NOTICE TO READER

The consolidated audited annual financial statements of WildBrain Ltd. for the years ended June 30, 2026 and June 30, 2025 (the "Annual Financial Statements") are being refiled to correct typographical errors in the audit report. Amounts referenced as millions have been corrected to the appropriate rounding.

No other changes have been made to the Annual Financial Statements.

WildBrain Ltd.

Consolidated Financial Statements

June 30, 2026 and June 30, 2025

(expressed in thousands of Canadian dollars)

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September 23, 2026

Management’s Responsibility for Financial Reporting

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

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

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

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

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

Independent auditor's report

To the Shareholders of WildBrain Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WildBrain Ltd. and its subsidiaries (together, the Company) as at June 30, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at June 30, 2026 and 2025;
- the consolidated statements of income (loss) for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognized over time in content, franchise & global licensing and WildBrain network segments Refer to note 3 – Summary of material accounting policies, judgments and estimates and note 26 – Revenues and segmented information to the consolidated financial statements. For the year ended June 30, 2026, the Company recognized revenue over time, of which $106.2 million related to the content segment (including royalties), $84.3 million related to the franchise & global licensing segment and $46.6 million related to the WildBrain network segment.	Our approach to addressing the matter included the following procedures, among others: • Tested revenue recognized based on the percentage-of-completion method for which the contract was open as at June 30, 2026, which included the following: – Tested the effectiveness of controls relating to the determination of total expected direct costs of production to complete production contracts. – Performed look-back procedures for contracts completed during the year and in prior years to compare the total expected direct costs of production

Key audit matter	How our audit addressed the key audit matter
Revenue recognized over time included in the content segment is comprised of (i) initial broadcast license rights related to proprietary production titles and production services for third parties, which is recognized using the percentage-of-completion method based upon the proportion of direct costs of production to total expected direct costs of production, and (ii) royalty payments from the sale of broadcast license rights to third parties, which are recognized when the customer's sales or usage of the license occurs. Revenue recognized over time included in the franchise & global licensing segment is comprised of (i) royalty revenue from merchandising and consumer brand licenses, which are considered right to access licenses and are recognized over time when the underlying sales activity generating the royalty revenue has occurred and (ii) revenue from the management of copyrights, licensing and brands for third parties through representation agreements, which is recognized over time as the underlying services are performed and when the amount of revenue can be reliably measured, which is when the underlying sales activity generating the commission has occurred. Revenue recognized over time included in the WildBrain network segment is comprised of revenue from paid media and third party algorithmic advertising sales, which is recognized as the services are provided based on a variable volume revenue structure as reported on by the customer. We considered this a key audit matter due to the significance of the revenue recognized over time within the content, franchise & global licensing and WildBrain network segments and the high degree of audit effort in performing procedures related to this revenue.	and total actual direct costs of production incurred on similar contracts. – Tested how management determined the revenue recognition for a selection of contracts including the total expected direct costs of production, which included the following: ▪ Agreed key contractual terms to signed contracts, contractual amendments and approved overage correspondence, as applicable. ▪ Agreed labour costs and costs of materials incurred during the year to supporting documentation for a sample of transactions. – Evaluated the reasonableness of the total expected direct costs of production, by: ▪ agreeing production budgets, which includes total expected direct costs of production to the budget approved by the customer; ▪ comparing total expected direct costs of production to total actual direct costs of production for a similar production, as applicable; ▪ performing inquiries with production personnel to evaluate progress to date, expected delays and/or cost overages; and ▪ comparing information obtained from inquiries with production personnel to supporting documents, as applicable.

Key audit matter	How our audit addressed the key audit matter
	• Tested revenue recognized over time except for revenue recognized based on the percentage-of-completion method for which the contract was open at the end of the period as referred above, which included the following: – Obtained and inspected source documents such as contracts, proof of delivery, royalty or other reports received from third parties and cash receipts, as applicable. – For a sample of customer invoice balances not yet paid as at June 30, 2026, obtained and inspected source documents such as contracts, proof of delivery, royalty or other reports received from third parties and cash receipts, as applicable.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Anne Tauber.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
September 23, 2026

WildBrain Ltd.

Consolidated Balance Sheets

As at June 30, 2026 and June 30, 2025

(expressed in thousands of Canadian dollars)	Note	June 30, 2026	June 30, 2025
Assets			
Current assets			
Cash and cash equivalents	5	**$ 89,163**	$ 68,871
Amounts receivable	5, 6	**211,470**	248,058
Prepaid expenses and other	5	**10,722**	12,594
Investment in film and television programs	5, 7	**49,011**	97,953
		360,366	427,476
Long-term amounts receivable	5	**8,487**	9,416
Acquired and library content	5, 8	**15,445**	54,535
Property and equipment	5	**12,725**	20,857
Derivative assets		**—**	96
Intangible assets	5, 10	**10,785**	373,714
Goodwill	5, 11	**6,321**	28,468
Deferred income taxes	18	**49,670**	22,777
		$ 463,799	$ 937,339
Liabilities			
Current liabilities			
Bank indebtedness	13	**$ —**	$ 10,914
Accounts payable and accrued liabilities	5, 12	**118,142**	157,863
Deferred revenue	5	**19,256**	37,741
Interim production financing	13	**51,721**	56,472
Current portion of lease liabilities		**6,972**	10,514
Current portion of long-term debt	13	**—**	69,202
		196,091	342,706
Long-term debt	13	**—**	417,931
Long-term lease liabilities	5	**2,855**	9,025
Derivative liabilities		**—**	106
Other long-term liabilities	5	**948**	2,531
		199,894	772,299
Shareholders' Equity			
Equity (deficit) attributable to shareholders of the Company		**265,956**	(88,665)
Non-controlling interest	5, 19	**(2,051)**	253,705
		263,905	165,040
		$ 463,799	$ 937,339

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

WildBrain Ltd.

Consolidated Statements of Income (Loss)

For the years ended June 30, 2026 and 2025

(expressed in thousands of Canadian dollars, except for amounts per share)	Note		**June 30, 2026**		**Year ended June 30, 2025**
Revenues	26	**$**	**245,707**	$	274,034
Expenses	21				
Content, distribution, marketing and other costs			**134,538**		163,999
Amortization of acquired and library content	8		**3,027**		4,690
Amortization of property and equipment and intangible assets			**11,513**		18,289
Write-down of investment in film and television programs, acquired and library content, and intangible assets	17		**20,818**		53,473
Selling, general and administrative			**90,616**		83,805
Share-based compensation	15		**4,166**		4,576
Finance costs, net	20		**76,017**		73,221
Foreign exchange (gain) loss			**(7,397)**		2,436
Reorganization, development and other expense	21		**10,196**		11,229
			343,494		415,718
Loss before income taxes			**(97,787)**		(141,684)
(Recovery of) provision for income taxes	18				
Current			**(4,794)**		6,535
Deferred			**(17,651)**		(23,752)
			(22,445)		(17,217)
Net loss from continuing operations			**(75,342)**		(124,467)
Net income from discontinued operations	5		**488,533**		70,584
Net income (loss) for the year			**413,191**		(53,883)
Net loss from continuing operations attributable to non-controlling interests			**(414)**		(2,889)
Net income from discontinued operations attributable to non-controlling interests	5		**43,638**		38,820
Net income (loss) attributable to shareholders of the Company		**$**	**369,967**	$	(89,814)
Basic and diluted loss per common share from continuing operations	23	**$**	**(0.35)**	$	(0.57)
Basic income per common share from discontinued operations	5	**$**	**2.08**	$	0.15
Diluted income per common share from discontinued operations	5	**$**	**2.08**	$	0.15
Basic income (loss) per common share attributable to the shareholders of the Company	23	**$**	**1.73**	$	(0.42)
Diluted income (loss) per common share attributable to the shareholders of the Company	23	**$**	**1.73**	$	(0.42)

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

WildBrain Ltd.

Consolidated Statements of Comprehensive Income (Loss)

For the years ended June 30, 2026 and 2025

(expressed in thousands of Canadian dollars)	Note		**Year ended June 30, 2026**		**June 30, 2025**
Net loss from continuing operations		**$**	**(75,342)**	$	(124,467)
Other comprehensive income from continuing operations					
Items that may be subsequently reclassified to the consolidated statements of income (loss):					
Foreign currency translation adjustment attributable to shareholders of the Company from continuing operations			**2,551**		1,338
Comprehensive loss from continuing operations		**$**	**(72,791)**	$	(123,129)
Net income from discontinued operations	5	**$**	**488,533**	$	70,584
Other comprehensive income from discontinued operations					
Foreign currency translation adjustment attributable to non-controlling interests from discontinued operations			**5,976**		74
Reclassification of foreign currency translation on disposal			**(18,299)**		—
Comprehensive income from discontinued operations		**$**	**476,210**	$	70,658
Total comprehensive income (loss) for the year		**$**	**403,419**	$	(52,471)

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

WildBrain Ltd.

Consolidated Statements of Changes in Equity

For the years ended June 30, 2026 and 2025

(expressed in thousands of Canadian dollars)		Common shares	Contributed surplus	Accumulated other comprehensive (loss) income	Retained Earnings (deficit)	Non-controlling interest	Total
Balance - June 30, 2025		**$ 423,371**	**$ 48,786**	**$ (8,701)**	**$ (552,121)**	**$ 253,705**	**$ 165,040**
Net income for the year		**—**	**—**	**—**	**369,967**	**43,224**	**413,191**
Other comprehensive income for the year		**—**	**—**	**2,551**	**—**	**5,976**	**8,527**
Reclassification of foreign currency translation on disposal		**—**	**—**	**(18,299)**	**—**	**—**	**(18,299)**
Comprehensive (loss) income for the year		**—**	**—**	**(15,748)**	**369,967**	**49,200**	**403,419**
Derecognition of non-controlling interest on loss of control		**—**	**—**	**—**	**—**	**(272,076)**	**(272,076)**
Common shares issued, net of issuance costs and payroll taxes remitted		**1,447**	**(3,004)**	**—**	**—**	**—**	**(1,557)**
Share-based compensation		**—**	**4,166**	**—**	**—**	**—**	**4,166**
Distributions to non-controlling interests		**—**	**—**	**—**	**—**	**(32,880)**	**(32,880)**
Common shares purchased and cancelled	**14**	**(3,295)**	**1,088**	**—**	**—**	**—**	**(2,207)**
Balance - June 30, 2026		**$ 421,523**	**$ 51,036**	**$ (24,449)**	**$ (182,154)**	**$ (2,051)**	**$ 263,905**
Balance - June 30, 2024		$ 415,808	$ 45,794	$ (10,039)	$ (462,307)	$ 257,234	$ 246,490
Net (loss) income for the year		—	—	—	(89,814)	35,931	(53,883)
Other comprehensive income for the year		—		1,338	—	74	1,412
Comprehensive income (loss) for the year		—	—	1,338	(89,814)	36,005	(52,471)
Common shares issued, net of issuance costs and payroll taxes remitted		1,313	(2,584)	—	—	—	(1,271)
Common shares issued to settle warrant exercise		6,250	1,000	—	—	—	7,250
Share-based compensation		—	4,576	—	—	—	4,576
Distributions to non-controlling interests		—	—	—	—	(39,534)	(39,534)
Balance - June 30, 2025		$ 423,371	$ 48,786	$ (8,701)	$ (552,121)	$ 253,705	$ 165,040

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

WildBrain Ltd.

