


**Q1 2027**

# Management Discussion and Analysis of Financial Condition and Results of Operation For the Three Months ended September 30, 2026 and September 30, 2025

## MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion & Analysis ("MD&A") dated as of November 11, 2026 presents an analysis of the consolidated financial condition of WildBrain Ltd. and its subsidiaries (together referred to as "WildBrain", the "Company", "we", "our" or "us") as at September 30, 2026 compared to June 30, 2026, and the consolidated results of operations for the three months ended September 30, 2026 compared with the corresponding three months ended September 30, 2025. This MD&A should be read in conjunction with the Company's interim condensed consolidated financial statements (unaudited) and related notes for the period ended September 30, 2026. Unless otherwise noted, the financial information reported herein is derived from the interim condensed consolidated financial statements (unaudited), which are prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), and are presented in thousands of Canadian Dollars, except per share amounts and as otherwise indicated. Some figures and percentages may not total exactly due to rounding.

This MD&A refers to certain financial measures that are not determined in accordance with IFRS Accounting Standards. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to our interim condensed consolidated financial statements (unaudited). The Company discusses these measures because it believes that they assist the reader in better understanding operations and key financial results.

WildBrain is a public company whose Common Shares are traded on the Toronto Stock Exchange ("TSX") under the ticker 'WILD'. Headquartered in Toronto, Canada, WildBrain has offices worldwide.

Further information about the Company can be found on our website at www.wildbrain.com or on SEDAR+ at www.sedarplus.ca.

### Caution Regarding Forward-Looking Statements

Certain statements contained in this MD&A and documents referenced herein constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities legislation (collectively herein referred to as "forward-looking statements"), including the provincial securities legislation in Canada. These statements relate to future events or future performance and reflect the Company’s expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of the Company and its subsidiaries. Forward looking statements are often, but not always, identified by the use of words such as "may", "would", "could", "will", "should", "expect", "expects", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "pursue", "continue", "seek", or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the Company's or any of its subsidiaries’ objectives, plans and goals, including those related to future operating results, financial performance, and the markets and industries in which the Company operates are or involve forward-looking statements. Specific forward-looking statements in this document include, but are not limited to:

- the business strategies, operational activities, and strategic priorities of WildBrain and its subsidiaries;
- management's financial targets and priorities, and the future financial and operating performance, projections, and goals of the Company and its subsidiaries, including revenue and adjusted EBITDA;
- plans for use of capital and excess cash flow;
- the timing for implementation of certain business strategies and other operational activities of WildBrain;
- the markets and industries, including competitive conditions, in which WildBrain operates, including the market and demand for content and strategies of streaming platforms;
- legal and regulatory changes and potential impacts on WildBrain and the markets and industries in which it operates;
- the value, prospects and opportunities of the Company and its assets and businesses;
- WildBrain’s production and deal pipeline and projects in development;
- the ability of the Company to license its content into numerous markets repeatedly;

- the positioning and ability of the Company to monetize its library, content, assets and other business lines;
- the growth and proliferation of digital/non-linear distribution of media content;
- the activation of the Company's IP and results and benefits therefrom;
- investments, acquisitions and other growth opportunities, use of capital for such opportunities and expected returns and benefits therefrom;
- the Company's medium-term outlook, including management's expectations regarding Adjusted EBITDA growth and Free Cash Flow generation through Fiscal 2029;
- management's expectations regarding the contribution of owned-brand licensing, content and advertising revenue to medium-term growth, including expected improvements in operating leverage, scalability and the expected moderation of investment spending; and
- the timing of closing of acquisitions and divestitures.

Forward-looking statements are based on factors and assumptions that management believes are reasonable at the time they are made, but a number of assumptions may prove to be incorrect, including, but not limited to, assumptions about: (i) the Company's future operating results, (ii) the expected pace of expansion of the Company's operations, (iii) future general economic and market conditions, including debt and equity capital markets and the availability of financing on acceptable terms, (iv) the impact of increasing competition on the Company and industry mergers and acquisitions on the Company, (v) changes in the industries and changes in laws and regulations related to the industries in which the Company operates, (vi) consumer and customer preferences, (vii) the ability of the Company to execute on and integrate acquisition and other growth strategies and opportunities and realize the expected benefits therefrom, (viii) the ability of the Company to execute production, distribution, licensing and other revenue-generating arrangements, (ix) the availability of investment opportunities at acceptable valuations and the ability of the Company to execute on such investment opportunities, (x) interest and foreign exchange rates, (xi) the timing for commencement and completion of productions, (xii) the ability of the Company and its partners to execute on its brand plans and consumer products programs, (xiii) changes in the markets and industries in which the Company operates and the ability of the Company to adapt to such changes, (xiv) changes to YouTube and in advertising markets, (xv) the ability of the Company to commercialize consumer products related to its brands, (xvi) the current geopolitical landscape, (xvii) the impact of direct and indirect tariffs on the business including tariffs on the production of non-US produced content, (xviii) general economic and industry growth rates, (xix) the economic impact of any potential recession on consumer behavior and advertising sales, (xx) the expected pace and trajectory of owned-brand licensing revenue growth, (xxi) advertising market conditions supporting the assumed revenue scaling of the WildBrain Network, and (xxii) the expected moderation of incremental investment spending following Fiscal 2027. Although the forward-looking statements contained in this MD&A and any documents incorporated by reference herein are based on what the Company considers to be reasonable assumptions based on information currently available to the Company, there can be no assurances that actual events, performance, or results will be consistent with these forward-looking statements and these assumptions may prove to be incorrect.

Forward-looking statements are inherently subject to risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections, or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. A number of known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, product development and acceptance, the ability of the Company to acquire, the ability of the Company to achieve its medium-term Adjusted EBITDA and Free Cash Flow targets, develop and exploit entertainment properties, dependence on key third party relationships and partnerships with buyers, the Company's ability to source IP and creative talent who can develop IP, consumer and customer preferences, and audience acceptance of the Company's shows and other IP, competition and competitor activities, the potential impact of industry mergers and acquisitions, the ability of the Company to execute on its strategy, the ability of the Company to identify and execute production, distribution and licensing arrangements, termination or renegotiation of contracts, and contractual counterparty risk, litigation or regulatory or arbitral action, unauthorized disclosure of confidential, proprietary or sensitive information, cybersecurity and informational technology incidents and issues, internal conflicts of interest, financial reporting and other public company regulatory obligations and potential errors therein, the ability of the Company to attract and retain talent, reliance on key personnel, risks relating to the Company's exposure to advertising revenues through YouTube and

the ability of the Company to attract and realize on advertising revenues, including through YouTube and on other platforms, adverse publicity, risks related to doing business internationally, interest rate risk and interest and foreign exchange rate fluctuations, the reliance of the Company on the Internet and other technologies to continue to conduct its business, technology changes, intellectual property infringement and other claims, the ability of the Company to exploit its content library, access to capital, maintaining effective internal controls, equity capital markets risk and market share price fluctuations, loss of Canadian status, access to and existence of tax credits, subsidies, co-production treaties and other government incentives, the availability of acquisition and investment opportunities at acceptable valuations and the ability to execute on and integrate such opportunities, production risks, financial risks and dilution from the Company's capital requirements, strikes and labour relations, changes in the regulatory environment, general economic and market segment conditions, the direct and indirect impact of tariffs, market factors, and catastrophic events and circumstances, including epidemics, pandemics or other public health crises, including impacts on the consumer products and retail sectors through supply chain disruptions. In evaluating these forward-looking statements, investors and prospective investors should specifically consider these and various other risks, uncertainties and other factors which may cause actual events, performance, or results to differ materially from any forward-looking statement.

This is not an exhaustive list of the factors that may affect any of the Company's forward-looking statements. Please refer to a discussion of the above and other risk factors related to the business of the Company and the industry in which it operates that will continue to apply to the Company, which are discussed in the Company's Annual Information Form ("AIF") for the year ended June 30, 2026 filed on www.sedarplus.ca and in this MD&A below under the "Risk Assessment" section.

These forward-looking statements are made as of the date of this MD&A or, in the case of documents referenced herein, as of the date of such documents, and the Company does not intend, and does not assume any obligation, to update or revise them to reflect new events or circumstances, except in accordance with applicable securities laws. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements.

## Business Overview

WildBrain is a global leader in family entertainment, building and growing a portfolio of brands that includes Strawberry Shortcake, Teletubbies, Yo Gabba Gabba!, Inspector Gadget and Degrassi. The Company brings its brands to audiences through licensing, consumer products, and AI experiences; content production and distribution; and audience reach and advertising sales.

WildBrain CPLG, the Company's global licensing and consumer products arm, represents the Company's owned and partner brands across major territories worldwide. WildBrain's award-winning studio develops and produces content for its owned brands and third-party partners. WildBrain Network operates more than 1,000 channels across YouTube, FAST and AVOD platforms, providing audience development and content distribution capabilities and connecting advertisers to audiences at scale through brand-safe media solutions. Personality AI creates bespoke, kids-safe AI experiences for beloved entertainment characters.

## Operating Segments

The Company reports three reportable segments: Franchise & Global Licensing, Content and WildBrain Network (refer to Note 26 of the audited consolidated financial statements for the year ended June 30, 2026). This structure reflects how management evaluates performance, allocates resources and manages the business. Comparative financial information was recast to conform to this structure effective for the year ended June 30, 2026, and the Company's Fiscal 2027 guidance and Fiscal 2028–2029 outlook are presented on the same basis.

WildBrain operates through the following three reportable segments:

***Franchise & Global Licensing***

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; WildBrain CPLG, one of the world's leading licensing agencies, representing a diverse portfolio of owned and third-party brands across key global markets; and Personality AI (PAI), our proprietary capability for creating kid-safe, generative AI-powered character experiences. Revenue is generated on our franchises primarily through royalties and minimum guarantees arising from the licensing of the company's franchise IP to licensees across consumer product categories. Segment revenue also includes commission revenue generated by WildBrain CPLG's representation of owned and third-party brands across its global network of offices, and revenue from the development, deployment, licensing and operation of PAI character experiences.

***Content***

Content includes the creative development, production and distribution of premium animation, live-action and digital-first content for owned and partner brands. The segment generates revenue from proprietary productions, service work for third parties, content distribution, library licensing and other content-related activities. Through its integrated creative and production capabilities, including House of Cool, WildBrain develops content that supports franchise growth, serves global content platforms and responds to evolving audience demand.

