3 2025. The increase in Q3 2026 revenue was driven by higher content distribution revenues and content royalties received in the quarter as compared to prior year.

Global Licensing: Revenue decreased \$11.0 million, or 22% to \$38.4 million in Q3 2026, compared with \$49.4 million in Q3 2025. The revenue decrease in the quarter was directly related to the sale of the Peanuts group on March 2, 2026, effectively limiting the quarter's results to a two month period.

Canadian Television Broadcasting: Television operations ceased in Q2 2026. As a result, there was no revenue recorded in Q3 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)	Q3 2026		Q3 2025	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	3,709	100 %	7,507	273 %
Global Licensing	13,685	36 %	20,139	41 %
Canadian Television Broadcasting	—	— %	11,441	97 %
Total Gross Margin from discontinued operations	17,394	41 %	39,087	61 %

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 \$3.7 million in Q3 2026, compared with \$7.5 million in Q3 2025. Gross margin dollars decreased year over year due to the prior year containing a benefit related to capitalization of production assets related to ongoing content creation for amortization over future distribution revenues which was included in the disposal group and incurred in the prior period. The Company ceased capitalizing any production costs for future amortization at the end of Q2 2026 once the Peanuts sale transaction was signed and the disposal group was presented as held for sale.

Global Licensing gross margin was \$13.7 million in Q3 2026, compared with \$20.1 million in Q3 2025. Gross margin percentage for Q3 2026 was 36%, compared to 41% in Q3 2025.

Canadian Television Broadcasting gross margin loss was \$nil in Q3 2026, compared with \$11.4 million in Q3 2025 due to the cessation of revenue generating operations in Q2 2026.

Operating Expenses (Income) from discontinued operations

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

SG&A expenses in Q3 2026 were \$4.0 million, compared to \$7.6 million for Q3 2025, a decrease of \$3.5 million or 47% due to the impact of the shortened Q3 2026 period.

Amortization

Total amortization of acquired and library content, property and equipment ("P&E") including right-of-use assets, and intangible assets was \$nil for Q3 2026, compared with \$1.2 million in Q3 2025.

Amortization of acquired and library content was \$nil in Q3 2026, compared to \$0.9 million in Q3 2025. Depreciation of P&E and intangibles was \$nil million in Q3 2026, compared with \$0.3 million in Q3 2025.

Reorganization, Development and Other

Reorganization, Development and Other expenses were \$442.7 million in Q3 2026 compared to \$nil in Q3 2025 as a result of the sale of Peanuts in Q3 2026 and recognition of the gain on disposal of the discontinued operations.

Finance Costs, net

Net finance income was \$nil in Q3 2026, compared to income of \$0.1 million in Q3 2025.

Foreign Exchange

The foreign exchange loss of \$4.8 million in Q3 2026, as compared to a loss of \$6.7 million in Q3 2025.

Income Taxes from discontinued operations

Income tax expense for Q3 2026 was \$12.8 million, compared to an expense of \$5.7 million in Q3 2025.

Net income and Net income per Share from discontinued operations

Net income attributable to the Shareholders of the Company for Q3 2026 was \$433.4 million, compared to net income of \$4.8 million for Q3 2025, an increase of \$428.6 million primarily a result of the recognition of the gain from sale of Peanuts in Q3 2026.

Basic and diluted income per share was \$2.03 in Q3 2026, as compared to basic and diluted income per share of \$0.02 in Q3 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 \$5.4 million in Q3 2026, compared with \$21.8 million in Q3 2025, a decrease of \$16.4 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 nine month period ended March 31, 2026 ("Nine Months 2026") compared to the nine month period ended March 31, 2025 ("Nine Months 2025") from Continuing Operations

Revenues from continuing operations

Revenue by business stream was comprised of the following:

(expressed in \$000s)	Nine Months 2026	Nine Months 2025	Variance	
	\$	\$	\$	%
Content Creation and Audience Engagement	118,188	135,515	(17,327)	(13)%
Global Licensing	72,553	61,128	11,425	19 %
Total Revenue from continuing operations	190,741	196,643	(5,902)	(3)%

Content Creation and Audience Engagement: Revenue decreased 13% or \$17.3 million to \$118.2 million in the Nine Months 2026, compared to \$135.5 million in Nine Months 2025. Nine Months 2026 revenue decrease was driven by both lower Content Creation revenues and lower Audience Engagement revenues across distribution, YouTube and FAST compared to the comparative year, with the most significant decline coming from the sale of linear content rights. Content Creation revenue was lower due to lower Live Action revenues in the current year due to timing of productions.

