WildBrain Ltd.

Consolidated Financial Statements
June 30, 2025 and 2024
(expressed in thousands of Canadian dollars)

September 25, 2025

Management's Responsibility for Financial Reporting

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

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

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

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

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

Independent auditor's report

To the Shareholders of WildBrain Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WildBrain Ltd. and its subsidiaries (together, the Company) as at June 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at June 30, 2025 and 2024;
- the consolidated statements of (loss) for the years then ended;
- the consolidated statements of comprehensive (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognized over time in content creation and audience engagement and global licensing segments *Refer to note 3 – Summary of material accounting policies, judgments and estimates and note 27 – Revenues and segmented information to the consolidated financial statements.* For the year ended June 30, 2025, the Company recognized revenue over time, of which $174.7 million related to the content creation and audience engagement segment (including royalties) and $284.2 million related to the global licensing segment. Revenue recognized over time included in the content creation and audience engagement segment is comprised of (i) initial broadcast license rights related to proprietary production titles and production services for third parties, which is recognized using the percentage-of-completion method based upon the proportion of direct costs of production to total expected direct costs of production; (ii) royalty payments from the sale of broadcast license rights to third parties, which are recognized when the customer's sales or usage of the license occurs; and (iii) revenue from paid media and third-party algorithmic advertising sales, which is recognized as the services are provided based on a variable volume revenue structure as reported on by the customer.	Our approach to addressing the matter included the following procedures, among others: • Tested revenue recognized based on the percentage-of-completion method for which the contract was open as at June 30, 2025, which included the following: – Tested the effectiveness of controls relating to the determination of total expected direct costs of production to complete for production contracts. – Performed look-back procedures for contracts completed during the year and in prior years to compare the original total expected direct costs of production to the total actual direct costs of production incurred on similar contracts. – Tested how management determined the revenue recognition for a selection of contracts including the total expected direct costs of production which included the following: o Agreed key contractual terms back to the signed contracts, contractual amendments and approved overage correspondence, as applicable. o Agreed labour costs and costs of materials incurred during the year to appropriate supporting documentation for a sample of transactions.

Key audit matter	How our audit addressed the key audit matter
Revenue recognized over time included in the global licensing segment is comprised of (i) royalty revenue from merchandising and consumer brand licenses, which are considered right to access licenses and are recognized over time when the underlying sales activity generating the royalty revenue has occurred; and (ii) revenue from the management of copyrights, licensing and brands for third parties through representation agreements, which is recognized over time as the underlying services are performed and when the amount of revenue can be reliably measured, which is when the underlying sales activity generating the commission has occurred. We considered this a key audit matter due to the significance of the revenue recognized over time within the content creation and audience engagement and global licensing segments and the high degree of audit effort in performing procedures related to these revenues.	– Evaluated the reasonableness of the total expected direct costs of production, by: o agreeing production budgets, which includes total expected direct costs of production to the budget approved by the customer; o comparing total expected direct costs of production to total actual direct costs of production for a similar production, as applicable; o performing inquiries with production personnel to evaluate progress to date, expected delays and/or cost overages; and o comparing information obtained from inquiries with production personnel to supporting documents, as applicable. • Tested revenue recognized over time except for revenue recognized based on the percentage-of-completion method for which the contract was open at the end of the period as referred above, which included the following: – Obtained and inspected source documents such as contracts, proof of delivery, royalty or other reports received from third parties and cash receipts, as applicable. – Confirmed a sample of customer invoice balances not yet paid as at June 30, 2025 and, for confirmations not returned, obtained and inspected source documents such as contracts, proof of delivery, royalty or other reports received from third parties and cash receipts, as applicable.

Other information

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

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

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

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

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

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

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

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

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

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

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



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
September 25, 2025

WildBrain Ltd.
Consolidated Balance Sheets
As at June 30, 2025 and 2024

(expressed in thousands of Canadian dollars)

	June 30, 2025	June 30, 2024
	$	$
Assets		
Current assets		
Cash	**68,871**	49,715
Amounts receivable (note 7)	**248,058**	278,301
Prepaid expenses and other	**12,594**	10,573
Investment in film and television programs (note 8)	**97,953**	159,584
	427,476	498,173
Long-term amounts receivable	**9,416**	23,198
Acquired and library content (note 9)	**54,535**	78,882
Property and equipment (note 10)	**20,857**	26,345
Derivative assets	**96**	75
Intangible assets (note 11)	**373,714**	387,139
Goodwill (note 12)	**28,468**	28,545
Deferred income taxes (note 19)	**22,777**	10,846
	937,339	1,053,203
Liabilities		
Current liabilities		
Bank indebtedness (note 14)	**10,914**	13,800
Accounts payable and accrued liabilities (note 13)	**157,863**	136,658
Deferred revenue	**37,741**	57,118
Interim production financing (note 14)	**56,472**	59,101
Current portion of lease liabilities	**10,514**	8,569
Current portion of long-term debt (note 14)	**69,202**	142,335
	342,706	417,581
Long-term debt (note 14)	**417,931**	367,400
Long-term lease liabilities	**9,025**	16,385
Derivative liabilities	**106**	137
Other long-term liabilities	**2,531**	5,210
	772,299	806,713
Shareholders' Equity		
Deficit attributable to shareholders of the Company	**(88,665)**	(10,744)
Non-controlling interest (note 20)	**253,705**	257,234
	165,040	246,490
	937,339	1,053,203