***WildBrain Network***

WildBrain Network comprises the Company's digital distribution and advertising businesses across YouTube, FAST and AVOD platforms. Revenue is generated primarily through the monetization of the Company's owned and operated digital channels, including advertising revenues generated by WildBrain's direct ad sales team and advertising revenues generated by third party platforms like YouTube, and FAST and AVOD platforms. The segment also generates revenue through sponsorships, digital marketing services and paid media campaigns. WildBrain Network generates billions of minutes of viewings each month and provides valuable audience insights that support franchise, content and licensing strategies across the Company.

***Corporate & Other***

Consolidation adjustments and intersegment eliminations principally include the elimination of internal trading between the reportable segments, mainly internal royalties charged by the segment that owns the underlying intellectual property to the segments that exploit it, and inter-segment production-service revenue and production costs, together with other group-level consolidation adjustments not reflected in the segment results reviewed by the CODM.

Corporate & Other includes 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 on a segment basis.

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

In October 2025, the Company ceased its Canadian Television Broadcasting business (WildBrain Television), and on March 2, 2026, the Company completed the sale of its 41% interest in Peanuts Holdings LLC. The results of these businesses are presented as discontinued operations.

The Company continues to provide licensing-agency, content-production and content-distribution services relating to Peanuts under multi-year arrangements. Revenue and expenses from these services are included in continuing operations within Franchise & Global Licensing (licensing agency) and Content (content production and distribution).

## Strategy

WildBrain is a franchise-led company focused on creating, growing and monetizing beloved kids' and family brands across a global ecosystem spanning Franchise & Global Licensing, Content and WildBrain Network.

The Company's strategy is centered on building long-term franchise value by activating intellectual property across consumer products, content and digital audiences. Through this integrated approach, WildBrain seeks to expand consumer engagement, increase retail sales, grow licensing revenue and create multiple monetization opportunities for both owned and partner brands.

Within Franchise & Global Licensing, the Company focuses on growing owned franchises, expanding strategic partnerships and scaling the global reach of WildBrain CPLG. Through Content, the Company develops, produces and distributes premium content that drives audience engagement and supports franchise growth. Through WildBrain Network, the Company engages audiences at scale across YouTube, FAST and AVOD platforms while generating advertising revenue and valuable audience insights.

Together, these capabilities create a flywheel. The Company seeks to use the reach of the WildBrain Network and the appeal of its content to drive awareness and engagement for owned and partner brands. Increased brand awareness is intended to support licensing, advertising and distribution opportunities across the Company’s operating segments and enhance the long-term value of its intellectual property portfolio.

## Capital Allocation

The Company remains focused on disciplined capital allocation and generating attractive returns on invested capital, while pursuing profitable growth and sustainable cash flow generation.

Consistent with its strategy, the Company allocates capital to support growth across Franchise & Global Licensing, Content and WildBrain Network, while retaining the flexibility to return capital to shareholders when management believes doing so will create long-term shareholder value. The Company’s capital-allocation priorities are to:

- Invest in franchise marketing programs and content for the Company's owned franchises to drive awareness and engagement of these franchises, which underpins growth in new categories, markets and territories for our own brands, and ultimately drives growth in Adjusted EBITDA[1];
- Invest in the growth and scalability of the Company's operating infrastructure and technology platform to support the continued growth of the flywheel;
- Pursue selective acquisitions that strengthen the Company's franchise portfolio or operating capabilities and are expected to create long-term shareholder value;
- Return capital to shareholders through share repurchases when management believes the Company's shares trade below their intrinsic value; and
- Maintain the Company's capital expenditure program to support normal-course investment across studio facilities, office leaseholds and information technology infrastructure.

The Company evaluates each use of capital against its expected return on invested capital and its potential to create long-term shareholder value, and adjusts the pace and mix of its capital deployment as circumstances warrant.

Following the sale of the Company's 41% interest in Peanuts and the full repayment of its Senior Secured Credit Facility, the Company entered fiscal 2027 with a strengthened balance sheet and increased financial flexibility. This position, together with the expected cash generation of the continuing business, provides capacity to increase investment in franchise marketing, content, technology and operating infrastructure, pursue selective acquisitions and return capital to shareholders through share repurchases.

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

During Q1 2027, the Company continued to deploy capital across these priorities through increased franchise marketing, new content and technology initiatives, the acquisition of Personality AI and share repurchases under its normal course issuer bid and announced the substantial issuer bid.

## Fiscal Year 2027 Outlook

Fiscal 2027 represents an investment year for WildBrain, in which the Company expects to rebuild growth across each of its operating segments while making concentrated investments that management believes will strengthen the Company's long-term competitive position. The Company expects revenue of $270 to $295 million and Adjusted EBITDA[1] of $28 to $32 million, representing year-over-year growth of 15% and 44% at the midpoint respectively, driven by growth across all segments.

The expected improvement from the Company's Fiscal 2026 results is based on several factors. Within Franchise & Global Licensing, management expects growth from owned-brand licensing programs, including Strawberry Shortcake and Teletubbies. Continued investment in content and franchise marketing for these brands is expected to support broader consumer-products programs across categories, markets and territories. This investment is expected to reduce Franchise & Global Licensing profitability in Fiscal 2027, with the related licensing revenue expected to develop over subsequent periods. The timing and amount of those returns will depend on licensee adoption, retail placement, consumer demand and the timing of product launches. WildBrain CPLG is expected to continue to scale its global reach, notwithstanding near-term impacts from changes in certain partner relationships, with management focused on expanding the Company's roster of owned and partner brands across key regions.

Within Content, the Company expects a rebound in production revenue with a number of green-lit shows across live action and animation expected to drive revenue and Adjusted EBITDA[1] growth. Distribution and content sales are expected to remain an important contributor to segment profitability.

Within the WildBrain Network, management believes there is a meaningful opportunity to recapture advertising demand within the kids' and family category as the broader media landscape evolves. Management expects growth in total advertising revenue, supported by investment in direct sales capabilities and the continued monetization of inventory through third-party platforms.

SG&A is expected to grow ahead of advertising revenue in Fiscal 2027, resulting in a near-term drag on segment profitability. As advertising revenue grows, management expects improved operating leverage and increased margin dollars in subsequent periods.

The Company is undertaking a multi-year investment in its technology platform and operating infrastructure, including targeted projects involving data, enterprise systems and automation. Operating expenses and capital expenditures associated with these initiatives will be reflected in Adjusted EBITDA[1] and Free Cash Flow[1], respectively, in accordance with the Company's definitions of those measures. Costs recorded in reorganization, development and other expenses will be excluded from Adjusted EBITDA[1] to the extent provided by the Company's definition and reconciliation of Adjusted EBITDA[1]. Management expects the investment to support greater operating scalability and a more moderate rate of growth in corporate costs over time, although the timing and amount of the resulting efficiencies may vary.

Operating cash flow generated by the continuing business is expected to fund a portion of the Company's planned investment in franchise marketing, content, technology and operating infrastructure. The Company's available cash balance provides additional capacity for these investments, selective acquisitions and share repurchases.

The Company expects Free Cash Flow[1], as defined under "Non-GAAP Financial Measures," to be negative in Fiscal 2027, reflecting approximately $30 million of planned investment in franchise marketing and content, technology and operating infrastructure, and leasehold and other capital expenditures. Acquisitions and share repurchases are not included in the Company's definition of Free Cash Flow[1] and will be reported separately as investing or financing activities, as applicable.

Absent these planned investments, the Company expects the continuing business to generate positive Free Cash Flow[1] in Fiscal 2027.

## Medium Term Outlook

As the Company shifts its business mix toward higher-margin consumer-products licensing and scales the WildBrain Network's advertising sales capabilities, management expects improvements in Adjusted EBITDA[1] and Free Cash Flow[1] generation. Beyond Fiscal 2027, management expects Adjusted EBITDA[1] to approximately double from the midpoint of its Fiscal 2027 outlook by the end of Fiscal 2029.

Within Franchise & Global Licensing, management expects owned-brand licensing to be the principal contributor to higher-margin revenue growth through Fiscal 2029. As licensing programs typically develop over multiple periods, management expects a portion of the commercial benefits from the content and franchise marketing activity in Fiscal 2027 to be realized in Fiscal 2028 and Fiscal 2029. WildBrain CPLG is also expected to contribute through the continued scaling of its owned- and partner-brand portfolio.

Beyond Fiscal 2027, management expects Content to contribute through project deliveries, distribution and content sales, and disciplined project selection. Results may vary between periods due to production schedules, financing, delivery dates and the timing of distribution transactions. Accordingly, Content's contribution through Fiscal 2029 is expected to be less linear than that of owned-brand licensing and advertising revenue.

As advertising revenue scales, management expects the investments made in direct-sales and marketing capabilities during Fiscal 2027 to support improved operating leverage and increased margin dollars through Fiscal 2029. The pace of improvement will depend on advertiser demand, campaign timing, inventory availability, platform performance and the Company's ability to monetize its audience.

Following the elevated investment program described in the Fiscal 2027 outlook, management expects incremental investment spending to moderate as current initiatives are completed. Management also expects its technology and operating-infrastructure investments to support improved operating scalability over time.

The expected combination of higher-margin licensing revenue, growth in advertising revenue, improved operating leverage and moderating incremental investment underpins management's Adjusted EBITDA[1] outlook through Fiscal 2029. Free Cash Flow[1] is expected to improve as Adjusted EBITDA[1] grows and incremental investment moderates, although results will vary with working capital, production financing, content investment and capital expenditures.

## Financial Highlights for the Quarter Ended September 30, 2026 ("Q1 2027")

### Highlights for continuing operations

- Revenues from continuing operations increased to $58.3 million in Q1 2027, compared to $57.9 million in Q1 2026, an increase of $0.4 million or 1%.

- Franchise & Global Licensing revenue increased to $19.7 million in Q1 2027, an increase of 5%, compared with $18.8 million in Q1 2026. The increase reflected continued growth in owned-brand licensing royalties, led by Strawberry Shortcake, and higher distribution revenue on Teletubbies under a broadcaster licensing arrangement, partially offset by lower licensing agency revenues at WildBrain CPLG following the conclusion of a partner-brand representation arrangement, which was partly mitigated by growth in the Peanuts licensing program.

- Content revenue was $28.5 million in Q1 2027, a decrease of 1%, compared to $28.9 million in Q1 2026. The decrease in Q1 2027 revenue was driven by lower distribution, music and other revenue, as the prior year quarter benefited from a significant content sale and passive consumer products royalties on a partner-brand arrangement that has since concluded. This was partially offset by higher live-action production activity, with a live-action series in production in the current quarter and no equivalent in the prior year.