Consolidated Statements of Cash Flows

For the years ended June 30, 2026 and 2025

(expressed in thousands of Canadian dollars)	Note	June 30, 2026	Year ended June 30, 2025
Cash provided by (used in)			
Operating activities			
Net income (loss) for the year		**$ 413,191**	$ (53,883)
Charges (credits) to reconcile net income (loss) to cash provided by operating activities			
Amortization of property and equipment		**9,147**	10,283
Amortization of intangible assets		**3,099**	9,176
Amortization of acquired and library content		**4,591**	8,188
Accretion expense and amortization of deferred financing fees		**20,886**	6,628
Unrealized foreign exchange gain		**(922)**	(1,829)
Share-based compensation		**4,166**	4,576
Loss on modification of debt and write-down of unamortized issue costs		**17,069**	6,313
Change in fair value of forward foreign exchange contract		**—**	(47)
Interest income		**(1,276)**	(2,939)
Interest expense		**39,086**	63,029
Deferred tax recovery		**(11,359)**	(8,715)
Write-down of investment in film and television programs		**15,291**	46,422
Write-down of acquired and library content		**5,527**	17,043
Write-down of intangible assets		**—**	5,312
Gain on disposal of assets	5	**(433,017)**	—
Net investment in film and television programs	25	**(1,031)**	14,626
Net change in non-cash balances related to operations	25	**(26,567)**	28,353
Cash provided by operating activities		**57,881**	152,536
Financing activities			
Common shares issued, net of issuance costs and payroll taxes remitted		**$ (1,557)**	$ 5,979
Repurchase of common shares under the Normal Course Issuer Bid ("NCIB")		**(2,207)**	—
Distributions to non-controlling interests		**(32,880)**	(39,534)
Proceeds from bank indebtedness		**35,730**	9,398
Repayment of bank indebtedness		**(46,503)**	(13,800)
Proceeds from long-term debt		**—**	504,947
Repayment of long-term debt		**(517,739)**	(521,252)
Payment of debt issue costs		**(6,912)**	(18,166)
Interest paid on long-term debt and lease liabilities		**(42,271)**	(52,178)
Repayment of lease liabilities		**(8,508)**	(8,688)
Net repayment of interim production financing	25	**(4,751)**	(2,629)
Cash used in financing activities		**(627,598)**	(135,923)
Investing activities			
Proceeds from sale of discontinued operations, net of cash disposed	5	**593,718**	—
Proceeds from sale of assets		**—**	5,500
Acquisition of acquired and library content		**—**	(92)
Acquisition of property and equipment		**(1,505)**	(1,414)
Acquisition of intangible assets		**(3,186)**	(1,588)
Cash provided by investing activities		**589,027**	2,406
Effect of foreign exchange rate changes on cash		**982**	137
Net change in cash during the year		**20,292**	19,156
Cash - Beginning of the year		**68,871**	49,715
Cash - End of the year		**$ 89,163**	$ 68,871

Supplemental information (Notes 5 and 25)

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

1 Nature of business

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

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

On October 22, 2025, the Company's Canadian Television Broadcasting business ceased operations, and its broadcasting licenses were formally revoked by the CRTC on October 31, 2025. Subsequently, on March 2, 2026, the Company completed the sale of its 41% stake in Peanuts Holdings LLC ("Peanuts"), the holding entity for the Peanuts intellectual property ("IP"), to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc., which had previously been classified as held-for-sale in Q2 2026. As both the Canadian Television Broadcasting business and Peanuts each represent a major line of business, the Company is presenting them as discontinued operations in these consolidated financial statements and their comparatives have been re-presented to show the discontinued operations separately from continuing operations.

2 Basis of preparation

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards"), on a going concern basis. The accounting policies applied in these consolidated financial statements were based on IFRS Accounting Standards issued and outstanding as at June 30, 2026.

These consolidated financial statements have been authorized for issuance by the Board of Directors on September 23, 2026.

3 Summary of material accounting policies, judgments and estimates

The significant accounting policies used in the preparation of these consolidated financial statements are described below:

Basis of measurement

The consolidated financial statements have been prepared under a historical cost basis, except for certain financial assets and financial liabilities, including derivative instruments that are measured at fair value.

Consolidation

The consolidated financial statements include the accounts of the Company and all entities that it controls. The Company utilizes single-purpose entities to manage the costs and funding for its content production projects. WildBrain controls an entity: i) when it has the power to direct the activities of the entity that have the most significant impact on the entity's risks and/or returns; ii) where it is exposed to significant risks and/or returns arising from the entity; and iii) where it is able to use its power to affect the risks and/or returns to which it is exposed. The consolidated financial statements of all subsidiaries are prepared for the same reporting period, using consistent accounting policies. Intercompany accounts, transactions, income and expenses and unrealized gains and losses (excluding unrealized gains and losses from foreign currency translation) resulting from transactions among the consolidated companies have been eliminated upon consolidation.

In May 2025, the Company reorganized substantially all of its operating subsidiaries domiciled in Canada under a single holding company, WildBrain (Canada) Holdings Ltd. ("WCHL"). The Company owns 25% of voting rights and 100% of the economic interest in WCHL, with the remaining 75% held by three independent directors of WCHL who are Canadian citizens. The Company remains the only shareholder of WCHL exposed to variable returns due to its ownership of 100% of the economic interest and the shareholders agreement gives it the ability to affect those returns through its involvement in WCHL. As such the Company continues to consolidate WCHL and its operating subsidiaries as it meets the requirements of consolidation under IFRS 10 Consolidated Financial Statements.

Non-controlling interest represents the portion of a subsidiary's income and losses and net assets that is not held by the Company.

Cash and cash equivalents

Cash consists of cash held in current operating bank accounts.

Foreign currency translation

(i) Functional and presentation currency

The Company operates material subsidiaries in three currency jurisdictions including the Canadian dollar, US dollar, and UK pound sterling. An assessment of the primary and secondary indicators for each subsidiary is performed to determine the functional currency of the subsidiary, then translated to Canadian dollars, the Company's presentation currency. The financial statements of consolidated entities that have a functional currency other than Canadian dollars (foreign operations) are translated into Canadian dollars as follows:

a) assets and liabilities - at the closing rate as at the date of the consolidated balance sheet; and
b) income and expenses - at the period-end average exchange rate.

All resulting exchange differences are recognized in other comprehensive (loss) income as foreign currency translation adjustments.

(ii) Transactions and balances

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in currencies other than the functional currency are recognized in the Consolidated Statements of Income (Loss).

Revenue recognition

Revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer. Revenue excludes sales taxes and other amounts that are collected on behalf of third parties and is recorded when control of a product or service is transferred to a customer.

Franchise and Global Licensing

Royalty revenue from merchandising and consumer brand licenses (Licensing revenue), which are considered right-to-access licenses, is recognized over time as the underlying sales activity generating the royalty revenue occurs.

Revenue from the management of copyrights, licensing and brands for third parties through representation (agency) agreements (Commission revenue) is recognized over time as the underlying services are performed and when the amount of revenue can be reliably measured, which is when the underlying sales activity generating the commission has occurred.

Content

For initial broadcast license rights related to proprietary production titles (Production revenue), an assessment is made at the execution of each contract to determine whether: (i) the performance obligations are satisfied over time, or (ii) the performance obligations are satisfied at a point in time. Performance obligations are satisfied over time during the production of the title when the customer can exert control over the production process and the Company's ability to generate other revenues from the title is limited based on the remaining rights held and the nature of the show. Revenue is recognized using the percentage-of-completion method when performance obligations are satisfied over time. Performance obligations not satisfied over time are satisfied at a point in time, which generally occurs when the production is completed, available to the customer and the customer has the contractual right to broadcast or stream the content. When performance obligations are satisfied at a point in time, revenue is recognized when all of the aforementioned recognition criteria are met.

Revenue from production services for third parties is recognized using the percentage-of-completion method, based upon the proportion of direct costs of production incurred to total expected direct costs, as the Company considers this approach to be most reflective of progress towards completion and satisfaction of the production services performance obligation.

Revenue from the sale of broadcast license rights to third parties (Distribution revenue) is considered a right-to-use license and is recognized when the licensed content is available to the customer and the customer has the contractual right to broadcast or stream the content. Where contracts include a royalty payment, revenue is recognized when the customer's sales or usage of the license occurs. Certain distribution revenue for the Company’s merchandising and consumer brand licenses is included within Franchise and Global Licensing.

WildBrain Network

Revenue from direct advertising sales is recognized as the underlying advertising campaign is delivered to the customer. Revenue from third-party algorithmic advertising sales earned on the Company's ad-supported channels, including YouTube and FAST platforms, is variable in nature and is recognized in the period in which the platform generates such revenues to the Company (Advertising revenue).

Other revenue recognition considerations

Revenue from customers where the transaction price is variable is recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved (variable consideration constraint). The variable consideration contained in the Company's contracts primarily relates to the activities of third parties. Once the variable consideration is known and the related uncertainty is resolved, which is upon receipt of earnings reports from the third parties, the Company recognizes revenue.

Minimum guarantees received on licenses that are considered right-to-access licenses are deferred and recognized as revenue over the term of the license period. Minimum guarantees received on licenses that are determined to be right-to-use licenses are recognized as revenue when the customer is able to and has the contractual right to use the license. Where there has not been a substantive change to the underlying license agreement on renewal or extension, revenue is recognized when the licensed content becomes available under the renewal or extension. Where there has been a substantive change to the underlying license agreement, revenue is recognized when the license period has begun.

Amounts received, or advances currently due pursuant to a contractual arrangement, that have not yet met the criteria established to be recognized as revenue are recorded as deferred revenue.

Revenue is recognized at the transaction price, which is adjusted for the consideration of the time value of money if the timing of payments provides the customer with a significant financing component.

Principal versus agent revenue

The Company evaluates each arrangement with third parties to determine whether revenue should be reported on a gross or net basis by determining whether the nature of its promise is a performance obligation to provide the specified goods or services itself (principal) or to arrange for those goods or services to be provided by the other party (agent). An assessment of each specified good or service promised to the customer is made separately. Where the Company acts as the principal in an arrangement, revenues are reported on a gross basis and revenues and expenses are classified accordingly in the Consolidated Statements of Income (Loss). Conversely, where the Company acts as the agent in an arrangement, revenues are reported on a net basis and presented net of any related expenses or costs.

The most significant considerations to determine whether the Company acts as principal or agent include: i) whether the Company controls the specified good or service before it is transferred to the customer; ii) whether the Company is primarily responsible for fulfilling the promise to provide the specified good or service and the acceptability of such good or service; iii) whether the entity has inventory risk (or equivalent); and iv) whether the entity has latitude in establishing prices for the specified good or service.

Investment in film and television programs

Investment in film and television programs represents the balance of costs of film and television programs which have been produced by the Company or for which the Company has invested in distribution rights and the Company's right to participate in certain future cash flows of film and television programs produced and distributed by other unrelated parties.

Costs of investing in and producing film and television programs are capitalized. The costs are measured net of federal and provincial program contributions earned and are charged to income using a declining balance method of amortization. For film and television programs produced by the Company, capitalized costs include all direct production and financing costs incurred during production that are expected to benefit future periods. Financing costs are capitalized to the costs of a film or television program until substantially all of the activities necessary to prepare the film or television program for delivery are complete. Production financing provided by third parties that acquire participation rights is recorded as a reduction of the cost of production.

The rates used for the declining balance method of amortization range from 40% to 100% at the time of initial episodic delivery and at rates ranging from 10% to 30% annually thereafter. The determination of rates is based on the expected economic useful life of the film or television program, and includes factors such as the ability to license rights to broadcasters, programs in development and availability of rights to renew licenses for episodic television programs in subsequent seasons, as well as the availability of secondary market revenue.

Investments in film and television programs are accounted for as inventory and classified within current assets. Certain investment in film and television programs of the Company can be greater than 12 months.

The investment in film and television programs is measured at the lower of cost and net realizable value. Net realizable value is estimated based on future revenues net of expected future costs. A write-down is recorded when expected future costs exceed the estimated net realizable value, on a present value basis.

Acquired and library content

Acquired and library content represents the amortized cost of acquired film and television programs. Acquired and library content typically has minimal ongoing costs to maintain the content and is charged to Consolidated Statements of Income (Loss) using the declining balance method of amortization.

The rates used for the declining balance method of amortization is 10% annually. The determination of rates is based on the expected economic useful life of the film or television program and includes factors such as the availability of rights to renew licenses for television programs in various territories, as well as the availability of secondary market revenue.

Acquired and library content is accounted for as an intangible asset and classified within long-term assets.

Acquired and library content is tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use, being the present value of the expected future cash flows of the asset. For titles with an indicator of impairment, management calculated the recoverable amounts using the value-in-use model and discounting the forecast cash flows of revenue and contractual participation royalties. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Broadcast rights

Program and film rights for broadcasting were purchased on a fixed cost basis. The asset and liability for fixed cost purchases were recognized at the time the rights were known, amounts were determinable and available for use. The cost of fixed program and film rights was expensed over the lesser of the availability period and the maximum period, which varied depending upon the type of program, generally ranging from 24 to 60 months based on the expected pattern of consumption of the economic benefit. Where the recognition criteria were not met and the Company had already paid amounts to secure rights, such amounts were recorded as prepaid program and film rights within prepaid expenses.