Global Licensing: Revenue increased \$11.4 million, to \$72.6 million in Nine Months 2026, compared to \$61.1 million in Nine 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.

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)	Nine Months 2026		Nine Months 2025	
	Gross Margin \$	Gross Margin %	Gross Margin \$	Gross Margin %
Content Creation and Audience Engagement	22,683	19 %	21,749	16 %
Global Licensing	67,300	93 %	56,720	93 %
Total Gross Margin from continuing operations	89,983	47 %	78,469	40 %

Content Creation and Audience Engagement gross margin increased \$1.0 million to \$22.7 million in Nine Months 2026, compared to \$21.7 million in Nine Months 2025. The gross margin increase was driven primarily by lower costs incurred in Audience Engagement related mainly to lower film content amortization and lower third party participations as compared to the prior year. Gross margin percentage for Nine Months 2026 was 19% of revenue, compared to 16% in Nine Months 2025.

Global Licensing gross margin increased \$10.6 million to \$67.3 million in Nine Months 2026, compared to \$56.7 million, in Nine Months 2025. The change in gross margin was driven by revenue from higher margin brands. Gross margin percentage for Nine Months 2026 was 93% of revenue, compared to 93% in Nine Months 2025.

Operating Expenses (Income) from continuing operations

Selling, General & Administrative

SG&A expenses for continuing operations in Nine Months 2026 were \$65.3 million, compared to \$60.5 million for Nine Months 2025, an increase of \$4.8 million, or 8%. The increase is primarily due to an increase in variable compensation recognized in the Nine 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 \$5.9 million in Nine Months 2026, compared to \$3.6 million for Nine Months 2025, an increase of \$2.3 million.

Amortization

Total amortization of acquired and library content, P&E including right-of-use assets and intangible assets was \$10.6 million for Nine Months 2026, compared with \$18.1 million in Nine Months 2025.

Amortization of acquired and library content was \$2.1 million in Nine Months 2026, compared to \$3.8 million in Nine Months 2025.

Amortization of P&E was \$6.1 million in Nine Months 2026, compared to \$6.8 million in Nine Months 2025.

Amortization of intangible assets was \$2.4 million in Nine Months 2026, compared to \$7.4 million in Nine 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 Nine Months 2026, compared to \$53.2 million, a decrease of \$36.8 million.

Nine 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 \$8.8 million in Nine Months 2026, compared to \$8.2 million in Nine Months 2025, a decrease of \$0.6 million. Nine Months 2026 included expenses primarily in respect of the sale of Peanuts and other termination costs including severance. Nine Months 2025 included expenses primarily in respect of termination and other benefits of \$4.4 million, the write-down of refinancing costs of \$1.1 million, system implementation costs of \$0.7 million and development write-off of \$0.6 million.

Finance Costs, net

Net finance costs were \$75.6 million in Nine Months 2026, compared to \$58.1 million in Nine Months 2025, an increase of \$17.5 million. The increase was primarily driven by the loss on modification and extinguishment of debt of \$17.1 million in the Nine Months 2026 compared to the write-down of unamortized issue costs upon refinancing of \$6.3 million in the prior year's Nine Month period.

Foreign Exchange (Gain) Loss

Foreign exchange gain was \$3.0 million in Nine Months 2026, compared to a loss of \$22.2 million in Nine 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 Nine Months 2026 was \$10.0 million, compared to a recovery of \$14.5 million in Nine 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 Nine Months 2026 was \$79.4 million, compared to net loss of \$127.8 million for Nine Months 2025, a decrease in net loss of \$48.4 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 \$17.5 million and higher SG&A of \$4.9 million in Nine Months 2026.

Comprehensive loss for Nine Months 2026 was \$79.2 million, compared to \$112.8 million in Nine 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 \$0.37, in Nine Months 2026, compared to basic and diluted loss of \$0.60, in Nine Months 2025.