- WildBrain Network revenue was $11.7 million in Q1 2027, an increase of 7%, compared to $10.9 million in Q1 2026. The increase in Q1 2027 revenue was driven by growth in platform advertising revenue, principally on FAST and AVOD platforms, with direct advertising revenue broadly consistent with the prior year.

- Gross margin[1] percentage for Q1 2027 was 42%, compared with a gross margin percentage of 45% in Q1 2026, reflecting a shift in Content revenue mix toward production revenue and away from high-margin distribution and partner-brand royalty revenues, and increased franchise marketing investment, partially offset by improved margins in WildBrain Network.

- SG&A costs for Q1 2027 were $22.5 million, compared to $22.1 million for Q1 2026, an increase of $0.4 million or 2%, with higher general costs.

- Net loss from continuing operations attributable to Shareholders of the Company was $6.6 million in Q1 2027, a decrease in net loss of $32.8 million, compared to net loss of $39.5 million in Q1 2026.

- Adjusted EBITDA from continuing operations attributable to Shareholders of the Company[1] was $2.0 million in Q1 2027, compared with $4.1 million in Q1 2026, a decrease of $2.1 million or 52% as a result of lower gross margin in Content, reflecting the shift in revenue mix toward production and lower distribution revenues, and lower licensing agency revenues at WildBrain CPLG, partially offset by improved results in WildBrain Network.

- On September 29, 2026, the Company announced a substantial issuer bid (the "SIB") to purchase for cancellation Common Shares for an aggregate purchase price not exceeding $20.0 million. No Common Shares had been purchased under the SIB as of September 30, 2026. The SIB expired on November 3, 2026, and subsequently the Company took up and paid for 13,793,103 Common Shares at a price of $1.45 per share for consideration of $20.0 million.

- The Company repurchased 1,006,300 Common Shares at a cost of $1.5 million through the Company's normal course issuer bid ("NCIB") program. Purchases under the NCIB were suspended during the SIB.

- On August 24, 2026, the Company acquired a 100% interest in Personality AI Inc ("Personality AI"), a developer of kid-safe, conversational character AI experiences for IP owners and their licensing partners, for closing consideration of approximately $15.5 million in cash, $1.4 million consideration paid in Common Shares, and deferred consideration of $2.5 million. The vendors may receive further performance-based cash consideration of up to US$56 million in aggregate, contingent on Personality AI achieving certain revenue targets in calendar 2027, 2028 and 2029. The estimated acquisition-date fair value of this contingent consideration was provisionally determined to be $0.6 million, based on the Company's assessment of the likelihood of achieving the revenue targets. The acquisition supports the Company's Franchise & Global Licensing segment by adding complementary capabilities and offerings to licensors enabling them to provide bespoke child-safe models of their IP characters to customers.

## SUMMARY OF SELECTED CONSOLIDATED FINANCIAL INFORMATION

The summary consolidated financial information set out below for the periods ended September 30, 2026, and September 30, 2025 has been derived from the Company's interim condensed consolidated financial statements (unaudited) and accompanying notes and can be found on WildBrain's website at www.wildbrain.com and on SEDAR+ at www.sedarplus.ca.

**The following information should be read in conjunction with the above-mentioned statements and the related notes.**

| *(expressed in thousands of Canadian dollars)* | **September 30, 2026** | **September 30, 2025** |
|---|---|---|
| **Consolidated Statements of income (loss) Data:** | | |
| Revenues | **$ 58,338** | $ 57,943 |
| Content, distribution, marketing and other costs | **33,846** | 31,818 |
| Gross margin[1] | **24,492** | 26,125 |
| Selling, general, and administrative expenses | **22,540** | 22,133 |
| Share-based compensation | **1,404** | 1,255 |
| Amortization, finance costs and other expenses | **7,484** | 41,733 |
| Income tax (recovery) expense | **(273)** | 615 |
| Net (loss) from continuing operations | **(6,663)** | (39,611) |
| Net income from discontinued operations | **—** | 18,845 |
| Net (loss) for the period | **(6,663)** | (20,766) |
| Net loss from continuing operations attributable to non-controlling interests | **(33)** | (154) |
| Net income from discontinued operations attributable to non-controlling interests | **—** | 12,017 |
| Net (loss) income from operations attributable to non-controlling interests | **(33)** | 11,863 |
| Net loss from continuing operations attributable to the shareholders of the Company | **(6,630)** | (39,457) |
| Net income from discontinued operations attributable to shareholders of the Company | **—** | 6,828 |
| Net (loss) attributable to the Shareholders of the Company | **(6,630)** | (32,629) |
| | | |
| Basic and Diluted loss per common share from continuing operations | **$ (0.03)** | $ (0.19) |
| Basic income per common share from discontinued operations | **$ —** | $ 0.03 |
| Diluted income per common share from discontinued operations | **$ —** | $ 0.03 |
| Basic (loss) per common share attributable to the shareholders' of the Company | **$ (0.03)** | $ (0.15) |
| Diluted (loss) per common share attributable to the shareholders' of the Company | **$ (0.03)** | $ (0.15) |
| **Weighted average Common Shares outstanding (in 000s)** | | |
| Basic | **212,039** | 211,908 |
| Diluted | **212,039** | 211,908 |
| **Other Key Performance Measures (including discontinued operations):** | | |
| Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company[1] | **1,976** | 4,100 |
| Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company[1] | **—** | 16,779 |
| Cash flow (used in) provided by operating activities | **(13,937)** | 14,051 |
| Free Cash Flow[1] | **(13,605)** | (11,130) |

| *(expressed in thousands of Canadian dollars)* | **As at September 30, 2026** | As at **June 30, 2026** |
|---|---|---|
| **Consolidated Balance Sheet Data:** | | |
| Total assets | **470,827** | 463,799 |
| Total liabilities | **211,875** | 199,894 |
| Total equity | **258,952** | 263,905 |

(1) Gross Margin, Adjusted EBITDA attributable to the Shareholders of the Company, and Free Cash Flow are non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

## SUMMARY OF SELECTED CONSOLIDATED QUARTERLY INFORMATION

WildBrain's results may vary on a quarterly basis due to the timing of production deliveries and distribution deals as well as seasonality in AVOD and consumer products licensing businesses. Historically, WildBrain's first quarter is the lightest (during summer months). WildBrain's second and third quarters tend to be stronger as our main markets are geared towards the fall and winter months, especially during the holiday season. Additionally, the timing of material content licensing agreements can impact WildBrain's results from quarter to quarter.

**Selected Quarterly Financial Information for Continuing Operations**

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

| | **Fiscal 2027** | | | | **Fiscal 2026** | | | **Fiscal 2025** |
|---|---|---|---|---|---|---|---|---|
| *(expressed in thousands of Canadian dollars except per share data)*[1] | **Q1 30-Sept** | **Q4 30-Jun** | **Q3 31-Mar** | **Q2 31-Dec** | **Q1 30-Sept** | **Q4 30-Jun** | **Q3 31-Mar** | **Q2 31-Dec** |
| Revenues from continuing operations | **$ 58,338** | $ 54,967 | $ 61,195 | $ 71,602 | $ 57,943 | $ 77,391 | $ 72,885 | $ 65,069 |
| Gross margin from continuing operations[1] | **24,492** | 21,186 | 27,950 | 35,908 | 26,125 | 31,566 | 23,766 | 31,184 |
| Net (loss) income from continuing operations attributable to the Shareholders of the Company | **(6,630)** | 4,463 | (19,881) | (20,053) | (39,457) | 6,243 | (18,611) | (86,388) |
| Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company[1] | **1,976** | (3,952) | 5,796 | 14,859 | 4,100 | 8,081 | 4,246 | 11,546 |
| Weighted average Common Shares outstanding (in 000s) | | | | | | | | |
| Basic | **212,039** | 213,833 | 213,661 | 213,639 | 211,908 | 212,654 | 212,214 | 212,131 |
| Diluted | **212,039** | 213,833 | 213,661 | 213,639 | 211,908 | 212,817 | 212,214 | 212,131 |
| Basic (loss) income per common share | **$ (0.03)** | $ 0.02 | $ (0.09) | $ (0.09) | $ (0.19) | $ 0.03 | $ (0.09) | $ (0.41) |
| Diluted (loss) income per common share | **$ (0.03)** | $ 0.02 | $ (0.09) | $ (0.09) | $ (0.19) | $ 0.03 | $ (0.09) | $ (0.41) |

(1) Gross Margin and Adjusted EBITDA attributable to the Shareholders of the Company is a non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

**Selected Quarterly Financial Information for discontinued operations**

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

| | **Fiscal 2027** | | | | **Fiscal 2026** | | | **Fiscal 2025** |
|---|---|---|---|---|---|---|---|---|
| *(expressed in thousands of Canadian dollars except per share data)*[1] | **Q1 30-Sept** | **Q4 30-Jun** | **Q3 31-Mar** | **Q2 31-Dec** | **Q1 30-Sept** | **Q4 30-Jun** | **Q3 31-Mar** | **Q2 31-Dec** |
| Revenues from discontinued operations | **$ —** | $ — | $ 42,071 | $126,293 | $ 67,584 | $ 61,732 | $ 67,262 | $ 67,996 |
| Gross margin from discontinued operations[1] | **—** | — | 17,394 | 56,322 | 37,343 | 31,690 | 39,087 | 33,124 |
| Net (loss) income from discontinued operations attributable to the Shareholders of the Company | **—** | (14,930) | 433,370 | 19,628 | 6,828 | 3,302 | 4,798 | 11,477 |
| Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company[1] | **—** | 52 | 5,448 | 22,569 | 16,779 | 16,543 | 21,852 | 14,703 |
| Weighted average Common Shares outstanding (in 000s) | | | | | | | | |
| Basic | **212,039** | 213,833 | 213,661 | 213,639 | 211,908 | 212,654 | 212,214 | 212,131 |
| Diluted | **212,039** | 213,833 | 213,661 | 213,639 | 211,908 | 212,817 | 212,214 | 212,131 |
| Basic (loss) income per common share | **$ —** | $ (0.07) | $ 2.03 | $ 0.09 | $ 0.03 | $ 0.02 | $ 0.02 | $ 0.05 |
| Diluted (loss) income per common share | **$ —** | $ (0.07) | $ 2.03 | $ 0.09 | $ 0.03 | $ 0.02 | $ 0.02 | $ 0.05 |