Following the cessation of the Company's Canadian Television Broadcasting business (Note 5), the Company no longer acquires broadcast rights. The carrying amount of program and film rights – broadcasting was $nil as at June 30, 2026 and 2025 and amounts recognized in respect of these rights are presented within discontinued operations.

Accrued participation payables

Included in accounts payable and accrued liabilities are accrued participation payables. Accrued participation payables reflect the contractual liability due as at the consolidated balance sheet date, calculated as the participation owing on revenue recognized to date less participation payments made to date.

Debt issue costs

Debt issue costs related to bank indebtedness are recorded as a deferred charge and amortized, using the straight-line method, over the term of the related bank indebtedness and the expense is included in finance costs in the Consolidated Statements of Income (Loss). Debt issue costs related to long-term debt, with the exception of revolving facilities which are capitalized as an asset, are recorded as a reduction to the carrying amount of long-term debt and amortized using the effective interest method and the expense is included in finance costs.

Business combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the fair value of consideration transferred over the fair value of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in Consolidated Statements of Income (Loss).

Development costs

Development costs include costs of acquiring film rights to books, stage plays or original screenplays and costs to adapt such projects. Such costs are capitalized and included in productions in progress upon commencement of production. Advances or contributions received from third parties to assist in development are deducted from these costs. Projects in development are written off as development expenses at the earlier of the date that the project costs are determined not to be recoverable or when projects under development are abandoned, or three years from the date of the initial recognition of the investment, if there have been no active development milestones or significant development expenditures within the last year.

Property and equipment

Property and equipment are carried at historical cost, less accumulated amortization and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the Consolidated Statements of Income (Loss) during the period in which they are incurred. Amortization is charged, commencing when the asset is available for use, over the estimated useful life of the asset, using the following annual rates and methods:

Buildings	4% declining balance
Furniture, fixtures and other equipment	20% declining balance
Computer equipment	30% declining balance
Post-production equipment	30% declining balance
Computer software	2 years straight-line
Website design	2 years straight-line
Leasehold improvements	Straight-line over the term of lease
Right-of-use assets	Straight-line over the term of lease

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates each part separately. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on the sale or disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the asset.

Right-of-use ("ROU") assets and lease liabilities

ROU assets

The Company recognizes ROU assets at the commencement date of the lease. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized at the inception of the lease, initial direct costs incurred, and lease payments made at or before the lease commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the contractual lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the contractual lease term.

ROU assets are tested for recoverability when an indicator of impairment exists. Impairment is assessed at the lowest cash-generating-unit level ("CGU"), and is measured by comparing the recoverable amount to its carrying value and recording an impairment where the carrying value exceeds the recoverable amount.

ROU assets are included in property and equipment in the Consolidated Balance Sheet.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, considering all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company re-assesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased for accretion expense and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification to the lease or a change in the assessment to purchase the underlying asset.

Lessor accounting

Where the Company enters into a lease agreement and a significant portion of risks and rewards of ownership incremental to the underlying asset is retained by the Company as lessor, such leases are classified as operating leases. Payments received under operating leases (net of any incentives received from the lessor) are recorded as income when received or receivable.

Where the Company transfers a significant portion of risks and rewards of ownership incremental to the underlying asset to the lessee, such leases are classified as finance leases. The Company recognizes a receivable at an amount equal to its net investment in the lease.

Goodwill

Goodwill represents the cost of acquired businesses in excess of the fair value of net identifiable assets acquired at the date of acquisition. Goodwill is carried at cost less any accumulated impairment losses and is not subject to amortization. Goodwill and indefinite life intangible assets are tested for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired. Goodwill is allocated to a cash generating unit ("CGU"), or group of CGUs, which is the lowest level within an entity at which the goodwill is monitored for internal management purposes which is not higher than an operating segment. Impairment is tested by comparing the recoverable amount of goodwill and indefinite life intangible assets assigned to a CGU or group of CGUs to its carrying value.

Intangible assets

Acquired intangible assets are carried at cost. Amortization is provided on a straight-line basis over the estimated useful life of the assets, using the following annual rates and methods:

Broadcaster relationships	7 to 10 years straight-line
Customer relationships	10 years straight-line
Customer representation agreements	5 years straight-line
Brands	10 to 20 years straight-line or indefinite life
Production and distribution rights	10 to 25 years straight-line
Non-compete contracts	3 years straight-line
Trademarks	5 years straight-line
Production and other software	5 years straight-line

Intangible assets with indefinite life are not amortized. The assessment of whether the underlying asset continues to have an indefinite life is reviewed annually to determine whether an indefinite life continues to be supportable, and if not, the change in useful life from indefinite to finite is made on a prospective basis.

Broadcast licenses

Broadcast licenses were considered to have an indefinite life based on management's intent and ability to renew the licenses without significant cost and without material modification of the existing terms and conditions of the license.

Broadcast licenses by themselves did not generate cash flows and therefore, when assessing these assets for impairment, the Company looked to the CGU to which the asset belonged. Broadcast licenses were tested for impairment as part of the WildBrain Television CGU.

Concurrent with the impairment recorded on broadcast licenses as disclosed in Note 10, the Company revised its amortization policy for Broadcast licenses to amortize the remaining balance on a straight-line basis over a period of 5 years, commencing on the quarter ending September 30, 2024.

Following the cessation of the Company's Canadian Television Broadcasting business on October 22, 2025 and the formal revocation of its broadcasting licenses by the CRTC on October 31, 2025 (Note 5), the Company no longer holds any broadcast licenses. The carrying amount of broadcast licenses was $nil as at June 30, 2026.

Impairment of non-financial assets

Property and equipment and definite life intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Long-lived assets that are not amortized are subject to an annual impairment test. For the purposes of measuring recoverable amounts, assets are grouped into CGUs. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use, being the present value of expected future cash flows of the relevant CGU. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Government financing and assistance

The Company has access to several government programs, including tax credits that are designed to assist film and television production and distribution in Canada. The Company records government assistance when the related costs have been incurred, and there is reasonable assurance that the Company will comply with the conditions and they will be received. Amounts received or receivable in respect of production assistance are recorded as a reduction of the production costs of the applicable production. Government assistance with respect to distribution rights is recorded as a reduction of investment in film and television programs. Government assistance towards current expenses is recorded as a reduction of the applicable expense item.

Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Consolidated Statements of Income (Loss), except to the extent that it relates to items recognized in other comprehensive (loss) income or directly in equity. In this case, the tax is also recognized in other comprehensive (loss) income or directly in equity, respectively.

Current tax is the expected tax payable on taxable income for the period, using enacted or substantively enacted tax rates at the end of the reporting period, including adjustments for previous periods. Management periodically reviews tax return positions and establishes provisions, as needed, based on expected payments to tax authorities.

Deferred tax is recognized for temporary differences between the tax basis and carrying amounts of assets and liabilities, and for probable future tax benefits from losses carried forward to future years. It is calculated using enacted or substantively enacted tax rates at the balance sheet date. Deferred tax liabilities are recognized for all taxable differences, while deferred tax assets are recognized when recovery is probable.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

The effect of a change in tax rates on deferred tax assets and liabilities is included in Consolidated Statements of Income (Loss) in the period that the change is substantively enacted, except to the extent it relates to items previously recognized outside Consolidated Statements of Income (Loss), in which case the rate change impact is recognized in a manner consistent with how the items were originally recognized.

Share-based compensation

The Company issues stock options, performance share units ("PSUs") and restricted share units ("RSUs") which are accounted for as equity-settled awards. Upon vesting, these awards are settled by the Company with common shares from treasury. The costs of equity-settled awards are measured using the Black-Scholes valuation model using management's inputs and assumptions. Share-based compensation expense for equity-settled awards are recognized over the vesting period of each award, with a corresponding increase to contributed surplus, based on the vesting period that has elapsed and the Company's best estimate of the number of equity instruments that will ultimately vest. Awards are expensed over the vesting period, and expense incurred on awards that ultimately do not vest is reversed.

The Company also issues deferred share units ("DSUs") to directors and certain eligible employees to defer receipt of a portion of or all of their board fees or other cash bonus amounts. DSUs fully vest upon grant and cannot be redeemed until the recipient is no longer a director or employee of the Company. On the grant date, the Company recognizes a share-based compensation expense for the fair value of the awards with a corresponding increase to contributed surplus.

Income (loss) per share

Basic income (loss) per share is calculated by dividing the net income (loss) for the year attributable to equity owners of the Company by the weighted average number of common shares outstanding during the year.

Diluted income (loss) per share is calculated by adjusting the weighted average number of common shares outstanding for potentially dilutive instruments. The Company’s potentially dilutive common shares comprise of stock options, RSUs, PSUs, warrants, exchangeable and convertible debentures. The number of shares included with respect to options, RSUs, PSUs, warrants and other similar instruments is computed using the treasury stock method. The dilutive effect of the Company's convertible debentures is determined using the if-converted method.

Financial instruments

Financial instruments are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9, Financial Instruments, contains three primary measurement categories for financial assets: measured at fair value through profit and loss ("FVPL"), amortized cost, and fair value through other comprehensive income ("FVOCI").

- Embedded derivatives component of the senior unsecured convertible debentures, foreign currency forwards, and exchangeable debentures are classified as FVPL, and are initially measured at fair value less transaction costs. They are subsequently measured at fair value and net gains/losses are recognized in the Consolidated Statements of Income (Loss).
- Cash, amounts receivables, long-term amounts receivables, accounts payable and accrued liabilities, interim production financing, long-term debt, senior unsecured convertible and exchangeable debentures and other liabilities are classified as 'amortized cost', and initially measured at fair value. They are subsequently measured at amortized cost, with amounts receivable reassessed using the customer's historical default experience and expected future credit losses under the 'expected credit loss' ("ECL") model.
- There are no financial assets classified as FVOCI.

Impairment of financial assets

The Company assesses for indicators of impairment at the end of each reporting period using the ECL impairment model. It uses quantitative and qualitative analysis, based on the Company's historical credit collection data and forward-looking customer credit risk information, to estimate credit loss allowance as at the end of each reporting period.

Amended accounting standards adopted during the period

A number of amended standards became applicable for the current reporting period.

(i) Lack of Exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity assesses whether a currency is exchangeable into another currency and, when it is not, how to determine the spot exchange rate to use and the disclosures to provide. The amendments are effective for annual reporting periods beginning on or after January 1, 2025 and were adopted by the Company effective July 1, 2025. The Company's functional and presentation currencies are considered freely exchangeable, and accordingly there was no impact on the Consolidated Financial Statements as a result of the adoption of these amendments.

Accounting pronouncements issued but not yet effective

(i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures, to address diversity in practice. The amendments clarify the date on which a financial asset or financial liability is derecognized and introduce an accounting policy option to derecognize a financial liability settled through an electronic payment system before the settlement date when specified criteria are met; clarify the assessment of contractual cash flow characteristics of financial assets, including those with contingent (for example, ESG-linked) features and non-recourse features and contractually linked instruments; and introduce additional disclosures for equity instruments designated at fair value through other comprehensive income and for financial instruments with contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, and accordingly will first apply to the Company for the year ending June 30, 2027, with earlier application permitted. The Company has completed its assessment of the amendments and does not expect the amendments to have a material effect on the Consolidated Financial Statements, with any impact expected to be limited to accounting policy and disclosure.

(ii) Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, comprising narrow-scope amendments to several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company did not early adopt the amendments and will apply them from July 1, 2026, with first application in the interim condensed consolidated financial statements for the three months ending September 30, 2026 and in the annual Consolidated Financial Statements for the year ending June 30, 2027. The Company has assessed these amendments and does not expect them to have a material impact on the Consolidated Financial Statements.

(iii) IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1 as the primary standard for the presentation and disclosure of financial statements. IFRS 18 introduces requirements to classify income and expenses into new defined categories (operating, investing, financing, income taxes and discontinued operations) and to present two new mandatory subtotals in the statement of profit or loss — operating profit and profit before financing and income taxes. It also requires the disclosure, in a single note within the audited financial statements, of management-defined performance measures ("MPMs"), together with a reconciliation to the most directly comparable IFRS-specified subtotal, and introduces enhanced principles for the aggregation and disaggregation of information. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and will therefore first apply to the Company for the year ending June 30, 2028, with the comparative period commencing July 1, 2026. IFRS 18 is to be applied retrospectively, and earlier application is permitted. The Company is assessing the impact of adoption, which is expected to impact the presentation of the statement of profit or loss and related disclosures. Certain of the measures the Company currently presents outside its financial statements may meet the definition of management-defined performance measures and would therefore be presented within the audited financial statements.