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

Adjusted EBITDA attributable to the Shareholders of the Company was \$24.8 million in Nine Months 2026, compared to \$18.6 million in Nine Months 2025, an increase of \$6.2 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 nine month period ended March 31, 2026 ("Nine Months 2026") compared to the nine month period ended March 31, 2025 ("Nine Months 2025") from discontinued operations

Revenue from discontinued operations

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

(expressed in \$000s)	Nine Months		Variance	
	2026	2025	\$	%
	\$	\$	\$	%
Content Creation and Audience Engagement	50,346	7,587	42,759	564 %
Global Licensing	179,330	153,642	25,688	17 %
Canadian Television Broadcasting	6,271	26,367	(20,096)	(76)%
Total Revenue from discontinued operations	235,947	187,596	48,351	26 %

Content Creation and Audience Engagement: Revenue increased \$42.8 million to \$50.3 million in the Nine Months 2026, compared to \$7.6 million in Nine Months 2025. Nine Months 2026 revenue increase was driven by higher content distribution revenues in the Nine Months 2026 compared to Nine Months 2025, including a renewal of the Peanuts library license deal with Apple TV.

Global Licensing: Revenue increased \$25.7 million to \$179.3 million in Nine Months 2026, compared to \$153.6 million in Nine Months 2025. The increase in revenue in the Nine Months 2026 compared to Nine Months 2025 was driven by strong growth in the Peanuts brand. The current year's revenues only reflected revenue to the sale date of March 2, 2026.

Canadian Television Broadcasting: Revenue decreased \$20.1 million to \$6.3 million in Nine Months 2026, compared to \$26.4 million in Nine Months 2025 reflecting a reduction in advertising and carriage fees in Q3 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)	Nine Months 2026		Nine Months 2025	
	Gross Margin	Gross Margin	Gross Margin	Gross Margin
	\$	%	\$	%
Content Creation and Audience Engagement	30,498	61 %	16,087	212 %
Global Licensing	74,546	42 %	63,564	41 %
Canadian Television Broadcasting	6,015	96 %	21,779	83 %
Total Gross Margin from discontinued operations	111,059	47 %	101,430	54 %

Content Creation and Audience Engagement gross margin increased \$14.4 million to \$30.5 million in Nine Months 2026, compared to \$16.1 million in Nine Months 2025. Gross margin percentage for Nine Months 2026 was 61% of revenue, compared to 212% in Nine Months 2025. The gross margin dollars decreased year over year due to the prior year containing a benefit related to capitalization of production assets related to ongoing content creation for amortization over future distribution revenues which was included in the disposal group and incurred in the prior period. The Company ceased capitalizing any production costs for future amortization at the end of Q2 2026 once the Peanuts sale transaction was signed and the disposal group was presented as held for sale.

Global Licensing gross margin increased \$11.0 million to \$74.5 million in Nine Months 2026, compared to \$63.6 million, in Nine Months 2025. Gross margin percentage for Nine Months 2026 was 42% of revenue, compared to 41% in Nine Months 2025.

Canadian Television Broadcasting gross margin was \$6.0 million in Nine Months 2026, compared to \$21.8 million in Nine Months 2025, a decrease of \$15.8 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 Nine Months 2026 was at 96%, compared to 83% in Nine Months 2025.

Operating Expenses (Income) from discontinued operations

Selling, General & Administrative

SG&A expenses for discontinued operations in Nine Months 2026 were \$19.2 million, compared to \$21.2 million for Nine Months 2025, a decrease of \$2.0 million, or (9)%, mainly due to the 8 month current year results compared to the prior year's full nine months of results.

Amortization

Total amortization of acquired and library content, P&E including right-of-use assets and intangible assets was \$2.3 million for Nine Months 2026, compared with \$3.6 million in Nine Months 2025.

Amortization of acquired and library content was \$1.6 million in Nine Months 2026, compared to \$2.6 million in Nine Months 2025.

Amortization of P&E and intangibles assets was \$0.7 million in Nine Months 2026, compared to \$0.9 million in Nine Months 2025.

Reorganization, Development and Other

Reorganization, Development and Other expense was \$437.7 million in Nine Months 2026, the increase was a result of the sale of Peanuts in Q3 2026 and recognition of the gain on disposal of the discontinued operations and certain costs related to the closure of TV.

Finance Costs, net

Net finance income was a recovery of \$0.3 million in Nine Months 2026, compared to \$0.2 million in Nine Months 2025, a decrease of \$0.1 million.

Foreign Exchange Gain

Foreign exchange gain was \$4.4 million in Nine Months 2026, compared to a gain of \$1.6 million in Nine Months 2025.