(1) Gross Margin and Adjusted EBITDA attributable to the Shareholders of the Company is a non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

## Operating Segment Trend Analysis

| *(expressed in thousands of Canadian dollar)* | Fiscal 2027 Q1 30-Sept | Q4 30-Jun | Q3 31-Mar | Q2 31-Dec | Q1 30-Sept | Fiscal 2026 Total | Q4 30-Jun | Q3 31-Mar | Fiscal 2025 Q2 31-Dec |
|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | |
| Franchise & Global Licensing | $ 19,675 | $ 15,600 | $ 28,074 | $ 25,245 | $ 18,755 | $ 87,674 | $ 18,543 | $ 16,592 | $ 19,612 |
| Content | 28,519 | 29,180 | 24,618 | 32,020 | 28,910 | 114,728 | 48,675 | 46,573 | 28,423 |
| WildBrain Network | 11,696 | 11,455 | 9,082 | 15,192 | 10,909 | 46,638 | 10,822 | 10,741 | 17,788 |
| Consolidation adjustments and eliminations | (1,552) | (1,268) | (579) | (855) | (631) | (3,333) | (649) | (1,021) | (754) |
| **Revenues Total** | **$ 58,338** | **$ 54,967** | **$ 61,195** | **$ 71,602** | **$ 57,943** | **$ 245,707** | **$ 77,391** | **$ 72,885** | **$ 65,069** |
| **Content, distribution, marketing, and other costs** | | | | | | | | | |
| Franchise & Global Licensing | (1,902) | (3,821) | (3,087) | (3,050) | (1,660) | (11,618) | (2,805) | (1,523) | (1,641) |
| Content | (26,513) | (23,665) | (24,150) | (23,005) | (22,860) | (93,680) | (34,774) | (41,170) | (20,958) |
| WildBrain Network | (6,983) | (7,563) | (6,587) | (10,494) | (7,929) | (32,573) | (8,895) | (7,447) | (12,040) |
| Consolidation adjustments and eliminations | 1,552 | 1,268 | 579 | 855 | 631 | 3,333 | 649 | 1,021 | 754 |
| **Content, distribution, marketing, and other costs Total** | **$ (33,846)** | **$ (33,781)** | **$ (33,245)** | **$ (35,694)** | **$ (31,818)** | **$ (134,538)** | **$ (45,825)** | **$ (49,119)** | **$ (33,885)** |
| **Gross Margin[1]** | **$ 24,492** | **$ 21,186** | **$ 27,950** | **$ 35,908** | **$ 26,125** | **$ 111,169** | **$ 31,566** | **$ 23,766** | **$ 31,184** |
| **Selling, general and administration** | | | | | | | | | |
| Franchise & Global Licensing | (13,212) | (15,329) | (13,459) | (12,183) | (13,052) | (54,023) | (13,640) | (10,944) | (11,651) |
| Content | (2,826) | (3,444) | (3,346) | (3,083) | (3,053) | (12,926) | (3,750) | (3,515) | (3,072) |
| WildBrain Network | (4,366) | (4,037) | (3,671) | (3,750) | (4,089) | (15,547) | (3,825) | (3,538) | (3,057) |
| **Segment Adjusted EBITDA[1]** | **4,088** | **(1,624)** | **7,474** | **16,892** | **5,931** | **28,673** | **10,351** | **5,769** | **13,404** |
| Consolidation adjustments and eliminations | 1,079 | 1,236 | 1,356 | 1,353 | 1,257 | 5,202 | 973 | 1,006 | 939 |
| Corporate Costs | (3,215) | (3,690) | (3,064) | (3,372) | (3,196) | (13,322) | (3,087) | (3,298) | (2,614) |
| **Total Selling, general and administrative** | **$ (22,540)** | **$ (25,264)** | **$ (22,184)** | **$ (21,035)** | **$ (22,133)** | **$ (90,616)** | **$ (23,329)** | **$ (20,289)** | **$ (19,455)** |
| **Adjusted EBITDA from continuing operations before non-controlling interest[1]** | **$ 1,952** | **$ (4,078)** | **$ 5,766** | **$ 14,873** | **$ 3,992** | **$ 20,553** | **$ 8,237** | **$ 3,477** | **$ 11,729** |

(1) Gross Margin and Adjusted EBITDA are non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

**Results for the three months ended September 30, 2026 ("Q1 2027") compared to the three months ended September 30, 2025 ("Q1 2026") from Continuing Operations**

**Operating Segment Results**

Results from continuing operations by operating segment was comprised of the following:

***Franchise & Global Licensing Segment***

| (expressed in thousands of Canadian dollars) | Q1 2027 | Q1 2026 | Variance ($) | Variance (%) |
|---|---|---|---|---|
| Licensing revenues and commissions | 17,692 | 18,008 | (316) | (2) % |
| Distribution, music and other revenue | 1,983 | 747 | 1,236 | 165 % |
| **Revenue** | **19,675** | **18,755** | **920** | **5 %** |
| Distribution, marketing and other costs | 1,062 | 884 | 178 | 20 % |
| Content costs | 840 | 776 | 64 | 8 % |
| **Cost of Sales** | **1,902** | **1,660** | **242** | **15 %** |
| **Segment Gross margin[1]** | **17,773** | **17,095** | **678** | **4 %** |
| **Gross margin %** | **90 %** | **91 %** | **(1)%** | **(1)%** |
| Selling, general, and administration expenses | 13,212 | 13,052 | 160 | 1 % |
| **Segment Adjusted EBITDA[1]** | **4,561** | **4,043** | **$ 518** | **13 %** |

Franchise & Global Licensing revenue increased $0.9 million, or 5% to $19.7 million in Q1 2027, compared to $18.8 million in Q1 2026. The increase in Q1 2027 revenue was driven by growth in owned-brand licensing royalties, led by Strawberry Shortcake, and higher distribution revenue on Teletubbies under a broadcaster licensing arrangement, partially offset by lower licensing agency revenues at WildBrain CPLG following the conclusion of a partner-brand representation arrangement, which was partly mitigated by growth in the Peanuts licensing program.

Distribution, music and other revenue increased to $2.0 million in Q1 2027, compared to $0.7 million in Q1 2026 due principally to distribution revenue on Teletubbies under a licensing arrangement with a broadcaster, together with higher internal royalties arising from the exploitation of owned brands within the Content and Network segments.

Franchise & Global Licensing gross margin was $17.8 million in Q1 2027, compared with $17.1 million in Q1 2026, an increase of $0.7 million, or 4%. Gross margin increased overall despite lower licensing agency revenues and higher franchise marketing investments due to growth in owned-brand royalties. Gross margin percentage for Q1 2027 was 90%, compared to 91% in Q1 2026, driven by the slightly higher marketing and content costs.

SG&A expenses for the Franchise & Global Licensing segment in Q1 2027 were $13.2 million, compared to $13.1 million for Q1 2026. The increase reflects the inclusion of Personality AI from August 24, 2026, largely offset by lower variable compensation.

Adjusted EBITDA[1] from Franchise & Global Licensing was $4.6 million in Q1 2027, compared with $4.0 million in Q1 2026, an increase of $0.5 million as the growth in owned-brand royalties was partially offset by lower licensing agency revenues at WildBrain CPLG, higher franchise marketing investment and the inclusion of Personality AI from August 24, 2026.

[1] Segment Gross Margin and Segment Adjusted EBITDA is a non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

***Content Segment***

| *(expressed in thousands of Canadian dollars)* | Q1 2027 | Q1 2026 | Variance ($) | Variance (%) |
|---|---|---|---|---|
| Production revenue | $ 27,343 | $ 25,596 | $ 1,747 | 7 % |
| Distribution, music and other revenue | 1,176 | 3,314 | (2,138) | (65) % |
| **Revenue** | **28,519** | **28,910** | **(391)** | **(1)%** |
| Content costs | 26,191 | 22,717 | 3,474 | 15 % |
| Distribution, marketing and other costs | 322 | 143 | 179 | 125 % |
| **Cost of sales** | **26,513** | **22,860** | **3,653** | **16 %** |
| **Segment Gross margin[1]** | **2,006** | **6,050** | **(4,044)** | **(67)%** |
| **Gross margin %** | **7 %** | **21 %** | **(14)%** | **(67)%** |
| Selling, general and administration | 2,826 | 3,053 | (227) | (7) % |
| **Segment Adjusted EBITDA[1]** | **(820)** | **2,997** | **(3,817)** | **(127)%** |

Content revenue decreased $0.4 million, or 1% to $28.5 million in Q1 2027, compared with $28.9 million in Q1 2026. Revenue in the quarter reflected higher production revenue, partially offset by lower distribution, music and other revenue.

Production revenue increased $1.7 million to $27.3 million in Q1 2027, compared with $25.6 million in Q1 2026. Production revenue increased as a result of higher live-action production activity, with a live-action series in production in the current quarter and no equivalent in the prior year, partially offset by lower animation production revenue following the completion of the Peanuts feature film and the timing of animation production schedules.

Distribution, music and other revenue decreased $2.1 million to $1.2 million in Q1 2027, compared with $3.3 million in Q1 2026. Distribution, music, and other revenue decreased as a result of the prior year quarter including a significant content sale with no equivalent in the current quarter, and lower passive consumer products royalties on partner brands, including the conclusion of a partner-brand arrangement.

Content gross margin[1] was $2.0 million in Q1 2027, compared with $6.1 million in Q1 2026. The gross margin decrease was driven by the lower distribution and partner-brand royalty revenues, which carry a high margin, together with a shift in production title mix. Gross margin percentage for Q1 2027 was 7%, compared to 21% in Q1 2026, driven by the shift in revenue mix toward production revenue.

SG&A expenses for the Content segment were $2.8 million in Q1 2027, compared to $3.1 million in Q1 2026.

Adjusted EBITDA[1] from Content was a loss of $0.8 million in Q1 2027, compared with $3.0 million in Q1 2026, a decrease of $3.8 million as a result of the lower gross margin, partially offset with lower SG&A.