Significant accounting judgments and estimates

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

The following is a summary of judgments, estimates, and assumptions which have a risk of causing a material adjustment to the carrying amount of assets and liabilities:

(i) Investment in film and television programs/acquired and library content

The costs of investing in and producing film and television programs are capitalized, net of federal and provincial program contributions earned.

Investment in film assets are amortized using the declining balance method with rates of amortization ranging from 40% to 100% at the time of initial episodic delivery and at rates ranging from 10% to 30% annually thereafter. Management estimates these rates based on the expected economic useful life of the film or television program, and includes factors such as the ability to license broadcast rights, programs in development and availability of rights to renew licenses for episodic television programs in subsequent seasons, as well as the availability of secondary market revenue. Estimation uncertainty relates to management's ability to estimate the expected economic useful life of the film or television program.

(ii) Impairment of goodwill, indefinite life intangible assets and non-financial assets

The value-in-use approach and related future cash flows involve the use of assumptions and estimates which involve estimation uncertainty. Management applies judgment in selecting certain assumptions to be used in the discounted cash flow models. For further details regarding the assumptions used and related estimation uncertainty, refer to Note 10 - Intangible assets, Note 11 - Goodwill, and Note 17 - Write-downs.

(iii) Measurement of ECL allowance

Management estimates the ECL allowance for trade accounts receivable based on an assessment of accounts receivable aging, management's collection experience with the customer (history of collections and losses with each customer, the customer's financial health, the general economic conditions and the impact on the customer's business sector), and future expectations of default.

(iv) Revenue recognition of proprietary production

For the Company's proprietary production revenues, each contract is assessed at inception to determine if performance obligations are met over time or at a point in time. Management uses judgment to evaluate factors such as ongoing ability to control the asset, rights retained, and the nature of performance obligations. Contracts, where performance obligations are satisfied over a period of time, are recognized using the percentage of completion method of revenue completion, while contracts where performance obligations are satisfied at a point in time are recognized when all performance obligations are completed, as described above under the Company's policy on revenue recognition.

4 Compensation of key management

Key management includes all directors, including both executive and non-executive directors, as well as the President and Chief Executive Officer, and Chief Financial Officer. The compensation earned by key management is as follows:

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Salaries and employee benefits[1]	**$**	**4,554**	$	2,795
Share-based compensation		**2,191**		2,661
Termination and other benefits		**668**		—
	$	**7,413**	$	5,456

(1) In the year ended June 30, 2026, salaries and employee benefits included one-time bonuses paid to key management of $1,956 (2025 - $nil) in connection with the sale of the Company's interest in Peanuts, recorded within Reorganization, Development and Other expenses.

5 Discontinued operations

Peanuts discontinued operations

On December 18, 2025, the Company signed a definitive agreement to sell its 41% stake in Peanuts Holdings LLC (“Peanuts”), the holding entity for the Peanuts intellectual property ("IP"), to Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc. On March 2, 2026, the Company completed the sale of its 41% stake in Peanuts for gross proceeds of $630,000, which translated to cash consideration of $627,770 after deduction of final working capital adjustments.

Prior to the sale, Sony Entertainment held a 39.2% existing interest in Peanuts which was reflected in Non-controlling interest at $272,076, immediately prior to its disposal.

As Peanuts represented a separate major line of business, it qualifies as a discontinued operation, therefore, the Consolidated Statement of Income (Loss) and Consolidated Statements of Comprehensive Income (Loss), and their comparatives, have been re-presented to show the discontinued operation separately from continuing operations.

Concurrent with the sale, the Company entered into an agreement with Sony Music Entertainment (Japan) Inc. and Sony Pictures Entertainment Inc under which the Company will remain a multi-year partner to Peanuts for key services, including:

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

As a result of the Company's continuing involvement subsequent to sale, although intra-group transaction have been fully eliminated in the consolidated results, management has included these revenue contracts to provide services in the results of continuing operations, and not included as part of the discontinued operations as these services do not form part of the disposal group. The financial impact of these continuing transactions on continuing operations is as follows:

		Year ended	
(expressed in thousands of Canadian dollars)		**June 30, 2026**	**June 30, 2025**
Agent commissions within Revenue	**$**	**13,312**	$ 11,744
Production service royalties within Content, distribution, marketing and other costs		**(1,949)**	(1,721)
Cost sharing arrangements within Selling, general and administrative expenses		**866**	958

Prior to the sale, the Company capitalized a portion of the production costs on Peanuts content to Investment in film and television programs and amortized those costs against the related Peanuts revenues, which the Company consolidated. The recovery of these capitalized costs therefore depended on revenues that the Company will no longer earn following the sale. Accordingly, the unamortized balance capitalized to Investment in film and television programs has been included within the disposal group, and the corresponding reduction in Direct production costs and expense of film and television produced arising from the consolidation of Peanuts revenues has been presented within discontinued operations rather than continuing operations.

For the year ended June 30, 2026, the reduction in Direct production costs and expense of film and television produced included within discontinued operations on this basis was $7,781 (2025 - $9,148). On December 18, 2025, the Company ceased capitalization of the Investment in film and television programs as a result of the held-for-sale classification.

The operations of Peanuts were previously included in the Content Creation and Audience Engagement and Global Licensing segments. The segment disclosures in Note 26 have been adjusted to reflect the reclassification of Peanuts to discontinued operations.

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

		Year ended
(expressed in thousands of Canadian dollars)	**June 30, 2026**	**June 30, 2025**
Revenues	**$ 229,676**	$ 213,249
Expenses		
Content, distribution, marketing and other costs	**124,631**	108,715
Amortization of acquired and library content	**1,564**	3,498
Amortization of property and equipment and intangible assets	**529**	1,076
Selling, general and administrative and other expenses	**21,796**	20,570
	148,520	133,859
Income before taxes	**81,156**	79,390
Provision for income taxes		
Current	**5,506**	1,358
Deferred	**5,912**	15,230
	11,418	16,588
Net income from discontinued operations	**69,738**	62,802
Gain on sale of discontinued operations	**433,017**	—
Income tax on gain - current	**14,589**	—
Gain on sale of discontinued operations, net of tax	**418,428**	—
Net income from discontinued operations	**488,166**	62,802
Net income from discontinued operations attributable to non-controlling interests	**43,638**	38,820
Net income from discontinued operations attributable to shareholders of the Company	**$ 444,528**	$ 23,982
Basic income per common share	**$ 2.08**	$ 0.11
Diluted income per common share	**$ 2.08**	$ 0.11
Other comprehensive income from discontinued operations		
Net income from discontinued operations	**$ 488,166**	$ 62,802
Foreign currency translation adjustment attributable to non-controlling interests from discontinued operations	**5,976**	—
Reclassification of foreign currency translation on disposal	**(18,299)**	—
Comprehensive income for the period from discontinued operations	**$ 475,843**	$ 62,802

The net cash flows for 2026 and 2025 provided by Peanuts discontinued operations were as follows:

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Operating activities	**$**	**60,025**	$	47,527
Investing activities[1]		**593,718**		—
Financing activities[2]		**(47,604)**		(38,424)
Net cash flow from discontinued operations	**$**	**606,139**	$	9,103

(1) Net cash inflows from sale of Peanuts:		**June 30, 2026**
Cash consideration received[3]	**$**	**617,958**
Cash disposed of		**(24,240)**
Net cash inflows	**$**	**593,718**

(2) The financing activities within net cash flow from discontinued operations are presented net of distributions to all owners. Distributions attributable to the Company were $18,989 for the twelve months ended June 30, 2026 (2025 - $23,439).
(3) The cash consideration received is net of the final working capital adjustment settled at closing. Subsequent adjustments arising from the finalization of the closing working capital statement are presented separately as post-close working capital/other adjustments in the table below.

Details on sale of Peanuts

Cash consideration received, net of cash disposed	**$**	**593,718**
Post-close working capital/other adjustments		**(9,725)**
Selling and transaction costs		**(10,652)**
Carrying amount of net assets sold		**(430,699)**
Carrying value of non-controlling interest		**272,076**
Cumulative translation adjustment released to profit and loss		**18,299**
Gain on sale of Peanuts before income taxes		**433,017**
Income tax expense		**(14,589)**
Gain on sale of Peanuts, net of tax	**$**	**418,428**

The assets and liabilities related to Peanuts sale were as follows:

(expressed in thousands of Canadian dollars)		**June 30, 2026**
Current assets		
Cash	**$**	**24,240**
Amounts receivable		**48,402**
Prepaid expenses and other		**818**
Investment in film and television programs		**35,334**
Non-current assets		
Long-term amounts receivable		**33,701**
Acquired and library content		**29,878**
Property and equipment		**1,230**
Intangible assets		**370,920**
Goodwill		**22,670**
Total Assets	**$**	**567,193**
Current liabilities		
Accounts payable and accrued liabilities	**$**	**56,717**
Deferred revenue		**16,001**
		72,718
Non-current liabilities		
Long-term lease liabilities		**1,183**
Deferred Income Taxes		**18,313**
Other non-current liabilities		**20,040**
Total liabilities	**$**	**112,254**

The company derecognized non-controlling interest on loss of control of $272,076.

Canadian Television Broadcasting discontinued operations

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

The Canadian Television Broadcasting business was previously included in a separate segment. The segment disclosures in Note 26 have been adjusted to reflect the reclassification of the Canadian Television Broadcasting business to discontinued operations.

During Q1 2026, the Company recorded provisions of $5,105 related to severance agreements and certain contracts that were identified as onerous contracts as part of the continued windup of the Canadian Television Broadcasting business. As of June 30, 2026, the provision balance is $1,395 and is classified within Accounts payable and accrued liabilities.

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

		Year ended
(expressed in thousands of Canadian dollars)	**June 30, 2026**	**June 30, 2025**
Revenues	**$ 6,271**	$ 36,081
Expenses		
Content, distribution, marketing and other costs	**257**	7,493
Amortization of property and equipment and intangible assets	**204**	94
Selling, general and administrative and other expenses	**6,670**	20,865
	7,131	28,452
(Loss) income before taxes	**(860)**	7,629
(Recovery of) provision for income taxes		
Current	**(1,607)**	40
Deferred	**380**	(193)
	(1,227)	(153)
Net income from discontinued operations	**$ 367**	$ 7,782
Basic and diluted income per common share	**$ —**	$ 0.04

The net cash flows for the year provided by the Canadian Television Broadcasting discontinued operations were as follows:

(expressed in thousands of Canadian dollars)	**June 30, 2026**	**June 30, 2025**
Operating activities	**$ 1,695**	$ 19,581
Net cash flow from discontinued operations	**$ 1,695**	$ 19,581

6 Amounts receivable

(expressed in thousands of Canadian dollars)	**Note**	**June 30, 2026**	**June 30, 2025**
Trade receivables	5	**$ 144,120**	$ 180,111
Less: ECL allowance on trade receivables		**(8,631)**	(7,261)
Trade receivables, net of loss allowance		**135,489**	172,850
Sales tax receivable		**5,629**	3,482
Federal and provincial film tax credits	16	**70,352**	71,726
Amounts receivable		**$ 211,470**	$ 248,058

The aging of trade receivables is as follows:

(expressed in thousands of Canadian dollars)	**June 30, 2026**	**June 30, 2025**
Less than 60 days	**$ 121,484**	$ 157,159
Between 60 and 90 days	**1,203**	6,109
Over 90 days	**21,433**	16,843
	$ 144,120	$ 180,111

The continuity of ECL allowance on trade receivables is as follows:

(expressed in thousands of Canadian dollars)	**June 30, 2026**	**June 30, 2025**
Opening balance	**$ 7,261**	$ 7,663
Loss allowance on trade receivables	**1,445**	2,156
Write-offs during the year	**(158)**	(908)
Recoveries of receivables previously provided for	**—**	(1,986)
Impact of foreign exchange	**83**	336
Ending balance	**$ 8,631**	$ 7,261