Income Taxes from discontinued operations

Income tax expense for Nine Months 2026 was \$19.6 million, compared to a recovery of \$9.8 million in Nine 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 Nine Months 2026 was \$459.8 million, compared to net income of \$28.5 million for Nine Months 2025, an increase of \$431.4 million primarily a result of the recognition of the gain from sale of Peanuts in Q3 2026.

Basic income per share of \$2.16 and diluted income per share was \$2.14, in Nine Months 2026 compared to \$0.13 in the Nine 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 \$44.8 million in Nine Months 2026, compared to \$49.1 million in Nine Months 2025, a decrease of \$4.3 million.

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

Financial Condition

The following table summarizes certain information with respect to WildBrain's capitalization and financial position as at March 31, 2026 and June 30, 2025:

(expressed in \$000s, except ratio data)	March 31, 2026	June 30, 2025
	\$	\$
Cash	112,868	68,871
Amounts receivable	198,992	257,474
Investment in film and television programs	55,072	97,953
Acquired and library content	16,145	54,535
Intangible assets	8,704	373,714
Other assets	80,845	84,792
Total assets	472,626	937,339
Bank indebtedness	—	10,914
Accounts payable and accrued liabilities	124,522	157,863
Interim production financing	38,838	56,472
Current portion of long-term debt	—	69,202
Long-term debt	—	417,931
Lease liabilities	11,626	19,539
Deferred revenue	19,066	37,741
Other liabilities	2,073	2,637
Total liabilities	196,125	772,299
Shareholders' equity	276,501	165,040
Working capital ¹	179,794	84,770
Working capital ratio ²	1.94	1.25

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

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

Liquidity and Capital Resources

Summary of consolidated cash flow components¹:

	Three Months Ended		Nine Months Ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	\$	\$	\$	\$
Cash Inflows (Outflows) by Activity:				
Operating activities	28,182	47,336	87,917	154,561
Financing activities	(594,942)	(46,994)	(635,779)	(127,692)
Investing activities	592,560	(1,122)	591,078	3,336
Effect of foreign exchange rate changes on cash	1,664	(716)	781	402
Net cash inflows (outflows) ¹	27,464	(1,496)	43,997	30,607

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

Operating Activities

During Q3 2026, cash generated in operating activities was \$28.2 million, compared to \$47.3 million generated by operating activities in Q3 2025. The decrease of \$19.2 million was primarily due to timing of working capital inflows and outflows in the period.

Financing Activities

During Q3 2026, cash flows used in financing activities were outflows of \$594.9 million, compared to outflows of \$47.0 million in Q3 2025. The increase in outflows of \$547.9 million was driven by the full repayment of all amounts outstanding under the Company's credit agreement consisting of the Term Loan Facility and Revolving Facility in the current year compared to prior year.

Investing Activities

During Q3 2026, the Company generated \$592.6 million of cash for investing activities, compared to cash used of \$1.1 million in Q3 2025. The increase in cash generated in investing activities is driven by the proceeds from sale of Peanuts of \$582.6 million.

Bank Indebtedness and Long-Term Debt

Credit Facility and Revolving Credit Facility

On March 2, 2026, the Company fully repaid all amounts outstanding under its Senior Secured Credit Facility consisting of the Term Loan Facility and Revolving Facility for a total cash repayment of \$550.8 million. Subsequent to the repayment, the credit agreement was terminated and no amounts were outstanding as at March 31, 2026 (June 30, 2025 - \$501.7 million (US\$367.7 million)).

As a result of the repayment and termination of the facility, the Company is no longer subject to any financial covenants. The Company recorded a loss on debt extinguishment of \$1.1 million recorded in Finance costs during the period.

The repayment of the credit agreement was funded through the proceeds received from the sale of Peanuts.

During the nine-month period ended March 31, 2026, the average interest rate was 9.48% for the Senior Secured Credit Facility.

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 March 31, 2026, 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 \$179.8 million as at March 31, 2026, as compared to \$84.8 million at June 30, 2025. The increase in working capital in the nine months ended March 31, 2026 is primarily a result of Peanuts assets and liabilities disposed.

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.

Based on our current revenue forecasts and expectations for Fiscal 2026, 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 and, existing cash resources.

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, or the issuance of new debt or equity.