[1] Segment Gross Margin and Segment Adjusted EBITDA is a non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

***WildBrain Network Segment***

| *(expressed in thousands of Canadian dollars)* | Q1 2027 | Q1 2026 | Variance ($) | Variance (%) |
|---|---|---|---|---|
| **Advertising revenues** | **$ 11,696** | **$ 10,909** | **$ 787** | **7 %** |
| Distribution, marketing and other costs | 4,186 | 3,816 | 370 | 10 % |
| Content costs | 2,797 | 4,113 | (1,316) | (32) % |
| **Cost of sales** | **6,983** | **7,929** | **(946)** | **(12)%** |
| **Segment Gross margin[1]** | **4,713** | **2,980** | **1,733** | **58 %** |
| **Gross margin %** | **40 %** | **27 %** | **13 %** | **48 %** |
| Selling, general and administration | 4,366 | 4,089 | 277 | 7 % |
| **Segment Adjusted EBITDA[1]** | **347** | **(1,109)** | **1,456** | **131 %** |

WildBrain Network revenue increased $0.8 million, or 7% to $11.7 million in Q1 2027, compared with $10.9 million in Q1 2026. Revenue in the quarter was driven by growth in platform advertising revenue on FAST and AVOD platforms and on YouTube, where new channel partnerships offset the conclusion of a partner relationship at the end of calendar 2025; direct advertising revenue was broadly consistent with the prior year.

WildBrain Network gross margin[1] was $4.7 million in Q1 2027, compared with $3.0 million in Q1 2026. The gross margin increase was driven by higher advertising revenues. Gross margin percentage for Q1 2027 was 40%, compared to 27% in Q1 2026, driven by lower content costs, including internal royalties, relative to the higher revenue base.

SG&A expenses for the WildBrain Network segment in Q1 2027 were $4.4 million, compared to $4.1 million for Q1 2026, an increase of $0.3 million or 7% primarily due to continued investment in the direct advertising sales team.

Adjusted EBITDA[1] from WildBrain Network was $0.3 million in Q1 2027, compared with $(1.1) million in Q1 2026, an increase of $1.5 million driven by higher advertising revenues and lower content costs, partially offset by higher SG&A.

*Consolidation adjustments and eliminations and Corporate Costs*

Consolidation adjustments and eliminations and corporate costs were $(2.1) million in Q1 2027, compared to $(1.9) million in Q1 2026.

*Share-Based Compensation*

Share-based compensation was an expense of $1.4 million in Q1 2027, compared with expense of $1.3 million for Q1 2026, an increase of $0.1 million.

*Amortization*

Total amortization of acquired and library content, property and equipment ("P&E") including right-of-use assets, and intangible assets was $3.5 million for Q1 2027, compared with $3.6 million in Q1 2026.

Amortization of acquired and library content was consistent at $0.7 million in Q1 2027 and Q1 2026.

Depreciation of P&E was consistent at $2.2 million in Q1 2027 and Q1 2026.

Amortization of intangible assets was $0.6 million in Q1 2027, compared with $0.8 million in Q1 2026.

[1] Segment Gross Margin and Segment Adjusted EBITDA is a non-GAAP financial measures, see "Non-GAAP Financial Measures" section of this MD&A for their respective definitions as well as a reconciliation to GAAP measures.

*Reorganization, Development and Other*

| *(expressed in thousands of Canadian dollars)* | Q1 2027 | Q1 2026 | Variance ($) | Variance (%) |
|---|---|---|---|---|
| M&A, refinancing, and other corporate initiatives | $ 1,240 | $ 331 | $ 909 | 275 % |
| Technology and infrastructure initiatives | 277 | — | 277 | n/a |
| Restructuring and people costs | 473 | 530 | (57) | (11) % |
| Other | 58 | — | 58 | n/a |
| **Total reorganization, development and other** | **2,048** | **861** | **$ 1,187** | **138 %** |

Reorganization, Development and Other expenses were $2.0 million in Q1 2027, compared to $0.9 million in Q1 2026, an increase of $1.2 million. M&A, refinancing, and other corporate initiatives were $1.2 million in Q1 2027 compared to $0.3 million in Q1 2026 primarily due to acquisition transaction costs incurred for Personality AI of $0.7 million in the current quarter. Technology and infrastructure initiatives were $0.3 million compared to $nil in Q1 2026. Restructuring and people costs were $0.5 million in Q1 2027 and Q1 2026.

*Finance Costs, net*

Net finance costs were $0.5 million in Q1 2027, compared to $31.4 million in Q1 2026. The decrease in Q1 2027 was primarily driven by the full repayment of long-term debt on March 2, 2026, resulting in no interest on long-term debt in the current quarter. In Q1 2026, the Company incurred a loss on debt modification of $16.0 million. No such loss was incurred in the current quarter.

*Foreign Exchange*

The foreign exchange loss of $1.4 million in Q1 2027, as compared to a loss of $5.8 million in Q1 2026, relates primarily to realized foreign exchange translation on the Company's US dollar–denominated working capital balances. The prior year quarter also included unrealized translation losses on the Company's US dollar–denominated long-term debt, which was fully repaid on March 2, 2026.

*Income Taxes*

Income tax recovery for Q1 2027 was $0.3 million, compared to an expense of $0.6 million in Q1 2026. The income tax (recovery) expense in each period reflects the mix of taxing jurisdictions in which pre-tax income and losses were recognized. Further items impacting the effective tax rate include the different statutory tax rates in the various taxing jurisdictions, non-deductible items and the continued non-recognition of certain deferred tax assets in Canada.

*Net Income (Loss), Comprehensive Income (Loss), and Earnings Per Share*

Net loss from continuing operations attributable to the Shareholders of the Company for Q1 2027 was $6.6 million, compared to net loss of $39.5 million for Q1 2026.

Comprehensive loss from continuing operations was $6.7 million for Q1 2027, compared to a loss of $35.1 million for Q1 2026.

Basic and diluted loss per share from continuing operations was $0.03 in Q1 2027, as compared to basic and diluted loss per share of $0.19 in Q1 2026.

*Adjusted EBITDA from continuing operations Attributable to the Shareholders of the Company*[1]

Adjusted EBITDA attributable to the Shareholders of the Company was $2.0 million in Q1 2027, compared with $4.1 million in Q1 2026, a decrease of $2.1 million.

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

**Results for the three months ended September 30, 2026 ("Q1 2027") compared to the three months ended September 30, 2025 ("Q1 2026") from discontinued operations**

*Net income (Loss) and Net income (Loss) per Share from discontinued operations*

Net income attributable to the Shareholders of the Company for Q1 2027 was nil, compared to net income of $6.8 million for Q1 2026, a decrease of $6.8 million.

Basic and diluted income per share was nil in Q1 2027, as compared to basic and diluted income per share of $0.03 in Q1 2026.

*Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company*[1]

Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company was nil in Q1 2027, compared with $16.8 million in Q1 2026.

## Financial Condition

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

| *(expressed in thousands of Canadian dollars except ratio data)* | | **September 30, 2026** | | **June 30, 2026** |
|---|---|---|---|---|
| Cash and cash equivalents | **$** | **69,078** | $ | 89,163 |
| Amounts receivable | | **217,356** | | 219,957 |
| Investment in film and television programs | | **48,388** | | 49,011 |
| Acquired and library content | | **14,703** | | 15,445 |
| Intangible assets | | **10,972** | | 10,785 |
| Other assets | | **110,330** | | 79,438 |
| **Total assets** | **$** | **470,827** | $ | 463,799 |
| | | | | |
| Accounts payable and accrued liabilities | | **118,823** | | 118,142 |
| Interim production financing | | **56,165** | | 51,721 |
| Lease liabilities | | **18,388** | | 9,827 |
| Deferred revenue | | **17,061** | | 19,256 |
| Other liabilities | | **1,438** | | 948 |
| **Total liabilities** | **$** | **211,875** | $ | 199,894 |
| **Total equity** | **$** | **258,952** | $ | 263,905 |
| | | | | |
| **Working capital**[1] | **$** | **140,647** | $ | 164,275 |
| **Working capital ratio**[2] | | **1.71** | | 1.84 |

(1) Working capital is calculated as current assets less current liabilities.
(2) Working capital ratio is current assets divided by current liabilities.

## Liquidity and Capital Resources

Summary of consolidated cash flow components[1]:

| *(expressed in thousands of Canadian dollars)* | Three months ended September 30, 2026 | September 30, 2025 |
|---|---|---|
| **Cash Outflows by Activity:** | | |
| Operating activities | **$ (13,937)** | $ 14,051 |
| Financing activities | **1,077** | (16,505) |
| Investing activities | **(7,406)** | (424) |
| Effect of foreign exchange rate changes on cash | **181** | 584 |
| **Net cash outflows[1]** | **$ (20,085)** | $ (2,294) |

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

Operating Activities

During Q1 2027, cash used in operating activities was $13.9 million, compared to $14.1 million provided by operating activities in Q1 2026. The increase in cash used in operating activities of $28.0 million was primarily due to lower Adjusted EBITDA[1], higher reorganization, development and other costs including transaction costs for the Personality AI acquisition, higher income taxes paid, and movements in working capital. Discontinued operations used $1.0 million of cash in Q1 2027, mainly to settle remaining wind-up liabilities of the Canadian Television Broadcasting business. In Q1 2026, discontinued operations provided $0.8 million.

Financing Activities

During Q1 2027, cash flows generated from financing activities were inflows of $1.1 million, compared to outflows of $16.5 million in Q1 2026, an increase in inflows of $17.6 million. The net inflow in the current quarter was primarily driven by net proceeds from interim production financing of $4.5 million, reflecting the timing of production draws and repayments, partially offset by repayment of lease liabilities of $1.6 million, interest paid of $0.6 million and $1.5 million of repurchases of Common Shares under the NCIB. The favourable year-over-year change also reflects lower interest paid following the full repayment of long-term debt on March 2, 2026 (Q1 2026 - $13.9 million) and lower distributions to non-controlling interests following the sale of Peanuts (Q1 2026 - $7.6 million).

Investing Activities

During Q1 2027, the Company used $7.4 million of cash for investing activities, compared to cash used of $0.4 million in Q1 2026. The increase in cash used in investing activities is driven primarily by the acquisition of Personality AI of $15.4 million offset by the final proceeds from sale of Peanuts $9.8 million in Q1 2027. The Company invested $1.8 million in capital expenditures in Q1 2027 compared to $0.4 million in Q1 2026.

***Bank Indebtedness and Long-Term Debt***

Credit Facility and Revolving Credit Facility

On March 2, 2026, the Company fully repaid all amounts outstanding under its Senior Secured Credit Facility, funded from the proceeds of the sale of Peanuts, and the credit agreement was terminated. The Company had no corporate borrowings outstanding as at September 30, 2026 or June 30, 2026 and is not subject to any financial covenants.