7 Investment in film and television programs

(expressed in thousands of Canadian dollars)	**Development**	**In Production**	**Delivered**	**Program and film rights - broadcasting**	**Total**
Cost					
Balance at June 30, 2025	**$ 1,384**	**$ 17,769**	**$ 898,770**	**$ 185,024**	**$1,102,947**
Additions	**5,652**	**10,676**	**21,140**	**1,437**	**38,905**
Reclassifications(1)	**(3,814)**	**(137)**	**3,951**	**—**	**—**
Write-down	**(484)**	**—**	**—**	**—**	**(484)**
Disposals(2)(3)	**—**	**(25,081)**	**(186,680)**	**(186,461)**	**(398,222)**
Impact of foreign exchange	**—**	**19**	**4,674**	**—**	**4,693**
Balance at June 30, 2026	**$ 2,738**	**$ 3,246**	**$ 741,855**	**$ —**	**$ 747,839**
Accumulated amortization					
Balance at June 30, 2025			**$ 819,970**	**$ 185,024**	**$1,004,994**
Amortization			**35,953**	**1,437**	**37,390**
Write-downs			**15,291**	**—**	**15,291**
Disposals(2)(3)			**(176,427)**	**(186,461)**	**(362,888)**
Impact of foreign exchange			**4,041**	**—**	**4,041**
Balance at June 30, 2026			**$ 698,828**	**$ —**	**$ 698,828**
Net book value					
Balance at June 30, 2026	**$ 2,738**	**$ 3,246**	**$ 43,027**	**$ —**	**$ 49,011**
Balance at June 30, 2025	$ 1,384	$ 17,769	$ 78,800	$ —	$ 97,953

(1) Reclassifications represent content that has progressed from one classification to another (such as from Development to In Production).
(2) Net book value of $35,334 disposed (see Note 5).
(3) Program and film rights – broadcasting relate to the Company's former Canadian Television Broadcasting business, the operations of which ceased during Fiscal 2026 and are presented as discontinued operations (see Note 5). These rights were fully amortized, with a net book value of $nil at both June 30, 2026 and June 30, 2025. On cessation of the broadcasting operations, the Company no longer holds any rights available for use and derecognized the gross cost of $186,461 against the related accumulated amortization of $186,461. As the amounts were fully amortized, no gain or loss was recognized on derecognition and there is no impact on the Consolidated Statements of Income (Loss) or on total investment in film and television programs.

As at June 30, 2026, interest of $599 (June 30, 2025 - $570) was capitalized to investment in film and television programs.

As at June 30, 2026, additions to investment in film and television programs were reduced by $2,286 (June 30, 2025 - $20,502) in respect of production tax credits.

During the year ended June 30, 2026, the Company recorded write-downs of $15,291 (2025 – $31,118) against Investment in film and television programs, in respect of delivered titles whose book values exceeded their discounted expected future cash flows. The write-downs reflect weaker than expected revenue performance and current market conditions for the brands and titles impaired within the library that the Company invested into prior to 2025, together with the Company's change in capital allocation strategy. For these titles, the Company assessed the multiple revenue streams associated with each title over the next 5 to 10 years depending on the age of the title, applying decline rates where appropriate to current streams based on historical trends, and using a present value rate approximating the Company's weighted average cost of capital. There were no sales of non-core IP titles during the year ended June 30, 2026 (2025 – proceeds of $5,500, with any book value in excess of net realizable value included as a component of write-down).

8 Acquired and library content

(expressed in thousands of Canadian dollars)		**Acquired and library content**
Cost		
Balance at June 30, 2025	**$**	**173,741**
Additions		**—**
Disposals		**(69,801)**
Write-down		**—**
Impact of foreign exchange		**2,920**
Balance at June 30, 2026	**$**	**106,860**
Accumulated amortization		
Balance at June 30, 2025	**$**	**119,206**
Additions		**4,591**
Disposals		**(39,923)**
Write-down		**5,527**
Impact of foreign exchange		**2,014**
Balance at June 30, 2026	**$**	**91,415**
Net book value		
Balance at June 30, 2026	**$**	**15,445**
Balance at June 30, 2025	$	54,535

During the year ended June 30, 2026, the Company recorded write-downs of $5,527 (2025 – $17,043) against Acquired and library content in respect of titles whose book values exceeded their discounted expected future cash flows. The write-downs reflect weaker than expected revenue performance and current market conditions for the brands and titles impaired within the library that the Company invested into prior to 2025, together with the Company's change in capital allocation strategy. For these titles, the Company assessed the multiple revenue streams associated with each title over the next 5 to 10 years depending on the age of the title, applying decline rates where appropriate to current streams based on historical trends, and using a present value rate approximating the Company's weighted average cost of capital. There were no sales of non-core IP titles during the year ended June 30, 2026 (2025 – proceeds of $5,500, with any book value in excess of net realizable value included as a component of write-down).

9 Property and equipment

(expressed in thousands of Canadian dollars)	Furniture, fixtures and equipment	Computer, post-production equipment and related software	Leasehold improvements	ROU assets - equipment	ROU assets - premise	Total
For the year ended June 30, 2026						
Opening net book value	**$ 1,042**	**$ 1,802**	**$ 2,648**	**$ 4,346**	**$ 11,019**	**$ 20,857**
Additions	**724**	**918**	**18**	**—**	**567**	**2,227**
Amortization	**(332)**	**(830)**	**(1,231)**	**(2,211)**	**(4,543)**	**(9,147)**
Disposals	**(221)**	**(6)**	**(201)**	**—**	**(909)**	**(1,337)**
Impact of foreign exchange	**6**	**4**	**83**	**12**	**20**	**125**
	$ 1,219	**$ 1,888**	**$ 1,317**	**$ 2,147**	**$ 6,154**	**$ 12,725**
As at June 30, 2026						
Cost	**$ 8,107**	**$ 44,627**	**$ 17,977**	**$ 25,547**	**$ 42,559**	**$ 138,817**
Accumulated amortization	**(6,918)**	**(43,450)**	**(16,780)**	**(23,433)**	**(37,030)**	**(127,611)**
Impact of foreign exchange	**30**	**711**	**120**	**33**	**625**	**1,519**
Net book value	**$ 1,219**	**$ 1,888**	**$ 1,317**	**$ 2,147**	**$ 6,154**	**$ 12,725**
For the year ended June 30, 2025						
Opening net book value	$ 1,226	$ 1,413	$ 3,905	$ 6,915	$ 12,886	$ 26,345
Additions	26	843	36	693	2,988	4,586
Amortization	(208)	(606)	(1,289)	(3,280)	(4,900)	(10,283)
Impairment	(2)	(14)	—	—	—	(16)
Impact of foreign exchange	—	166	(4)	18	45	225
	$ 1,042	$ 1,802	$ 2,648	$ 4,346	$ 11,019	$ 20,857
As at June 30, 2025						
Cost	$ 7,604	$ 43,715	$ 18,160	$ 25,547	$ 42,901	$ 137,927
Accumulated amortization	(6,586)	(42,620)	(15,549)	(21,222)	(32,487)	(118,464)
Impact of foreign exchange	24	707	37	21	605	1,394
Net book value	$ 1,042	$ 1,802	$ 2,648	$ 4,346	$ 11,019	$ 20,857

10 Intangible assets

(expressed in thousands of Canadian dollars)	Broadcast licenses (1)	Customer relationships and representation agreements	Brands (2)	Production and distribution rights (3)	Software and Other (4)	Total
For the year ended June 30, 2026						
Opening net book value	**$ 204**	**$ 3,773**	**$ 364,579**	**$ 657**	**$ 4,501**	**$ 373,714**
Additions	**—**	**—**	**—**	**90**	**3,096**	**3,186**
Amortization	**(204)**	**(688)**	**(315)**	**(319)**	**(1,573)**	**(3,099)**
Disposals	**—**	**—**	**(370,917)**	**—**	**(3)**	**(370,920)**
Impact of foreign exchange	**—**	**(2)**	**7,891**	**—**	**15**	**7,904**
	$ —	**$ 3,083**	**$ 1,238**	**$ 428**	**$ 6,036**	**$ 10,785**
As at June 30, 2026						
Cost	**$ 255**	**$ 45,231**	**$ 71,974**	**$ 4,676**	**$ 12,851**	**$ 134,987**
Accumulated amortization	**(255)**	**(42,563)**	**(89,442)**	**(4,782)**	**(7,095)**	**(144,137)**
Impact of foreign exchange	**—**	**415**	**18,706**	**534**	**280**	**19,935**
Net book value	**$ —**	**$ 3,083**	**$ 1,238**	**$ 428**	**$ 6,036**	**$ 10,785**
For the year ended June 30, 2025						
Opening net book value	$ 255	$ 8,655	$ 366,281	$ 7,487	$ 4,461	$ 387,139
Additions	—	—	—	178	1,410	1,588
Amortization	(51)	(5,064)	(552)	(1,939)	(1,570)	(9,176)
Impairment	—	—	—	(5,312)	—	(5,312)
Impact of foreign exchange	—	182	(1,150)	243	200	(525)
	$ 204	$ 3,773	$ 364,579	$ 657	$ 4,501	$ 373,714
As at June 30, 2025						
Cost	$ 67,800	$ 45,231	$ 442,891	$ 33,429	$ 9,757	$ 599,108
Accumulated amortization	(67,596)	(41,875)	(89,127)	(33,305)	(5,522)	(237,425)
Impact of foreign exchange	—	417	10,815	533	266	12,031
Net book value	$ 204	$ 3,773	$ 364,579	$ 657	$ 4,501	$ 373,714

(1) All broadcast licenses relate to the operations of WildBrain Television.
(2) Included in Brands are nil of indefinite life intangibles (June 30, 2025 - $363,041).
(3) Comprised of rights acquired by the Company to produce and/or distribute television content where the Company does not own the underlying intellectual properties.
(4) Comprised of software, production backlog and non-compete contracts.

11 Goodwill

The continuity of goodwill is as follows:

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Opening balance	**$**	**28,468**	$	28,545
Disposals		**(22,670)**		
Impact of foreign exchange		**523**		(77)
Ending balance	**$**	**6,321**	$	28,468

Impairment testing of goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets, being certain acquired brands, are tested for impairment annually as at June 30, and whenever there is an indication that the goodwill or an indefinite life intangible asset may be impaired, in accordance with the Company's policy described in Note 3. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the related business combination, being the lowest level within the Company at which goodwill is monitored for internal management purposes and which is not larger than an operating segment.

Effective July 1, 2025, the Company reassessed the level at which goodwill arising on the House of Cool acquisition is monitored for internal management purposes. As a result of the increasing synergies and integration achieved since the acquisition, House of Cool is no longer monitored by management as a separate business and is instead managed and monitored as part of the Company's broader content development and production operations. Accordingly, the Company concluded that the lowest level at which this goodwill is monitored had changed, and it reorganized the composition of its CGUs so that the related goodwill and indefinite life intangible assets are allocated to, and tested for impairment at, the Content Creation CGU, being one level higher than the former House of Cool CGU.

In accordance with IAS 36, because this reorganization changed the composition of one or more CGUs to which goodwill had been allocated, the Company tested the affected goodwill for impairment immediately before the reorganization on the basis of the CGU structure then in place. The recoverable amount of each CGU, determined as the higher of its fair value less costs of disposal and its value in use, exceeded its carrying amount, and no impairment loss was identified. The goodwill was then reallocated to the Content Creation CGU using a relative value approach, and the Company subsequently tested the revised CGU for impairment. The recoverable amount of the Content Creation CGU exceeded its carrying amount and no impairment loss was identified as at June 30, 2026 (June 30, 2025 - no impairment).

The goodwill previously allocated to the Peanuts CGU was derecognized on classification of that business as a discontinued operation, and $22,670 was included in the carrying amount of the disposal group on the sale of the Company's interest in Peanuts. No goodwill remains allocated to the Peanuts or WildBrain Television cash-generating units as at June 30, 2026. As a result of the disposals and in connection with the Company's review of its operating segments (Note 26), the Company further reassessed and revised the composition of its cash-generating units to which goodwill and indefinite life intangible assets are allocated and monitored.