Contractual Obligations¹

The following table summarizes our outstanding cash commitments as of March 31, 2026:

Payments Due by Period	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
(expressed in \$000s)	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	124,522	124,522	—	—	—
Interim production financing	38,838	38,838	—	—	—
Other long-term liabilities	2,440	—	2,440	—	—
Lease liabilities	15,382	8,755	4,601	1,967	59
Total Contractual Obligations	181,182	172,115	7,041	1,967	59

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

Share Capital

As at March 31, 2026, our issued and outstanding share capital was as follows:

Total Common Shares	213,814,293
Stock Options	2,719,082
Restricted Share Units	3,961,960
Performance Share Units	1,566,852
Deferred Share Units	<u>4,760,593</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 were 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+.

On April 8, 2026, the Company announced the launch of a Normal Course Issuer Bid (the "NCIB"). Under the NCIB, the Company may purchase, from time to time, up to 11,418,541 common shares of the Company, representing approximately 10% of the Company's public float as of March 31, 2026, calculated in accordance with TSX rules. As of March 31, 2026, there were 213,814,293 Common Shares issued and outstanding, of which 114,185,411 Common Shares comprised the public float. The NCIB commenced April 10, 2026 and will terminate on the earlier of (i) April 9, 2027, (ii) the date on which the Company has purchased the maximum number of Common Shares permitted under the NCIB, or (iii) such earlier date as the Company may determine.

On April 30, 2026, the Company repurchased and cancelled 358,600 common shares at a cost of \$542,310 through the NCIB program.

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

For the three months ended March 31, 2026, there were no material changes to the accounting policies of the Company from those reported in the Annual MD&A and annual financial statements.

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 (when drawn), 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 \$199.0 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 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.

To manage the risk of non-collection, the Company regularly assesses its 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 March 31, 2026.

Interest rate risk

The Company's interest rate risk primarily relates to its interim production financing, 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 interest rate risks closely and ensure appropriate measures are implemented.

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 and advertising sales. 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, platform revenues and intellectual property licensing agreements and associated minimum guarantees. 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 March 31, 2026, the Company had cash balances of \$112.9 million and amounts receivable of \$199.0 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

On March 2, 2026, the Company fully repaid all amounts outstanding under its credit agreement consisting of the Term Loan Facility and Revolving Facility. As a result of the repayment, the credit agreement was terminated and no amounts were outstanding as at March 31, 2026.

As a result of the repayment and termination of the facility, the Company has no corporate borrowings outstanding and is not subject to any financial covenants under the former credit arrangement. The repayment of the credit facility was funded through the proceeds received from the sale of Peanuts.

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.

In Q3 2026, 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. The forward contract was settled at the close of the Peanuts transaction and a loss of \$2.4 million was recognized within foreign exchange loss.

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 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 Q3 2026 quarterly filings dated May 13, 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 March 31, 2026, 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 March 31, 2026 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, 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. 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, 2025 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. In Q3 2026, the Company completed the sale of its 41% stake in Peanuts previously classified as held-for-sale. 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
	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun
(expressed in \$000s)								
Loss before income taxes from continuing operations	(28,401)	(22,183)	(38,995)	3,626	(23,896)	(94,495)	(26,909)	(104,336)
add back:								
Finance costs, net	21,495	21,971	32,102	15,099	16,014	17,518	24,542	13,955
Change in fair value of embedded derivatives	—	—	—	—	—	—	(1)	—
Foreign exchange (gain) loss	1,093	(9,254)	5,150	(19,680)	1,595	25,901	(5,334)	1,233
Amortization of P&E and intangible assets	2,772	2,800	2,967	4,047	4,060	4,986	5,196	5,651
Amortization of acquired and library content	748	683	652	854	1,580	1,135	1,121	1,238
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	1,650	2,969	1,255	1,003	719	857	1,997	233
Reorganization, development and other expenses ¹	6,409	1,535	861	3,062	3,405	2,580	2,188	4,312
Adjusted EBITDA from continuing operations	5,766	14,873	3,992	8,237	3,477	11,729	2,800	12,689
Adjusted EBITDA attributable to non-controlling interest	30	(14)	108	(156)	769	(183)	(11)	(565)
Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company	5,796	14,859	4,100	8,081	4,246	11,546	2,789	12,124

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

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:

(expressed in \$000s)	Fiscal 2026			Fiscal 2025				Fiscal 2024
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun
Income before income taxes from discontinued operations	451,278	49,482	22,304	19,588	15,871	25,129	26,430	15,988
add back:								
Finance costs, net	(46)	(207)	1	(21)	(78)	(57)	(32)	(100)
Change in fair value of embedded derivatives	—	—	—	(7,807)	7,807	—	—	—
Foreign exchange (gain) loss	4,828	(2,001)	1,559	(3,772)	6,740	(92)	(5,037)	1,904
Amortization of P&E and intangible assets	36	245	451	250	293	305	322	419
Amortization of acquired and library content	—	787	777	867	899	877	855	953
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	(442,742)	1	5,092	515	(26)	15	41	179
Adjusted EBITDA from discontinued operations	13,354	48,307	30,184	24,924	31,506	26,177	22,579	19,343
Adjusted EBITDA attributable to non-controlling interest	(7,906)	(25,738)	(13,405)	(8,381)	(9,654)	(11,474)	(10,030)	(7,552)
Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company	5,448	22,569	16,779	16,543	21,852	14,703	12,549	11,791

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
	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun
(expressed in \$000s) ¹								
Revenue	61,195	71,602	57,943	77,391	72,885	65,069	58,689	78,243
Content Creation and Audience Engagement.....	36,061	44,339	37,788	58,016	54,204	43,151	38,161	66,179
Global Licensing.....	25,134	27,263	20,155	19,375	18,681	21,918	20,528	12,064
less: Direct production costs and amortization of film and television produced	(33,245)	(35,694)	(31,818)	(45,825)	(49,119)	(33,885)	(35,170)	(44,805)
Content Creation and Audience Engagement.....	(30,474)	(33,999)	(31,031)	(43,344)	(48,156)	(33,299)	(32,313)	(43,635)
Global Licensing.....	(2,771)	(1,695)	(787)	(2,481)	(963)	(586)	(2,857)	(1,170)
Gross Margin from continuing operations	27,950	35,908	26,124	31,566	23,766	31,184	23,519	33,437
Content Creation and Audience Engagement.....	5,587	10,340	6,756	14,672	6,048	9,852	5,850	22,543
Global Licensing.....	22,363	25,568	19,368	16,894	17,718	21,332	17,669	10,894

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
	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun
(expressed in \$000s) ¹								
Revenue	42,071	126,293	67,584	61,732	67,262	67,996	52,338	51,725
Content Creation and Audience Engagement.....	3,709	44,665	1,972	1,977	2,747	2,166	2,673	1,847
Global Licensing.....	38,362	80,039	60,929	50,042	52,720	58,527	42,396	41,625
Canadian Television Broadcasting.....	—	1,589	4,683	9,713	11,795	7,303	7,269	8,253
less: Direct production costs and amortization of film and television produced	(24,677)	(69,971)	(30,241)	(30,042)	(28,175)	(34,872)	(23,119)	(25,614)
Content Creation and Audience Engagement ¹	—	(23,629)	3,780	4,967	4,760	2,326	1,415	1,076
Global Licensing.....	(24,677)	(46,297)	(33,809)	(32,103)	(32,581)	(35,083)	(22,415)	(24,427)
Canadian Television Broadcasting.....	—	(45)	(212)	(2,906)	(354)	(2,115)	(2,119)	(2,263)
Gross Margin from discontinued operations	17,394	56,322	37,343	31,690	39,087	33,124	29,219	26,111
Content Creation and Audience Engagement.....	3,709	21,036	5,752	6,944	7,507	4,492	4,088	2,923
Global Licensing.....	13,685	33,742	27,120	17,939	20,139	23,444	19,981	17,198
Canadian Television Broadcasting.....	—	1,544	4,471	6,807	11,441	5,188	5,150	5,990

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 2026			Fiscal 2025				Fiscal 2024
	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun	Q3 31-Mar	Q2 31-Dec	Q1 30-Sep	Q4 30-Jun
(expressed in \$000s)								
Cash flow provided by operating activities	28,182	45,684	14,051	(2,025)	47,336	81,409	25,816	18,277
less:								
Distributions to non-controlling interests	(10,092)	(15,168)	(7,559)	(4,761)	(17,221)	(12,905)	(4,647)	(9,171)
Change in interim production financing	(18,381)	1,654	(907)	5,203	4,263	(2,965)	(9,130)	(4,915)
Interest paid	(13,153)	(14,676)	(13,924)	(13,615)	(19,560)	(14,158)	(4,845)	(8,113)
Repayment of lease liabilities	(2,071)	(2,214)	(2,367)	(2,067)	(2,125)	(2,065)	(2,431)	(2,705)
Free Cash Flow	(15,515)	15,280	(10,706)	(17,265)	12,693	49,316	4,763	(6,627)

Additional Information

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