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

WildBrain Ltd.
Consolidated Statements of (Loss)
For the years ended June 30, 2025 and 2024

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

	June 30, 2025	June 30, 2024
	$	$
Revenues (note 27)	**523,362**	461,820
Expenses (note 22)		
Direct production costs and expense of film and television produced	**280,207**	240,710
Amortization of acquired and library content (note 9)	**8,188**	8,696
Amortization of property and equipment and intangible assets	**19,459**	25,007
Write-down of investment in film and television programs, acquired and library content, intangible assets and goodwill (note 18)	**68,777**	90,403
Selling, general and administrative	**111,737**	102,405
Share-based compensation (note 16)	**4,576**	3,752
Finance costs, net (note 21)	**72,985**	55,779
Change in fair value of embedded derivatives	**(1)**	(339)
Foreign exchange loss (gain)	**321**	14,666
Reorganization, development and other expense (note 22)	**11,777**	15,951
	578,026	557,030
Loss before income taxes	**(54,664)**	(95,210)
Recovery of income taxes (note 19)		
Current	**7,934**	(341)
Deferred	**(8,715)**	(14,532)
	(781)	(14,873)
Net loss for the year	**(53,883)**	(80,337)
Net income attributable to non-controlling interests	**35,931**	25,633
Net loss attributable to shareholders of the Company	**(89,814)**	(105,970)
Basic and diluted loss per common share (note 24)	**(0.42)**	(0.51)

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

WildBrain Ltd.
Consolidated Statements of Comprehensive (Loss)
For the years ended June 30, 2025 and 2024

(expressed in thousands of Canadian dollars)

	June 30, 2025	June 30, 2024
	$	$
Net loss for the year	**(53,883)**	(80,337)
Other comprehensive income (loss)		
Items that may be subsequently reclassified to the consolidated statements of (loss)		
Foreign currency translation adjustment:		
Attributable to non-controlling interests	**74**	8,412
Attributable to shareholders of the Company	**1,339**	5,737
	1,413	14,149
Comprehensive loss for the year	**(52,470)**	(66,188)

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

WildBrain Ltd.
Consolidated Statements of Changes in Equity
For the years ended June 30, 2025 and 2024

(expressed in thousands of Canadian dollars)

	Common shares	Contributed surplus	Accumulated other comprehensive loss	Deficit	Non-controlling interest	Total
	$	$	$	$	$	$
Balance - July 1, 2023	405,612	42,542	(15,776)	(356,337)	249,282	325,323
Net (loss) income for the year	—	—	—	(105,970)	25,633	(80,337)
Other comprehensive income for the year	—	—	5,737	—	8,412	14,149
Comprehensive income (loss) for the year	—	—	5,737	(105,970)	34,045	(66,188)
Common shares issued, net of issuance costs and payroll taxes remitted	2,536	(500)	—	—	—	2,036
Common shares issued to settle business acquisition	7,660	—	—	—	—	7,660
Share-based compensation	—	3,752	—	—	—	3,752
Distributions to non-controlling interests	—	—	—	—	(26,093)	(26,093)
Balance - June 30, 2024	415,808	45,794	(10,039)	(462,307)	257,234	246,490
Balance - July 1, 2024	**415,808**	**45,794**	**(10,039)**	**(462,307)**	**257,234**	**246,490**
Net (loss) income for the year	**—**	**—**	**—**	**(89,814)**	**35,931**	**(53,883)**
Other comprehensive income for the year	**—**	**—**	**1,339**	**—**	**74**	**1,413**
Comprehensive income (loss) for the year	**—**	**—**	**1,339**	**(89,814)**	**36,005**	**(52,470)**
Common shares issued, net of issuance costs and payroll taxes remitted	**1,313**	**(2,583)**	**—**	**—**	**—**	**(1,272)**
Common shares issued to settle warrant exercise	**6,250**	**1,000**	**—**	**—**	**—**	**7,250**
Share-based compensation	**—**	**4,576**	**—**	**—**	**—**	**4,576**
Distributions to non-controlling interests	**—**	**—**	**—**	**—**	**(39,534)**	**(39,534)**
Balance - June 30, 2025	**423,371**	**48,787**	**(8,700)**	**(552,121)**	**253,705**	**165,040**