On this revised basis, management has determined that it has six CGUs: i) Content Creation, being the Company's content development and production studios, including the former House of Cool, which carries the Company's remaining goodwill and indefinite-life intangible assets; ii) Distribution, being the traditional and digital distribution and licensing of film and television programs; iii) WildBrain CPLG, which manages copyrights, licensing and brands for third parties; iv) WildBrain Brands, being the monetization of the Company's owned franchise brands; v) Media Solutions, being advertising-sales representation across the Company's ad-supported platforms; and vi) Platform Ad sales, being advertising revenue generated on the Company's owned and curated YouTube, FAST and AVOD channels. Of these CGUs, only the Content Creation CGU carries goodwill and indefinite-life intangible assets. The Distribution, WildBrain CPLG, WildBrain Brands, Media Solutions and Platform Ad sales CGUs do not have any goodwill or indefinite-life intangible assets.

In assessing goodwill and indefinite life intangible assets for impairment, the Company compares the carrying value of its CGU to its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value-in-use. The Company applied the value-in-use approach to determine the recoverable amount of each CGU.

The value-in-use of the Company's Content Creation CGU, were determined by discounting three-year cash flow projections prepared from business plans approved by the Board of Directors, extended for two additional years using industry outlook growth rate assumptions for a total forecast period of five years. The projections reflect management's expectations and best estimate of revenue, profit, and capital expenditures, based on past experience and future expectations of operating performance. Cash flows beyond the five-year period were extrapolated using terminal growth rates to determine the terminal value.

The Company has conducted a sensitivity analysis on the key assumptions used to determine the recoverable amount. Management believes that any reasonably possible change in the assumptions on which the estimates of recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the related CGU.

12 Accounts payable and accrued liabilities

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

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Accounts payable	**$**	**32,431**	$	31,829
Accrued liabilities				
Accrued agency, participation and licensor fees		**38,978**		59,650
Accrued goods and services received		**30,258**		27,935
Accrued people costs		**7,748**		14,465
Accrued interest and loan fees		**—**		10,107
Minimum guarantees payable		**498**		1,531
Other		**1,757**		362
Income tax payable		**6,472**		11,984
	$	**118,142**	$	157,863

13 Credit facilities

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Revolving Facility	**$**	**—**	$	10,914
Term Loan Facility, net of unamortized issue costs of $nil (June 30, 2025 - $14,541		**—**		487,133
Interim production financing(1)		**51,721**		56,472
Total		**51,721**		554,519
Less: amount due within 12 months		**(51,721)**		(136,588)
Amount due beyond 12 months	**$**	**—**	$	417,931

(1) Assignment and direction of specific production financing, licensing contracts receivable and film tax credits receivable have been pledged as security. As at June 30, 2026, the Canadian dollar bank prime rate was 4.70% (June 30, 2025 - 4.95%).

Interim production financing comprises separate production-specific loans with multiple Canadian financial institutions, bearing interest at the Canadian dollar bank prime rate plus 5% and repaid from the related licensing contracts receivable and film tax credits receivable as collected. All amounts outstanding at June 30, 2026 mature within twelve months and are classified as current.

On March 2, 2026, the Company fully repaid all amounts outstanding under its credit agreement consisting of the Term Loan Facility and Revolving Facility for a total cash repayment of $550,748. Subsequent to the repayment, the credit agreement was terminated and no amounts were outstanding as at June 30, 2026.

As a result of the repayment and termination of the facility, the Company is no longer subject to any financial covenants.

In September 2025, the Company and its lenders agreed to an amendment to its credit facilities which modified certain terms including adding additional fees. The Company assessed whether the amendments represented a substantial change in the cash flows associated with the facility and determined that the changes resulted in a modification with a corresponding loss on modification of $16,019. Of the incremental fees, $6,912 were paid immediately.

On March 2, 2026, a loss on debt extinguishment of $1,050 was recorded in Finance costs during the year ended June 30, 2026.

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

14 Share capital

		June 30, 2026		June 30, 2025
(expressed in thousands of Canadian dollars)	**Number**	**Amount**	**Number**	**Amount**
Common shares				
Opening balance	**212,380,753**	**$ 423,371**	206,116,162	$ 415,808
Options exercised	**—**	**—**	716,747	—
Issuance of common shares	**1,484,939**	**1,447**	547,844	1,313
Shares for warrant exercise	**—**	**—**	5,000,000	6,250
Common shares purchased and cancelled	**(1,673,900)**	**$ (3,295)**	—	$ —
Ending balance	**212,191,792**	**$ 421,523**	212,380,753	$ 423,371

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.

On April 8, 2026, the Company launched 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.

As of June 30, 2026, the Company repurchased 1,649,800 common shares at a cost of $2,207 through the NCIB program. Treasury shares of 24,100 were repurchased and deemed cancelled in accordance with International Accounting Standard 32 - Financial Instruments - Presentation ("IAS 32") as of June 30, 2026.

The following table summarizes the Company's activities under the NCIB for the year ended June 30, 2026:

(expressed in thousands of Canadian dollars)	**June 30, 2026**
Common shares repurchased under the NCIB for cancellation (number of shares)	**1,673,900**
Cash consideration paid	**2,207**
Reduction in share capital	**(3,295)**
Discount paid on repurchased and cancelled shares recorded in contributed surplus	**1,088**

Subsequent to the year ended June 30, 2026, the Company repurchased and cancelled 740,700 common shares at a cost of $1,025 through the NCIB program. Treasury shares of 24,100 that were acquired prior to year-end were also cancelle

15 Share-based compensation

Omnibus equity incentive plan ("Omnibus Plan")

As at June 30, 2026, the total amount available for issuance under the Omnibus Plan subject to the 10% maximum was 21,219,000 (June 30, 2025 - at 10% - 20,814,501).

During the year ended June 30, 2026, the Company recognized the following share-based compensation expense with a corresponding adjustment to contributed surplus:

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**Year ended June 30, 2025**
Options	**$**	**290**	$	9
Performance share unit plan ("PSUs")		**(123)**		687
Restricted share unit plan ("RSUs")		**2,383**		2,207
Deferred share unit plan ("DSUs")		**1,616**		1,673
	$	**4,166**	$	4,576

Options

As at June 30, 2026 and 2025, the Company had the following stock options outstanding:

	Number of options		**Weighted average exercise price per stock option**
Outstanding at June 30, 2025	**798,500**	**$**	**1.62**
Granted	**1,970,582**		**1.33**
Forfeited	**(798,500)**		**1.62**
Outstanding at June 30, 2026	**1,970,582**	**$**	**1.33**
Exercisable at June 30, 2026	**1,970,582**	**$**	**1.33**
Outstanding at June 30, 2024	1,911,000	$	2.71
Issued	450,000		1.51
Expired	(662,500)		5.27
Exercised	(900,000)		1.51
Outstanding at June 30, 2025	798,500	$	1.62
Exercisable at June 30, 2025	798,500	$	1.62

The range of exercise prices for options outstanding at June 30, 2026 and 2025, is presented below.

	Number outstanding at June 30, 2026	Weighted average remaining contractual life in years	Weighted average exercise price	Number outstanding at June 30, 2025	Weighted average exercise price
Range of exercise prices					
$1.30 - $3.49	**1,970,582**	**6.61**	**$ 1.33**	798,500	$ 1.62
Total	**1,970,582**	**6.61**	**$ 1.33**	798,500	$ 1.62

Performance share unit plan ("PSUs")

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

		Year ended
(Number of share per unit plan)	**June 30, 2026**	**June 30, 2025**
Outstanding, beginning of year	**2,192,508**	1,890,163
Granted	**482,812**	717,345
Forfeited	**(814,122)**	(415,000)
Exercised	**(494,346)**	—
Outstanding, end of year	**1,366,852**	2,192,508

Restricted share unit plan ("RSUs")

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

		Year ended
(Number of share per unit plan)	**June 30, 2026**	**June 30, 2025**
Outstanding, beginning of year	**4,088,815**	2,227,137
Granted	**1,448,159**	3,065,526
Forfeited	**(1,357,169)**	(147,831)
Exercised	**(1,591,862)**	(1,056,017)
Outstanding, end of year	**2,587,943**	4,088,815

Deferred share unit plan ("DSUs")

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

		Year ended
(Number of share per unit plan)	**June 30, 2026**	**June 30, 2025**
Outstanding, beginning of year	**4,235,744**	3,008,691
Granted	**738,998**	1,227,053
Exercised	**(1,413,845)**	—
Outstanding, end of year	**3,560,897**	4,235,744

16 Government financing and assistance

The continuity of amounts receivable from the Canadian federal government and other government agencies is as follows:

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Opening balance	**$**	**71,726**	$	66,643
Additions		**26,471**		39,537
Collections		**(27,845)**		(34,454)
Closing balance	**$**	**70,352**	$	71,726

Amounts receivable from the Canadian federal government and other government agencies in connection with production financing represented 33% of total amounts receivable at June 30, 2026 (June 30, 2025 - 29%). These amounts receivable are presented as current assets and are part of the normal operating cycle of the Company, which can be greater than 12 months. Certain of these amounts are subject to audit by Canada Revenue Agency.

The Company adjusts amounts receivable from the Canadian federal government and other government agencies including federal and provincial tax credits receivable, quarterly and yearly, for any known differences arising from internal or external audit of these balances. There were no material adjustments for the year ended June 30, 2026.

Additionally, during the year ended June 30, 2026, the Company collected $123 (June 30, 2025 - $1,941) in relation to non-repayable contributions from the Canadian Media Fund license fee program.

17 Write-down of certain Investments in film and television programs, Acquired and library content, and Intangible assets

The write-downs reflect the weaker than expected revenue performance and current market conditions for the brands and titles impaired in library that the Company invested into prior to 2025 and the Company's change in capital allocation strategy.

The following table illustrates the impairment charges recorded:

				Year ended
(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Intangibles assets	**$**	**—**	$	5,312
Acquired and library content		**5,527**		17,043
Investment in film assets		**15,291**		31,118
	$	**20,818**	$	53,473

18 Income taxes

Significant components of the Company's net deferred income tax asset as at June 30, 2026 and June 30, 2025 are as follows:

(expressed in thousands of Canadian dollars)		**June 30, 2026**	**June 30, 2025**
Non-capital losses and other		**52,518**	32,505
Intangible assets		**14,981**	(13,939)
Reserves		**5,180**	6,484
Share issuance costs, deferred financing fees and financial instruments		**3,666**	6,658
Foreign tax credits		**(191)**	10,866
Property and equipment		**(1,151)**	(326)
Foreign currency related balances		**(2,679)**	(1,980)
Investment in film and television programs and acquired and library content		**(23,930)**	(16,558)
Other	**$**	**1,276**	(933)
Net deferred income tax asset	**$**	**49,670**	22,777

The recognition of Canadian, US and UK net operating losses is dependent upon future taxable income and the ability, under Canadian, US and UK tax law, to utilize its net operating losses. In 2026, the Company utilized previously unrecognized deferred tax assets in Canada of $48,903 in connection with the sale of Peanuts. The transaction has resulted in a taxable gain that provided sufficient Canadian taxable profit to support the utilization of previously unrecognized Canadian tax loss carryforwards.

Based on the current forecast of Canadian taxable income, it is probable that certain losses may not be utilized. The deferred tax asset not recognized of $36,796 (June 30, 2025 - $63,161), relates primarily to the Canadian non-capital loss carry forwards which begin to expire in the 2033 taxation year and restricted interest and financing expenses which does not expire. The non-recognition of the deferred tax asset does not constrain the Company's ability to utilize it against future income.

Deferred income tax liability has not been recognized for the withholding tax and other taxes that would be payable on unremitted earnings of certain subsidiaries, as such amounts are permanently reinvested. Unremitted earnings totaled $14,859 as at June 30, 2026 (June 30, 2025 - $75,065). As at June 30, 2026, the Company has an unrecognized deferred tax asset of $19,043 in respect of restricted interest and financing expense.

The reconciliation of income taxes computed at the statutory tax rates to income tax recovery is as follows:

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Income tax expense based on combined federal and provincial tax rates of 27% (June 30, 2025 - 27%)	**$**	**(25,914)**	$	(37,364)
Income taxes expense (recovery) by:				
Non-capital losses not recognized		**15,342**		20,303
Other		**(18)**		(71)
Provision to return adjustment		**(206)**		(108)
Tax rate differential		**(374)**		1,683
Non-deductible expenses		**(3,030)**		(1,660)
Tax basis adjustments(1)		**(8,245)**		—
Recovery of income taxes	**$**	**(22,445)**	$	(17,217)

(1) As a result of the Company's restructuring of certain of its US domiciled entities prior to the sale of Peanuts, the tax basis of certain owned IP was adjusted.