***Working Capital and Liquidity***

Working capital represents the Company's current assets less current liabilities, which amounted to $140.6 million as at September 30, 2026, as compared to $164.3 million at June 30, 2026. The decrease in working capital in the three month period ended September 30, 2026 primarily reflects the lower cash balance, higher interim production financing drawn to fund production activity and lower amounts receivables, partially offset by lower deferred revenue.

All of our significant businesses have quarterly fluctuations but are cash flow positive over the course of a year, absent the impact of allocated corporate costs. The Company frequently reviews cash flows and actions are taken if and as necessary.

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

Based on our current revenue forecasts and expectations for Fiscal 2027, the Company believes that the working capital is sufficient to meet present requirements and near-term business plans for the next 12 months. The Company expects foreseeable cash needs to be funded through operating cash flows and existing cash resources.

Technology Investments

Investments in technology in our studio and businesses are principally purchases and leases of equipment, software implementation costs and software licenses, which are paid for over time from operating and financing activities.

Production Investments

Productions are principally funded with interim production credit facilities on a production by production basis that are secured by licensing contract receivables and film tax credits and are repaid as those receivables and tax credits are collected. When initiating new productions, we typically require the significant majority of expenditures to be covered by licensing contract receivables and film tax credits, and as a result the Company's investment in excess of these receivables and tax credits is typically limited. However, there could be some working capital variations depending on timing of production and collection of the underlying contracts.

Acquisitions

When making other investments and acquisitions, we assess the expected returns, the risks and timing of those expected returns and consider whether to use the Company's existing funds, or the issuance of equity.

On August 24, 2026, the Company acquired 100% of the outstanding shares of Personality AI. The closing consideration was made up of approximately $15.5 million in cash, $1.4 million consideration paid in Common Shares, and deferred consideration of $2.5 million, capped at 1,000,000 shares, with any excess settled in cash. The vendors may receive further performance-based cash consideration of up to US$56 million in aggregate, contingent on Personality AI achieving certain revenue targets in calendar 2027, 2028 and 2029. The estimated acquisition-date fair value of this contingent consideration was provisionally determined to be $0.6 million, based on the Company's assessment of the likelihood of achieving the revenue targets. The acquisition supports the Company's Franchise & Global Licensing segment by extending WildBrain CPLG's offering to owned and partner brands through interactive character experiences.

## Contractual Obligations[1]

The following table summarizes our outstanding cash commitments as of September 30, 2026:

| *(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 | **$ 119,016** | **$ 119,016** | **$ —** | **$ —** | **$ —** |
| Interim production financing | **56,165** | **56,165** | **—** | **—** | **—** |
| Other long-term liabilities | **1,848** | **—** | **1,848** | **—** | **—** |
| Lease liabilities | **25,594** | **6,771** | **5,727** | **4,497** | **8,599** |
| **Total Contractual Obligations** | **$ 202,623** | **$ 181,952** | **$ 7,575** | **$ 4,497** | **$ 8,599** |

(1) Contractual payments include lease obligations and are presented on an undiscounted basis.

## Share Capital

As at September 30, 2026, our issued and outstanding share capital was as follows:

| | |
|---|---|
| Total Common Shares | 212,009,492 |
| Stock Options | 2,245,582 |
| Restricted Share Units | 2,972,360 |
| Performance Share Units | 950,157 |
| Deferred Share Units | 4,109,303 |

On December 18, 2025, following the cessation of the Company's television broadcast business, shareholders approved amendments to the Company's Articles that, among other things, consolidated the Company's share classes into a single class of Common Shares and created an unlimited number of Preferred shares, issuable in series.

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

On August 24, 2026, the Company issued 1,000,000 Common Shares to the vendors as closing share consideration for the acquisition of Personality AI Inc. The purchase agreement also provides for deferred share consideration of US$2.0 million, payable on the first anniversary of closing. It will be settled in Common Shares, up to a maximum of 1,000,000 shares, and any excess will be paid in cash. As of September 30, 2026, no Common Shares had been issued for the deferred consideration. The obligation is recognized as a financial liability.

For the quarter ended September 30, 2026, the Company repurchased for cancellation 1,006,300 Common Shares at a cost of $1.5 million through the NCIB program. Purchases under the NCIB were suspended during the SIB.

On September 29, 2026, the Company announced a substantial issuer bid (the "SIB") to purchase for cancellation up to $20.0 million of its Common Shares by way of a modified Dutch auction at a price between $1.30 and $1.45 per share. The SIB expired on November 3, 2026. Subsequent to the expiry of the SIB, the Company took up and paid for 13,793,103 Common Shares at a price of $1.45 per share, for aggregate consideration of approximately $20.0 million. Pursuant to the SIB, the shares taken up will be cancelled. Upon cancellation, 198,537,561 Common Shares will be issued and outstanding.

For additional information on WildBrain's share capital, see the Company's Fiscal 2026 AIF filed on www.sedarplus.ca.

## Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

## Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS Accounting Standards requires Management to make estimates, judgments, and assumptions that Management believes are reasonable based upon the information available. These estimates, judgments, and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year or period. Actual results can differ from those estimates (refer to the section "Caution Regarding Forward-Looking Statements" of this MD&A for more information regarding forward-looking information). For a discussion of all of the Company's accounting policies, refer to Note 3 of the audited consolidated financial statements for the year ended June 30, 2026 on www.sedarplus.ca or WildBrain's website at www.wildbrain.com.

During the three months ended September 30, 2026, the Company completed the acquisition of Personality AI. The purchase price allocation is provisional, and management used significant estimates to determine the fair values of the assets acquired and liabilities assumed, including identifiable intangible assets. The Company also judged that the fair value of the contingent earn-out consideration was $0.6 million at the acquisition date, based on a Monte Carlo valuation approach. Key inputs to the calculation included expected future Revenues for the acquired business, volatility and discount rate. The Company will re-assess the estimated value of contingent consideration as a financial liability at each reporting date and subsequent changes in fair value will be recognized in profit or loss.

Refer to Note 4 of the interim condensed consolidated financial statements.

## Significant Accounting Judgments and Estimation Uncertainty

The preparation of financial statements under IFRS Accounting Standards require the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable. Actual results may differ materially from these estimates. The Company's significant accounting judgments and estimation uncertainty are as described in the Company's Fiscal 2026 notes to the consolidated financial statements.

## Changes in Accounting Policies

### Amended accounting standards adopted during the period

Effective July 1, 2026, the Company adopted the *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7) and *Annual Improvements to IFRS Accounting Standards – Volume 11*. The adoption of these amendments did not have a material impact on the three months ended September 30, 2026 interim condensed consolidated financial statements.

### Accounting pronouncements issued but not yet effective

There have been no changes to the status of IFRS 18, *Presentation and Disclosure in Financial Statements,* or other accounting pronouncements issued but not yet effective, as disclosed in the Company's audited consolidated financial statements for the year ended June 30, 2026.

## Financial Instruments and Risk Management

The Company’s financial instruments consist of cash and cash equivalents, amounts receivable, interim production financing, accounts payable and accrued liabilities, and certain items included within other liabilities. The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk, liquidity risk, and currency risk. Management monitors risk levels and reviews risk management activities as they determine to be necessary.

*Credit risk*

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

The maximum exposure to credit risk for cash and cash equivalents and trade receivables (excluding government and film tax credit) approximates the amount recorded on the interim condensed consolidated balance sheets of $220.6 million (June 30, 2026 - $241.8 million). The Company manages credit risk on cash and cash equivalents by ensuring that the counter-parties are banks, governments and government agencies with high credit ratings.

The balance of trade amounts receivable is mainly with streamers, consumer product licenses, toy companies and large international content distributors. Management manages credit risk by performing a credit assessment on new customers and regularly reviewing aged accounts receivables. To determine the loss allowance for trade receivables, management assessed the lifetime expected credit losses of customers by categorizing these customers into different risk profile groups and applying provision percentages based on historical loss rates and management's experience and judgment. The loss allowance for trade receivables represents approximately 6.0% of current trade receivables which management believes is adequate. Further, long-term receivable arrangements are only granted to large international linear and digital broadcasting companies with good payment history.

To manage the risk of non-collection, the Company has increased collection efforts with customers, risk-adjusted certain customers when determining a loss allowance, and in some limited cases provided customers with payment plans on past due amounts. The majority of other customers are large Canadian and international broadcasters, or large international distribution companies, and have very good collection histories with these clients.

Based on collections subsequent to the current quarter, and discussions with customers, the Company believes that the loss provision is adequate as of September 30, 2026.

*Interest rate risk*

The Company's interest rate risk primarily relates to its interim production financing, and cash and cash equivalents which are subject to interest rate benchmarks that fluctuate such as prime rate, bankers acceptance rates, and other applicable interest rate benchmarks.

Management will continue to monitor the interest rate risk closely and ensure appropriate measures are implemented.

*Liquidity risk*

Liquidity risk is the risk that we will not be able to meet the Company's financial obligations as they come due. The Company manages liquidity by regularly preparing cash flow forecasts, and continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. A summary of the Company's financial liabilities and their contractual maturities can be found in the "Contractual Obligations" section of this MD&A.

The Company operates a diverse range of business lines, including animation and live-action production studios, linear and digital content distribution, consumer products licensing and representation, and advertising sales. While the operating results may experience variability from period to period, operating cash flows are generally predictable based on the Company's production and content pipeline, contract renewals, royalty agreements and associated minimum guarantees. Significant cash outlays for investments are made after assessing return on investment and timing of cash flows.

As of September 30, 2026, the Company had cash balances of $69.1 million and amounts receivable including long-term amounts receivables of $217.4 million. Based on the Company's cash balances, expected collection of trade and other receivables, and forecasted operating results, management believes it will be able to fulfill its financial obligations as they become due.

*Currency risk*

The Company has global operations which require holding cash and working capital balances, generating revenue and incurring costs in foreign currencies. These activities result in exposure to fluctuations in foreign currency exchange rates. The Company periodically enters into foreign exchange forward contracts to manage foreign exchange risk across the portfolio of currencies which are primarily denominated in Canadian dollar, US dollar and GBP.