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

WildBrain Ltd.
Consolidated Statements of Cash Flows
For the years ended June 30, 2025 and 2024

(expressed in thousands of Canadian dollars)

	June 30, 2025	June 30, 2024
Cash provided by (used in)	**$**	**$**
Operating activities		
Net (loss) for the year	**(53,883)**	(80,337)
Charges (credits) to reconcile net (loss) to cash provided by operating activities		
Amortization of property and equipment	**10,283**	12,196
Amortization of intangible assets	**9,176**	12,811
Amortization of acquired and library content	**8,188**	8,696
Accretion expense and amortization of deferred financing fees	**6,628**	8,921
Unrealized foreign exchange (gain) loss	**(1,829)**	7,742
Share-based compensation	**4,576**	3,752
Write-down of unamortized issue costs	**6,313**	—
Change in fair value of embedded derivatives	**(1)**	(339)
Change in fair value of interest rate swap and forward foreign exchange contract	**(46)**	9,624
Interest income	**(2,939)**	(3,881)
Interest expense	**63,029**	41,115
Deferred tax recovery	**(8,715)**	(14,532)
Write-down of investment in film and television programs	**46,196**	22,858
Write-down of acquired and library content	**17,043**	—
Write-down of investment	**226**	—
Write-down of intangible assets	**5,312**	67,545
Net investment in film and television programs (note 26)	**14,626**	(2,340)
Net change in non-cash balances related to operations (note 26)	**28,353**	(20,234)
Cash provided by operating activities	**152,536**	73,597
Financing activities		
Common shares issued, net of issuance costs and payroll taxes remitted	**5,979**	2,036
Distributions to non-controlling interests	**(39,534)**	(26,093)
Proceeds from bank indebtedness (note 14b)	**9,398**	—
Net (repayment of) proceeds from bank indebtedness (note 14a)	**(13,800)**	6,800
Proceeds from long-term debt (note 14d)	**504,947**	—
Repayment of long-term debt (notes 14c and 14e)	**(521,252)**	(3,843)
Payment of debt issue costs	**(18,166)**	(6)
Interest paid on long-term debt and lease liabilities	**(52,178)**	(38,946)
Repayment of lease liabilities	**(8,688)**	(10,288)
Net repayment of interim production financing (note 26)	**(2,629)**	(27,790)
Cash used in financing activities	**(135,923)**	(98,130)
Investing activities		
Business acquisition, net of cash acquired (note 5)	**—**	(3,531)
Proceeds from sale of assets (Note 8)	**5,500**	—
Acquisition of acquired and library content	**(92)**	—
Acquisition of property and equipment	**(1,414)**	(649)
Acquisition of intangible assets	**(1,588)**	(1,964)
Cash provided by (used in) investing activities	**2,406**	(6,144)
Effect of foreign exchange rate changes on cash	**136**	44
Net change in cash during the year	**19,156**	(30,633)
Cash - Beginning of the year	**49,715**	80,348
Cash - End of the year	**68,871**	49,715

Supplemental information (note 26)

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

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

1 Nature of business

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

The Company develops, produces and distributes films and television programs for domestic and international markets; licenses its brands in the domestic and international markets; broadcasts films and television programs in the domestic market; sells advertising on various ad-supported video-on-demand platforms; and manages copyrights, licensing and brands for third parties. After the decisions of Bell Canada in March 2025 and Rogers Communications Canada in August 2025 to cease carriage of the WildBrain television channels, the definitive agreement to sell 66.67% of its Canadian Television Broadcasting business to a third party was mutually terminated and the Company assessed that the channels are no longer commercially viable. The Company announced that it will cease broadcasting in Q2 2026 and surrender the channel licenses to the Canadian Radio-television and Telecommunications Commission.

2 Basis of preparation

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards"), on a going concern basis. The accounting policies applied in these consolidated financial statements were based on IFRS Accounting Standards issued and outstanding as at June 30, 2025.

These consolidated financial statements have been authorized for issuance by the Board of Directors on September 25, 2025.

3 Summary of material accounting policies, judgments and estimates

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

Basis of measurement

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

Consolidation

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

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

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

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

Cash

Cash consists of cash held in current operating bank accounts.