The Company operates in multiple jurisdictions with differing tax rates. The Company's effective tax rates are dependent on the jurisdiction to which income relates.

19 Non-controlling interest

The Company's non-controlling interest as at June 30, 2026 was a deficit of $2,051 (June 30, 2025 - $253,705). The June 30, 2025 balance related primarily to the Company's former subsidiary, Peanuts.

On March 2, 2026, the Company completed the sale of its 41% interest in Peanuts (Note 5). Prior to the sale, notwithstanding its 41% interest, the Company controlled Peanuts through its majority voting control of the Board of Managers and its management of the day-to-day operations of Peanuts, and accordingly consolidated 100% of Peanuts with an adjustment for non-controlling interest. Upon completion of the sale, the Company lost control of Peanuts, ceased consolidating its results, and derecognized the associated non-controlling interest of $272,076. Peanuts has been presented as a discontinued operation for the year ended June 30, 2026 (Note 5). As a result of the disposal, no non-controlling interest relating to Peanuts remains recognized as at June 30, 2026.

The residual non-controlling interest deficit of $2,051 at June 30, 2026 relates to other consolidated subsidiaries.

During the year ended June 30, 2026, the Company paid distributions of $32,880 (June 30, 2025 - $39,534). This is reflected in the consolidated statements of cash flows. Peanuts was deconsolidated on March 2, 2026, and as a result, distributions to the Peanuts non-controlling interest ceased at that time.

20 Finance costs, net

Net finance cost (income) comprise the following:

				Year ended
(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Finance cost (income)				
Interest and accretion on long-term debt	**$**	**52,715**	$	58,517
Loss on modification and extinguishment of debt and write-down of unamortized issue costs		**17,069**		6,313
Interest expense on bank indebtedness		**3,453**		2,590
Interest on completed and released productions		**1,529**		1,923
Amortization of deferred financing fees		**889**		3,625
Accretion on convertible debentures, exchangeable debentures, lease liabilities and other		**870**		2,883
Interest income		**(508)**		(2,630)
	$	**76,017**	$	73,221

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

21 Expenses by nature

The following sets out the expenses by nature:

(expressed in thousands of Canadian dollars)	Note		June 30, 2026		Year ended June 30, 2025
Content, distribution, marketing, and other costs		**$**	**134,538**	$	163,999
Selling, general and administrative:					
Salaries and employee benefits		**$**	**66,867**	$	61,069
Office and administrative			**14,792**		14,954
Professional and regulatory			**7,982**		6,712
Investor relations and marketing			**975**		1,070
		$	**90,616**	$	83,805
Reorganization, development and other expense:					
Reorganization, development and other expenses(1)		**$**	**8,820**	$	6,221
Restructuring and people costs			**1,376**		5,008
		$	**10,196**	$	11,229
Amortization of property and equipment and intangible assets		**$**	**11,513**	$	18,289
Amortization of acquired and library content			**3,027**		4,690
Write-down of investment in film and television programs, acquired and library content, and intangible assets	17		**20,818**		53,473
Share-based compensation	15		**4,166**		4,576
Finance costs, net	20		**76,017**		73,221
Impact of foreign exchange			**(7,397)**		2,436
		$	**108,144**	$	156,685
		$	**343,494**	$	415,718

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

(expressed in thousands of Canadian dollars)		June 30, 2026		Year ended June 30, 2025
M&A, refinancing, and other corporate initiatives	**$**	**7,705**	$	2,548
Development and content impairments		**484**		2,339
Other		**631**		1,334
	$	**8,820**	$	6,221

22 Management of financial risks and financial instruments

The financial risks arising from the Company's operations include credit, interest rate, liquidity, currency and market risk. These risks arise from the normal course of operations. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a) Credit risk

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

The maximum exposure to credit risk for cash and trade receivables (excluding government, film tax credit, and interest rate swap receivables) approximates the amounts recorded on the consolidated balance sheets of $241,770 (June 30, 2025 - $258,398). The Company manages credit risk on cash and cash equivalents by ensuring that the counterparties are banks, governments and government agencies with high credit ratings.

The balance of trade receivables is mainly with streamers, consumer product licenses, toy companies and large international content distributions. Management manages credit risk by assessing new customers' creditworthiness and regularly reviewing aged accounts receivable. Management also determines the loss allowance for trade receivables by categorizing customers into risk groups and applying provision percentages based on historical loss rates and judgment. The allowance represents approximately 6.0% of current receivables (June 30, 2025 - 4.0%). Long-term receivables are only offered to large international linear and digital broadcasters with a good payment history.

b) Interest rate risk

The Company's interest rate risk primarily relates to its interim production financing, Revolving Facility, Term Facility and cash which are subject to interest rate benchmarks that fluctuate such SOFR rate, bankers' acceptance rates and other applicable interest rate benchmarks. The Revolving Facility and Term Facility were fully paid in Q3 2026 and the Company no longer has remaining exposure to interest rate risk on these facilities as at June 30, 2026.

The Company periodically enters into interest rate swaps to manage the cost of interest. Management will continue to monitor the interest rate risk closely and take appropriate measures as necessary. Changes in the estimated fair value of the interest rate swap are recorded through the Company’s consolidated statement of income (loss). The interest rate swap terminated June 28, 2024 and there is no interest rate swap for year ended June 30, 2026.

An increase of 100 basis points in interest rates during the year ended June 30, 2026 would have decreased pre-tax net income by $517 (June 30, 2025 - $5,545).

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity by regularly preparing cash flow forecasts, continuously monitoring actual and projected cash flows, and matching the maturity profile of financial assets and liabilities.

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

(expressed in thousands of Canadian dollars)	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Payments Due by Period					
Accounts payable and accrued liabilities	$ **118,142**	$ **118,142**	$ **—**	$ **—**	$ **—**
Interim production financing	**51,721**	**51,721**	**—**	**—**	**—**
Other long-term liabilities	**204**	**—**	**204**	**—**	**—**
Lease liabilities	**12,969**	**7,625**	**3,626**	**1,678**	**40**
Total Contractual Obligations	$ **183,036**	$ **177,488**	$ **3,830**	$ **1,678**	$ **40**

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

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

As at June 30, 2026 the Company had an unrestricted cash balance of $89,163 and current amounts receivable of $211,470 (June 30, 2025, $68,871 and $248,058 respectively). Based on the Company's cash balances, expected collection of trade and other receivables and forecast operating results, management believes it will be able to fulfill its financial obligations as they become due.

d) 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 its foreign exchange risk across its portfolio of currencies, which are primarily denominated in Canadian dollars, US dollars ("US$") and British Pound Sterling ("GBP").

A 1% strengthening of Canadian dollars against the foreign currency balances held by the Company at June 30, 2026 would have increased pre-tax net income by $2,163 (June 30, 2025 - increased pre-tax net income by $1,129).

Fair value of financial instruments

Financial instruments recorded at fair value on the consolidated balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1	Valuation based on quoted prices observed in active markets for identical assets and liabilities.
Level 2	Valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Valuation techniques with significant unobservable market inputs.

A financial instrument is classified to the lowest of the hierarchy for which a significant input has been considered in measuring fair value.

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

Financial assets and (liabilities) measured at fair value

				As at
		June 30, 2026		**June 30, 2025**
(expressed in thousands of Canadian dollars)	**Fair value hierarchy**	**Fair value(1)**	**Fair value hierarchy**	**Fair value(1)**
Derivative liability - Foreign currency forwards	**Level 2**	**—**	Level 2	(106)
Derivative asset - Foreign currency forwards	**Level 2**	**31**	Level 2	96

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

As at June 30, 2026, the Company held forward contract options with the following notional value and average contractual exchange rates:

US$ exchange for Canadian dollars	
Less than one year	**US$3,120 to US$3,120**
Weighted average rate	**1.3670**

The Company does not apply hedge accounting and the forward contract options are measured at fair value at each reporting date. The estimated fair value of the forward contract options as at June 30, 2026, was an asset of $31 and a liability of $nil (June 30, 2025 - asset of $96 and a liability of $106), which have been included in derivative assets and derivative liabilities, respectively, in the consolidated balance sheet.

During the year ended June 30, 2026, the Company entered into a foreign exchange forward contract to manage exposure to foreign currency fluctuations related to the proceeds from the sale of Peanuts. During the year ended June 30, 2026, a loss of $2,441 (June 30, 2025 -$nil) was recognized within Foreign exchange (gain) loss.

Financial assets and liabilities not measured at fair value

The carrying amount of all financial instruments presented in the consolidated financial statements approximate their fair values due to their short-term nature, as the effect of discounting over the short period to settlement is not significant.

23 Income or loss per common share

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

				Year ended
(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Net income (loss) attributable to shareholders of the Company	**$**	**369,967**	$	(89,814)
Weighted average number of common shares outstanding (in 000's) - Basic		**213,702**		211,908
Weighted average number of common shares outstanding (in 000's) - Diluted		**213,702**		211,908
Basic and diluted income (loss) per common share attributable to shareholders of the Company(1)	**$**	**1.73**	$	(0.42)
Net loss from continuing operations attributable to shareholders of the Company	**$**	**(74,928)**	$	(121,578)
Weighted average number of common shares outstanding (in 000's) - Diluted		**213,702**		211,908
Basic and diluted loss per common share from continuing operations(1)	**$**	**(0.35)**	$	(0.57)
Net income from discontinued operations attributable to shareholders of the Company	**$**	**444,895**	$	31,764
Weighted average number of common shares outstanding (in 000's) - Basic		**213,702**		211,908
Weighted average number of common shares outstanding (in 000's) - Diluted		**213,702**		211,908
Basic and diluted income per common share from discontinued operations	**$**	**2.08**	$	0.15

(1) During the years ended June 30, 2026 and June 30, 2025, the diluted weighted average number of common shares outstanding was the same as the basic weighted average number of common shares outstanding, as the Company had a net loss from continuing operations attributable to shareholders of the Company and all potential dilutive instruments were anti-dilutive. Basic and diluted loss per share are calculated using an adjusted denominator as shown above.

24 Capital disclosures

The Company's objectives when managing capital are to provide an adequate return to shareholders, safeguard its assets, maintain a competitive cost structure and continue as a going concern in order to pursue the development, production, distribution and licensing of its film.

Following the full repayment and termination of the Company's credit agreement on March 2, 2026, and other than normal-course interim production financing, the Company has no borrowings outstanding as at June 30, 2026. The Company's available cash resources are retained to fund operations and general corporate purposes.

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

(expressed in thousands of Canadian dollars)		**June 30, 2026**		**June 30, 2025**
Total bank indebtedness and long-term debt, excluding interim production financing	**$**	**—**	$	498,047
Less: Cash		**(89,163)**		(68,871)
Net debt		**(89,163)**		429,176
Total shareholders' equity		**263,905**		165,040
	$	**174,742**	$	594,216

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

25 Consolidated statement of cash flows - supplementary information

Net change in non-cash balances related to operations

(expressed in thousands of Canadian dollars)		June 30, 2026		June 30, 2025
(Increase) decrease in amounts receivable	**$**	**(2,783)**	$	31,233
Decrease (increase) in prepaid expenses and other		**1,054**		(2,247)
(Increase) decrease in long-term amounts receivable		**(32,772)**		13,782
Increase in accounts payable and accrued liabilities		**10,418**		4,962
Decrease in deferred revenue		**(2,484)**		(19,377)
Net change in non-cash balances	**$**	**(26,567)**	$	28,353

Net change in film and television programs

(expressed in thousands of Canadian dollars)		June 30, 2026		June 30, 2025
Net change in development costs[(1)]	**$**	**(1,355)**	$	3,049
Net additions to productions in progress and productions completed and released[(1)]		**(35,629)**		(70,187)
Additions to program and film rights - broadcasting		**—**		(5,908)
Amortization of film and television programs		**35,953**		81,388
Amortization of program and film rights - broadcasting		**—**		6,284
Net change in film and television programs	**$**	**(1,031)**	$	14,626

(1) Net change in development costs is presented net of federal and provincial film and television tax credits and other government assistance recognized in the period, net of write-downs of amounts previously capitalized, and net of development costs transferred to productions in progress. Additions to productions in progress and productions completed and released are presented on the same basis and are also net of write-offs of amounts previously capitalized.