## Risk Assessment

The Company is exposed to a number of specific and general risks that could affect the Company that each reader should carefully consider. Additional risks and uncertainties not presently known to the Company or that we do not currently anticipate will be material, may impair our business and results of operations and as a result could materially impact our business, results of operations, prospects, and financial condition. The specific and general risks include, but are not limited to the following: epidemics, pandemics or other public health crises, including the outbreaks like COVID-19, the magnitude and length of economic disruption as a result of a worldwide outbreak like COVID-19 and its impact on advertising markets and the consumer products and retail sectors including, among other things, supply chain disruptions which could materially and adversely impact the Company's business, financial condition, and performance, competition and competitor activities, product development and acceptance, risks associated with trade restrictions, trade laws and unexpected changes in regulatory requirements, the direct and indirect impact of tariffs including tariffs on the production of non-US produced content, the ability of the Company to acquire, develop and exploit entertainment properties, the Company's ability to source IP and creative talent who can develop IP, consumer and customer preferences, the ability of the Company to execute on its strategy, the ability of the Company to identify and execute on production, distribution and licensing arrangements, dependence on key third party relationships and partnerships, termination or renegotiation of contracts, litigation or regulatory or arbitral action, unauthorized disclosure of confidential, proprietary or sensitive information, cybersecurity and informational technology incidents and issues, internal conflicts of interest, financial reporting and other public company regulatory obligations and potential errors therein, the ability of the Company to attract and retain talent, reliance on key personnel, risks relating to the Company's exposure to advertising revenues through YouTube and the ability of the Company to attract and realize on advertising revenues, including through YouTube and on other platforms, adverse publicity, risks related to doing business internationally, interest and foreign exchange rates fluctuations, the reliance of the Company on the Internet and other technologies to continue to conduct its business, technology changes, intellectual property infringement and other claims, the ability of the Company to exploit its content library, access to capital, maintaining effective internal controls, equity capital markets risk and market share price fluctuations, loss of Canadian status, access to government incentives, subsidies, and tax credits, the availability of acquisition and investment opportunities at acceptable valuations and the ability to execute on such opportunities, production risks, financial risks and dilution from the Company's capital requirements, labour relations, changes in the regulatory environment, general economic and market segment conditions, recessions, market factors, and catastrophic events and circumstances.

Global political instability and its associated economic repercussions (including, but not limited to, sanctions and restrictions on international payment services) subject the Company and its business to a number of known and unknown risks. Additionally, the Company's business and financial results may be materially and adversely impacted due to other factors arising from such situation, including, but not limited to, non-collectability of receivables, significant delays in exports or imports, supply chain interruptions in general, the potential effect of bans and other sanction programs, further boycotts on business, other political and social ramifications, impacts on financial markets and general economic effects, and patterns of consumption and service.

A discussion of the specific and general risks affecting the Company and its business is set forth under the heading "Risk Factors" in the Company's Fiscal 2026 Annual Information Form which is available on SEDAR+ at www.sedarplus.ca. The descriptions of the risks in the Annual Information Form, together with the risks discussed in this MD&A, do not include all possible risks, and there may be other risks of which the Company is currently not aware or is not presently anticipating that may arise and have a material adverse effect on the Company's business, results of operations, prospects, financial condition, financial performance and cash flows.

## Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company’s Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that material information is gathered and reported to senior Management to permit timely decisions regarding public disclosure and to provide reasonable assurance that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation is recorded, processed, summarized, and reported within the time period specified in those rules.

The CEO and the CFO have also designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

In its annual filings for the year ended June 30, 2026 dated September 23, 2026, the CEO and the CFO, after evaluating the effectiveness of the Company’s disclosure controls and procedures, and internal control over financial reporting, concluded that as of June 30, 2026, both the Company’s disclosure controls and procedures, and internal control over financial reporting were effective. It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected.

### Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

***Limitation on Scope of Design***

As permitted by section 3.3 of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the CEO and CFO have limited the scope of their design of disclosure controls and procedures and internal control over financial reporting to exclude the controls, policies and procedures of Personality AI, which was acquired on August 24, 2026.

Personality AI's results have been included in the Company's interim condensed consolidated financial statements since the acquisition date. For the period from August 24, 2026 to September 30, 2026, Personality AI contributed revenue of $nil and a net loss of $0.3 million. As at September 30, 2026, Personality AI's current assets and non-current assets were $0.2 million and $20.4 million, respectively, and its current liabilities were $0.2 million. Non-current assets include the provisionally determined goodwill arising on the acquisition.

If the acquisition had occurred on July 1, 2026, the estimated revenue and net loss contributed by Personality AI for the three months ended September 30, 2026 would have been approximately $0.4 million and $0.1 million, respectively.

## Non-GAAP Financial Measures

In addition to the results reported in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the Company uses various non-GAAP financial measures, which are not recognized under IFRS Accounting Standards, as supplemental indicators of our operating performance and financial position. These non-GAAP financial measures are provided to enhance the user's understanding of our historical and current financial performance and our prospects for the future. Management believes that these measures provide useful information in that they exclude amounts that are not indicative of our core operating results and ongoing operations and provide a consistent basis for comparison between periods. The following discussion explains the Company's use of certain non-GAAP financial measures for continuing and discontinued operations, which are Adjusted EBITDA, Adjusted EBITDA attributable to the Shareholders of the Company, Gross Margin, Gross Margin % and Free Cash Flow.

Investors are cautioned that these non-GAAP financial measures should not be construed as an alternative measure to net income or loss, or other measures as determined in accordance with GAAP, or as an indicator of the Company's financial performance or a measure of liquidity and cash flows.

"**Adjusted EBITDA**" means earnings (loss) before net finance costs, income taxes, amortization of property & equipment and right-of-use and intangible assets, amortization of acquired and library content, equity-settled share-based compensation expense, changes in fair value of embedded derivatives, gain/loss on foreign exchange, reorganization, development and other expenses, impairment of certain investments in film and television programs/acquired and library content/P&E/intangible assets/goodwill, and gain on sale of discontinued operations. Adjusted EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Management believes that investors and analysts use Adjusted EBITDA, and as a common valuation measurement in the media and entertainment industry. The most comparable GAAP measure is earnings before income taxes.

Adjusted EBITDA is also presented at the reportable segment level, calculated as segment gross margin less segment selling, general and administrative expenses and is the measure of segment performance regularly reviewed by the Company's chief operating decision maker. Consolidated Adjusted EBITDA differs from Segment Adjusted EBITDA by corporate selling, general and administrative expenses and consolidation adjustments not allocated to reportable segments.

"**Adjusted EBITDA attributable to the Shareholders of the Company**" means Adjusted EBITDA excluding the portion of Adjusted EBITDA attributable to non-controlling interests.

"**Gross Margin**" means revenue less content, distribution, marketing and other costs. Gross Margin is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Gross Margin may not be comparable to similar measures presented by other issuers. Management believes Gross Margin is a useful measure of profitability before considering operating and other expenses and can be used to assess the Company's ability to generate positive net earnings and cash flows. The most comparable GAAP measure is gross profit, as calculated below.

**"Gross Margin %"** is calculated by dividing Gross Margin by Revenue. Management uses Gross Margin % to measure the underlying financial performance of the business.

**Change in composition of Free Cash Flow**

Effective for the first quarter of Fiscal 2027, the Company revised its definition of Free Cash Flow to deduct investments in property and equipment and intangible assets. These expenditures were not deducted in the Company's previously reported Free Cash Flow measure. Management believes the revised definition provides more useful information regarding the cash generated by the Company after funding its capital requirements and better reflects the Company's ability to finance strategic business acquisitions and investments, pay dividends and repurchase shares. Comparative amounts presented in this MD&A have been restated to conform to the revised definition.

"**Free Cash Flow**" means operating cash flow less distributions to non-controlling interests, changes in interim production financing, cash interest paid on long-term debt, bank indebtedness and lease liabilities, principal repayments on our lease liabilities, and investment in property, equipment, and intangible assets. Free Cash Flow does not have a standardized meaning prescribed by GAAP; accordingly, Free Cash Flow may not be comparable to similar measures presented by other issuers. Management believes Free Cash Flow is a useful measure of the Company's ability to finance strategic business acquisitions and investments, pay dividends, and repurchase shares. The most comparable GAAP measure is cash from operating activities.

**Reconciliation of Quarterly Results to Adjusted EBITDA from Continuing Operations and Adjusted EBITDA from Continuing Operations attributable to the Shareholders of the Company**

The results of the Canadian Television Broadcasting business, which ceased operations in October 2025, and the Company's former 41% interest in Peanuts, which was sold on March 2, 2026, are reported in net income from discontinued operations.

The following table reconciles loss before income taxes from continuing operations to Adjusted EBITDA from continuing operations, and to Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company, for each three-month period ending as follows:

| | Fiscal 2027 | | | | Fiscal 2026 | | | Fiscal 2025 |
|---|---|---|---|---|---|---|---|---|
| *(expressed in thousands of Canadian dollars)* | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** |
| (Loss) income before income taxes from continuing operations | $ (6,936) | $ (8,205) | $ (28,401) | $ (22,185) | $ (38,996) | $ 3,626 | $ (23,896) | $ (94,495) |
| add back: | | | | | | | | |
| Finance costs, net | 541 | 404 | 21,495 | 22,697 | 31,421 | 15,458 | 15,970 | 17,426 |
| Foreign exchange loss (gain) | 1,400 | (4,342) | 1,093 | (9,980) | 5,832 | (20,039) | 1,639 | 25,993 |
| Amortization of P&E and intangible assets | 2,787 | 2,975 | 2,772 | 2,799 | 2,967 | 4,047 | 4,060 | 4,986 |
| Amortization of acquired and library content | 708 | 944 | 748 | 683 | 652 | 854 | 1,580 | 1,135 |
| Write-down of certain investment in film and television programs, acquired and library content, and intangible assets | — | 4,466 | — | 16,352 | — | 226 | — | 53,247 |
| Share-based compensation | 1,404 | (1,708) | 1,650 | 2,969 | 1,255 | 1,003 | 719 | 857 |
| Reorganization, development and other expenses[1] | 2,048 | 1,388 | 6,409 | 1,538 | 861 | 3,062 | 3,405 | 2,580 |
| Corporate SG&A and consolidation adjustments not allocated to segments[2] | 2,136 | 2,454 | 1,708 | 2,019 | 1,939 | 2,114 | 2,292 | 1,675 |
| Segment Adjusted EBITDA[3] | **4,088** | **(1,624)** | **7,474** | **16,892** | **5,931** | **10,351** | **5,769** | **13,404** |
| Deduct: Corporate SG&A and consolidation adjustments not allocated to segments[2] | (2,136) | (2,454) | (1,708) | (2,019) | (1,939) | (2,114) | (2,292) | (1,675) |
| Adjusted EBITDA from continuing operations | **1,952** | **(4,078)** | **5,766** | **14,873** | **3,992** | **8,237** | **3,477** | **11,729** |
| Adjusted EBITDA attributable to non-controlling interest | 24 | 126 | 30 | (14) | 108 | (156) | 769 | (183) |
| Adjusted EBITDA from continuing operations attributable to the Shareholders of the Company[4] | **$ 1,976** | **$ (3,952)** | **$ 5,796** | **$ 14,859** | **$ 4,100** | **$ 8,081** | **$ 4,246** | **$ 11,546** |

(1) Refer to Reorganization, development and other sections for information regarding how each component is described.
(2) Comprises corporate selling, general and administrative expenses and consolidation adjustments and eliminations that are not allocated to the reportable segments.
(3) Segment Adjusted EBITDA is the aggregate of Adjusted EBITDA for the Company's three reportable segments, which is the measure of segment performance regularly reviewed by the Company's chief operating decision maker. Consolidated Adjusted EBITDA differs from Segment Adjusted EBITDA by corporate selling, general and administrative expenses and consolidation adjustments not allocated to reportable segments, which is an adjustment in arriving at Adjusted EBITDA in Note 20.
(4) Portion of Adjusted EBITDA attributable to non-controlling interests is calculated as net income attributable to non-controlling interests, less interest, taxes, depreciation and amortization attributable to non-controlling interests.