Net change in interim production financing[(1)]

(expressed in thousands of Canadian dollars)		June 30, 2026		June 30, 2025
Proceeds from interim production financing	**$**	**28,270**	$	50,877
Repayment of interim production financing		**(33,021)**		(53,506)
	$	**(4,751)**	$	(2,629)

(1) There were no changes in cash flow for interim production financing related to discontinued operations

Supplemental cash flow information

(expressed in thousands of Canadian dollars)		June 30, 2026		June 30, 2025
Taxes paid	**$**	**(1,848)**	$	(1,417)
Taxes refunded		**250**		1,749
	$	**(1,598)**	$	332

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

(expressed in thousands of Canadian dollars)	Term facility	Lease liabilities	Total
Balance - June 30, 2025	**$ 487,133**	**$ 19,539**	**$ 506,672**
Repayments	**(517,739)**	**(8,508)**	**(526,247)**
Payment of debt issue costs	**(6,912)**	**—**	**(6,912)**
Total financing cash flow activities	**(524,651)**	**(8,508)**	**(533,159)**
Amortization of deferred financing costs	**889**	**—**	**889**
Lease liabilities additions	**—**	**567**	**567**
Interest paid on lease liabilities	**—**	**(1,054)**	**(1,054)**
Accretion expense	**18,943**	**1,054**	**19,997**
Impact of foreign exchange	**1,667**	**116**	**1,783**
Loss on modification and write-down of unamortized issue costs	**16,019**	**—**	**16,019**
Reclassification of lease liability to discontinued operation	**—**	**(1,887)**	**(1,887)**
Total other activities	**37,518**	**(1,204)**	**36,314**
Balance - June 30, 2026	**$ —**	**$ 9,827**	**$ 9,827**

(expressed in thousands of Canadian dollars)	Term facility	Senior unsecured convertible debentures	Lease liabilities	Total
Balance - June 30, 2024	$ 371,301	$ 138,434	$ 24,954	$ 534,689
Proceeds	504,947	—	—	504,947
Repayments	(381,252)	(140,000)	(8,688)	(529,940)
Payment of debt issue costs	(18,166)	—	—	(18,166)
Total financing cash flow activities	105,529	(140,000)	(8,688)	(43,159)
Amortization of deferred financing costs	3,625	240	—	3,865
Lease liabilities additions	—	—	3,156	3,156
Interest paid on lease liabilities	—	—	(1,501)	(1,501)
Accretion expense	—	1,327	1,501	2,828
Impact of foreign exchange	365	(1)	117	481
Loss on modification and write-down of unamortized issue costs	6,313	—	—	6,313
Total other activities	10,303	1,566	3,273	15,142
Balance - June 30, 2025	$ 487,133	$ —	$ 19,539	$ 506,672

26 Revenues and segmented information

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

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

In evaluating performance, the Chief Operating Decision Maker ("CODM"), defined as the Company's President and CEO, and CFO, reviews the operating results of the Company's operating segments to assess and allocate resources.

Changes in reportable segments

Prior to the second quarter of fiscal 2026, the Company reported three reportable segments, being 1) Content Creation and Audience Engagement; 2) Global Licensing; and 3) Canadian Television Broadcasting.

During the second quarter of fiscal 2026, the Company's Canadian Television Broadcasting business ceased operations and its broadcast licenses were formally revoked by the CRTC on October 31, 2025. As it represents a separate major line of business, the results of the Canadian Television Broadcasting business are presented as discontinued operations effective Q2 2026 (see Note 5) and are excluded from segmented information for all periods presented. As a result, the Company's segments were reduced to 1) Content Creation and Audience Engagement; and 2) Global Licensing.

On March 2, 2026, the Company completed the sale of its 41% stake in Peanuts, which was previously included in both the Content Creation and Audience Engagement and Global Licensing segments. The results of Peanuts are presented as discontinued operations (see Note 5), and the segment disclosures have been retrospectively adjusted to exclude the Peanuts results from segmented information for all periods presented.

As a result of ceasing the Canadian Television Broadcasting business in Q2 2026 and the sale of Peanuts in Q3 2026, in the fourth quarter of fiscal 2026, the information regularly reviewed by the CODM to make decisions about resources to be allocated to segments and to assess performance changed, and the operating segments were revised on a retrospective basis.

Effective for the year ended June 30, 2026, the Company reports three reportable segments, being 1) Franchise & Global Licensing; 2) Content; and 3) WildBrain Network. The former Content Creation and Audience Engagement segment has been separated into the Content segment (content development and production) and the WildBrain Network segment (advertising-supported audience engagement), while franchise-management activities are now reported together with the Company's licensing agency within the Franchise & Global Licensing segment. Corresponding segment information for the comparative period has been restated to conform to the current period's presentation. These changes in segment composition had no effect on the Company's consolidated results, financial position or cash flows.

Certain operating segments have been aggregated into reportable segments where they share similar long-term economic characteristics and are similar in the nature of their products and services, production processes, class of customer, distribution methods and regulatory environment.

The Company's three reportable segments are described below:

1) Franchise & Global Licensing — includes the management and monetization of owned and partner brands through consumer products licensing, franchise management, global partnerships and location-based entertainment. The segment includes the licensing revenues of our franchise IP, primarily Strawberry Shortcake and Teletubbies, and WildBrain CPLG, which is a licensing agency, with a portfolio of owned and third-party brands across key global markets.

2) Content — Content includes the creative development, production and distribution of premium animation, live-action and digital-first content for owned and partner brands.

3) WildBrain Network — WildBrain Network comprises the Company's digital distribution and advertising businesses across YouTube, FAST and AVOD platforms.

The CODM reviews the operating results of these segments before the elimination of intersegment transactions and reviews both Segment Gross Margin and Segment Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") in the assessment of segment operating performance. Unallocated corporate items are presented within a single reconciling row, "Corporate & Other selling, general and administrative," rather than being allocated to the reportable segments and are described below:

Corporate & Other selling, general and administrative— head-office and public-company costs that are not allocated to the reportable segments, including corporate executive, finance, treasury and legal functions, listing and other public-company costs, certain shared-service and information-technology costs, and other unallocated items including IFRS 16 property lease adjustments that are managed centrally and are not reviewed by the CODM.

Revenues and Content, distribution, marketing and other costs as presented below, exclude the elimination of internal trading between the reportable segments, principally internal distribution revenue and costs, inter-studio production service revenue and production costs, and internal royalties charged by the segment that owns the underlying intellectual property to the segments that exploit it, together with other group-level consolidation adjustments that are not reflected in the segment results reviewed by the CODM, principally.

								Year ended June 30, 2026
(expressed in thousands of Canadian dollars)		**Franchise & Global Licensing**		**Content**		**WildBrain Network**		**Total**
Revenues[1]	$	87,674	$	114,728	$	46,638	$	249,040
Content, distribution, marketing, and other costs[1]		11,618		93,680		32,573		137,871
Segment Gross Margin	$	76,056	$	21,048	$	14,065	$	111,169
Selling, general and administrative		54,023		12,926		15,547		82,496
Segment Adjusted EBITDA	$	22,033	$	8,122	$	(1,482)	$	28,673
Corporate & Other selling, general and administrative								8,120
Share-based compensation								4,166
Amortization of property and equipment and intangible assets								11,513
Amortization of acquired and library content								3,027
Write-down of investment in film and television programs, acquired and library content and intangible assets								20,818
Finance costs, net								76,017
Foreign exchange gain								(7,397)
Reorganization, development and other expenses								10,196
Loss from continuing operations before income taxes							$	(97,787)

(1) Revenues and content, distribution, marketing, and other costs are shown gross of consolidation adjustments and eliminations of $(3,333).

(expressed in thousands of Canadian dollars)	Franchise & Global Licensing	Content	WildBrain Network	Total
				Year ended June 30, 2025
Revenues[1]	$ 68,979	$ 156,509	$ 51,573	$ 277,061
Content, distribution, marketing, and other costs[1]	9,933	119,504	37,589	167,026
Segment Gross Margin	$ 59,046	$ 37,005	$ 13,984	$ 110,035
Selling, general and administrative	47,768	13,792	13,915	75,475
Segment Adjusted EBITDA	$ 11,278	$ 23,213	$ 69	$ 34,560
Corporate & Other selling, general and administrative				8,330
Share-based compensation				4,576
Amortization of property and equipment and intangible assets				18,289
Amortization of acquired and library content				4,690
Write-down of investment in film and television programs, acquired and library content and intangible assets				53,473
Finance costs, net				73,221
Foreign exchange loss				2,436
Reorganization, development and other expenses				11,229
Loss from continuing operations before income taxes				$ (141,684)

(1) Revenues and content, distribution, marketing, and other costs are shown gross of consolidation adjustments and eliminations of $(3,027).

The following table presents the Company's disaggregated revenues, net of intercompany eliminations, recognized from contracts with customers:

		Year ended
(expressed in thousands of Canadian dollars)	**June 30, 2026**	**June 30, 2025**
Timing of revenue recognition		
At a point in time(1)		
Content	**$ 8,560**	$ 28,357
	$ 8,560	$ 28,357
Over time		
Franchise & Global Licensing	**$ 84,341**	$ 65,952
Content (including royalties)	**106,168**	128,152
WildBrain Network	**46,638**	51,573
	$ 237,147	$ 245,677
	$ 245,707	$ 274,034

(1) All revenues recognized at a point in time relate to Content.

Disaggregated revenues		
Licensing revenues and commissions	**$ 83,282**	$ 64,683
Distribution, music, and other revenue	**10,599**	37,484
Production revenue	**105,188**	120,294
Advertising revenue	**46,638**	51,573
	$ 245,707	**$ 274,034**

The following table presents the Company's revenues, property and equipment, intangible assets and goodwill by geographic location. Revenue is attributed based on where the contracting entity resides rather than the location of the customer; assets are attributed based on their location:

(expressed in thousands of Canadian dollars)	**June 30, 2026**	**June 30, 2025**
Revenue		
Canada	**$ 82,587**	$ 97,526
USA	**39,900**	30,434
UK	**112,118**	135,522
Rest of the world	**11,102**	10,552
	$ 245,707	$ 274,034
Property and equipment		
Canada	**$ 9,102**	$ 14,183
USA	**368**	2,270
UK	**—**	—
Rest of the world	**3,255**	4,404
	$ 12,725	$ 20,857
Intangible assets		
Canada	**$ 7,300**	$ 5,978
USA	**549**	363,794
UK	**—**	—
Rest of the world	**2,936**	3,942
	$ 10,785	$ 373,714
Goodwill		
Canada	**$ 6,321**	$ 6,320
USA	**—**	22,148
UK	**—**	—
Rest of the world	**—**	—
	$ 6,321	$ 28,468

27 Commitments and contingencies

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

28 Subsequent events

Acquisition of Personality AI

On August 24, 2026, subsequent to the year ended June 30, 2026, the Company acquired 100% of the outstanding shares of Personality AI Inc ("Personality AI"), a developer of interactive AI-enabled experiences for children. The acquisition supports the Company's franchise and licensing strategy by enabling new forms of fan engagement with the Company's owned and partner brands.

The transaction will be accounted for as a business combination under IFRS 3, Business Combinations, with the Company obtaining control on August 24, 2026. Closing consideration comprised of approximately US$11.0 million in cash, subject to customary working capital adjustments and holdbacks, and 1,000,000 common shares of the Company. The vendors are also entitled to additional consideration of US$2.0 million on the first anniversary of closing, payable in up to 1,000,000 common shares with any balance in cash, and performance-based cash consideration of up to US$56.0 million contingent on the Personality AI business achieving specified revenue targets in calendar 2027, 2028 and 2029. All common shares issued as consideration are subject to a six-month lock-up.

Given the proximity of the acquisition date to the date these consolidated financial statements were authorized for issuance, the initial accounting for the business combination is incomplete. The Company has not completed the determination of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed, including identifiable intangible assets and related deferred tax effects, and accordingly the disclosures required by IFRS 3.B64 cannot be made. This information will be disclosed in the Company's interim condensed consolidated financial statements for the three months ending September 30, 2026.

The acquisition is a non-adjusting event after the reporting period under IAS 10, Events after the Reporting Period, and no amounts have been recognized in these consolidated financial statements in respect of the transaction.