**Reconciliation of Quarterly Results to Adjusted EBITDA from discontinued operations and Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company**

The following table reconciles income before income taxes from discontinued operations to Adjusted EBITDA from discontinued operations, and to Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company, for each three-month period ending as follows:

| | Fiscal 2027 | | | | Fiscal 2026 | | | | Fiscal 2025 |
|---|---|---|---|---|---|---|---|---|---|
| *(expressed in thousands of Canadian dollars)* | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** | |
| (Loss) income before income taxes from discontinued operations | $ — | $ (9,751) | $ 451,278 | $ 49,482 | $ 22,304 | $ 19,588 | $ 15,871 | $ 25,129 | |
| add back: | | | | | | | | | |
| Finance (income) costs, net | — | — | (46) | (207) | 1 | (21) | (78) | (57) | |
| Change in fair value of embedded derivatives | — | — | — | — | — | (7,807) | 7,807 | — | |
| Foreign exchange loss (gain) | — | 26 | 4,828 | (2,001) | 1,559 | (3,772) | 6,740 | (92) | |
| Amortization of P&E and intangible assets | — | — | 36 | 245 | 451 | 250 | 293 | 305 | |
| Amortization of acquired and library content | — | — | — | 787 | 777 | 867 | 899 | 877 | |
| Write-down of certain investment in film and television programs, acquired and library content, and intangible assets | — | — | — | — | — | 15,304 | — | — | |
| Share-based compensation | — | — | — | — | — | — | — | — | |
| Gain on sale of discontinued operation | — | 9,725 | (442,742) | — | — | — | — | — | |
| Reorganization, development and other expenses[1] | — | 52 | — | 1 | 5,092 | 515 | (26) | 15 | |
| Adjusted EBITDA from discontinued operations | **—** | **52** | **13,354** | **48,307** | **30,184** | **24,924** | **31,506** | **26,177** | |
| Adjusted EBITDA attributable to non-controlling interest | — | — | (7,906) | (25,738) | (13,405) | (8,381) | (9,654) | (11,474) | |
| Adjusted EBITDA from discontinued operations attributable to the Shareholders of the Company[2] | **$ —** | **$ 52** | **$ 5,448** | **$ 22,569** | **$ 16,779** | **$ 16,543** | **$ 21,852** | **$ 14,703** | |

(1) Refer to Reorganization, development and other sections for information regarding how each component is described.
(2) Portion of Adjusted EBITDA attributable to non-controlling interests is calculated as net income attributable to non-controlling interests, less interest, taxes, depreciation and amortization attributable to non-controlling interests.

**Reconciliation of Quarterly Results to Gross Margin from Continuing Operations**

The following table reconciles revenue from continuing operations less content, distribution, marketing and other costs from continuing operations to gross margin from continuing operations, for each three-month period ending as follows:

| | Fiscal 2027 | | | | Fiscal 2026 | | | | Fiscal 2025 |
|---|---|---|---|---|---|---|---|---|---|
| *(expressed in thousands of Canadian dollars)* | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** | |
| **Revenue** | **$ 58,338** | **$ 54,967** | **$ 61,195** | **$ 71,602** | **$ 57,943** | **$ 77,391** | **$ 72,885** | **$ 65,069** | |
| Franchise & Global Licensing | 19,675 | 15,600 | 28,074 | 25,245 | 18,755 | 18,543 | 16,592 | 19,612 | |
| Content | 28,519 | 29,180 | 24,618 | 32,020 | 28,910 | 48,675 | 46,573 | 28,423 | |
| WildBrain Network | 11,696 | 11,455 | 9,082 | 15,192 | 10,909 | 10,822 | 10,741 | 17,788 | |
| Consolidation adjustments and eliminations | (1,552) | (1,268) | (579) | (855) | (631) | (649) | (1,021) | (754) | |
| **less: Content, distribution, marketing and other costs** | **$ (33,846)** | **$ (33,781)** | **$ (33,245)** | **$ (35,694)** | **$ (31,818)** | **$ (45,825)** | **$ (49,119)** | **$ (33,885)** | |
| Franchise & Global Licensing | (1,902) | (3,821) | (3,087) | (3,050) | (1,660) | (2,805) | (1,523) | (1,641) | |
| Content | (26,513) | (23,665) | (24,150) | (23,005) | (22,860) | (34,774) | (41,170) | (20,958) | |
| WildBrain Network | (6,983) | (7,563) | (6,587) | (10,494) | (7,929) | (8,895) | (7,447) | (12,040) | |
| Consolidation adjustments and eliminations | 1,552 | 1,268 | 579 | 855 | 631 | 649 | 1,021 | 754 | |
| **Gross Margin from continuing operations** | **$ 24,492** | **$ 21,186** | **$ 27,950** | **$ 35,908** | **$ 26,125** | **$ 31,566** | **$ 23,766** | **$ 31,184** | |
| Franchise & Global Licensing | 17,773 | 11,779 | 24,987 | 22,195 | 17,095 | 15,738 | 15,069 | 17,971 | |
| Content | 2,006 | 5,515 | 468 | 9,015 | 6,050 | 13,901 | 5,403 | 7,465 | |
| WildBrain Network | 4,713 | 3,892 | 2,495 | 4,698 | 2,980 | 1,927 | 3,294 | 5,748 | |
| Consolidation adjustments and eliminations | — | — | — | — | — | — | — | — | |

**Reconciliation of Quarterly Results to Gross Margin from discontinued operations**

The following table reconciles revenue from discontinued operations less content, distribution, marketing and other costs from discontinued operations to gross margin from discontinued operations, for each three-month period ending as follows:

| | Fiscal 2027 | | | | Fiscal 2026 | | | Fiscal 2025 |
|---|---|---|---|---|---|---|---|---|
| *(expressed in thousands of Canadian dollars)* | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** |
| **Revenue** | **$ —** | **$ —** | **$ 42,071** | **$ 126,293** | **$ 67,584** | **$ 61,732** | **$ 67,262** | **$ 67,996** |
| **less: Content, distribution, marketing and other costs[1]** | **$ —** | **$ —** | **$ (24,677)** | **$ (69,971)** | **$ (30,241)** | **$ (30,042)** | **$ (28,175)** | **$ (34,872)** |
| **Gross Margin from discontinued operations** | **$ —** | **$ —** | **$ 17,394** | **$ 56,322** | **$ 37,343** | **$ 31,690** | **$ 39,087** | **$ 33,124** |

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

**Reconciliation of Quarterly Operating Cash Flow to Free Cash Flow**

The following table reconciles cash flow from operating activities to Free Cash Flow, for each three-month period ending as follows:

| | Fiscal 2027 | | | | Fiscal 2026 | | | Fiscal 2025 |
|---|---|---|---|---|---|---|---|---|
| *(expressed in thousands of Canadian dollars)* | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** |
| Cash flow (used in) provided by operating activities | $ (13,937) | $ (30,036) | $ 28,182 | $ 45,684 | $ 14,051 | $ (2,025) | $ 47,336 | $ 81,409 |
| less: | | | | | | | | |
| Distributions to non-controlling interests | (19) | (61) | (10,092) | (15,168) | (7,559) | (4,761) | (17,221) | (12,905) |
| Change in interim production financing | 4,460 | 12,883 | (18,381) | 1,654 | (907) | 5,203 | 4,263 | (2,965) |
| Interest paid | (643) | (518) | (13,153) | (14,676) | (13,924) | (13,615) | (19,560) | (14,158) |
| Repayment of lease liabilities | (1,630) | (1,856) | (2,071) | (2,214) | (2,367) | (2,067) | (2,125) | (2,065) |
| Acquisition of property and equipment | (1,008) | (1,337) | (466) | (354) | — | (85) | (631) | 15 |
| Acquisition of intangibles assets | (828) | (714) | (692) | (704) | (424) | (845) | (491) | (592) |
| **Free Cash Flow** | **(13,605)** | **(21,639)** | **(16,673)** | **14,222** | **(11,130)** | **(18,195)** | **11,571** | **48,739** |

Effective Q1 fiscal 2027, the Company revised its definition of free cash flow to also deduct acquisitions of property and equipment and of intangible assets. Comparative periods have been restated to conform to the revised definition. The following table reconciles free cash flow as previously presented to the revised measure:

| | | | | Fiscal 2026 | | | Fiscal 2025 |
|---|---|---|---|---|---|---|---|
| *(expressed in thousands of Canadian dollars)* | **30-Jun** | **31-Mar** | **31-Dec** | **30-Sept** | **30-Jun** | **31-Mar** | **31-Dec** |
| Free cash flow, as previously presented | (19,588) | (15,515) | 15,280 | (10,706) | (17,265) | 12,693 | 49,316 |
| Less: Acquisition of property and equipment | (1,337) | (466) | (354) | — | (85) | (631) | 15 |
| Less: Acquisition of intangibles assets | (714) | (692) | (704) | (424) | (845) | (491) | (592) |
| **Free Cash Flow, revised** | **(21,639)** | **(16,673)** | **14,222** | **(11,130)** | **(18,195)** | **11,571** | **48,739** |

## Additional Information

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