Foreign currency translation

(i) Functional and presentation currency

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

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

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

ii. Transactions and balances

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

Revenue recognition

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

Content creation and audience engagement

For initial broadcast license rights related to proprietary production titles, an assessment is made at the execution of each contract to determine whether: i) the performance obligations are satisfied over time, or ii) the performance obligations are satisfied at a point in time. Performance obligations are satisfied over time during the production of the title when the customer can exert control over the production process and the Company's ability to generate other revenues from the title are limited based on the remaining rights held and the nature of the show. Revenue is recognized using the percentage-of-completion method when performance obligations are

satisfied over time. Performance obligations not satisfied over time are satisfied at a point in time, which generally occurs when the production is completed, available to the customer and the customer has the contractual right to broadcast or stream the content. When performance obligations are satisfied at a point in time, revenue is recognized when all of the aforementioned recognition criteria are met.

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

Revenue from the sale of broadcast license rights to third parties is considered right to use licenses and is recognized when the licensed content is available to the customer and the customer has the contractual right to broadcast or stream the content. Where contracts include a royalty payment, revenue is recognized when the customer's sales or usage of the license occurs.

Revenue from paid media and third-party algorithmic advertising sales are recognized as revenue as the services are provided based on a variable volume revenue structure as reported on by the customer.

Global Licensing

Royalty revenue from merchandising and consumer brand licenses which are considered right to access licenses are recognized over time when the underlying sales activity generating the royalty revenue has occurred.

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

Canadian Television Broadcasting

Revenue from the sale of subscriptions to the Company’s television channels is recognized over time, as access to the channels is available to the customer based on the number of subscribers at the prescribed rate in the agreements with distributors which is generally reported on a monthly basis.

Recovery of royalties from third parties' unauthorized use of the Company's brands and content are recognized in revenue when an agreement is reached, the amount of revenue can be reliably measured and collection is reasonably assured.

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

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

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

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

Principal versus agent revenue

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

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

Investment in film and television programs

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

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

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

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

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

Acquired and library content

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

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

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

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

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

Broadcast rights

Program and film rights for broadcasting are purchased on a fixed cost basis. The asset and liability for fixed cost purchases are recognized at the time the rights are known, amounts are determinable, and available for use. The cost of fixed program and film rights is expensed over the lesser of the availability period and the maximum period that varies depending upon the type of program, generally ranging from 24 to 60 months based on the expected pattern of consumption of the economic benefit.

In the event that the recognition criteria for fixed cost purchases described above are not met and the Company has already paid amounts to secure rights, such amounts are considered as prepaid program and film rights and are included as prepaid expenses on the consolidated balance sheet.

Broadcast rights are tested for impairment on a title-by-title basis if events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. Any shortfall between the recoverable amount from future cash flows from the distribution rights and the carrying value is written off as an impairment expense on the Consolidated Statements of (Loss) in the period in which the decline in value becomes evident.

Accrued participation payables

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

Debt issue costs

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

Business combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred

includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

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

Development costs

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

Property and equipment

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

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

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

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

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

ROU assets

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

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

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

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

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

Lease liabilities

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

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

Lessor accounting

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

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

Goodwill

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

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

Intangible assets

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

Broadcaster relationships	7 to 10 years straight-line
Customer relationships	10 years straight-line
Customer representation agreements	5 years straight-line
Brands	10 to 20 years straight-line or indefinite life
Production and distribution rights	10 to 25 years straight-line
Production backlog	2 to 3 years straight-line
Non-compete contracts	3 years straight-line
Trademarks	5 years straight-line
Production and other software	5 years straight-line

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

Broadcast licenses

Broadcast licenses are considered to have an indefinite life based on management's intent and ability to renew the licenses without significant cost and without material modification of the existing terms and conditions of the license. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Broadcast licenses are tested for impairment annually or more frequently if events or circumstances indicate they may be impaired.

Broadcast licenses by themselves do not generate cash flows and therefore, when assessing these assets for impairment, the Company looks to the CGU to which the asset belongs. Broadcast licenses are tested for impairment as part of the WildBrain Television CGU.

Concurrent with the impairment recorded on broadcast licenses as disclosed in Note 13, the Company revised its amortization policy for Broadcast licenses to amortize the remaining balance on a straight-line basis over a period of 5 years, commencing on the quarter ending September 30, 2024.

Impairment of non-financial assets

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

Government financing and assistance

The Company has access to several government programs, including tax credits that are designed to assist film and television production and distribution in Canada. The Company records government assistance when the related costs have been incurred, and there is reasonable assurance that the Company will comply with the

conditions and they will be received. Amounts received or receivable in respect of production assistance are recorded as a reduction of the production costs of the applicable production. Government assistance with respect to distribution rights is recorded as a reduction of investment in film and television programs. Government assistance towards current expenses is recorded as a reduction of the applicable expense item.

Income taxes

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

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

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

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.
The effect of a change in tax rates on deferred tax assets and liabilities is included in Consolidated Statements of Loss in the period that the change is substantively enacted, except to the extent it relates to items previously recognized outside Consolidated Statements of Loss, in which case the rate change impact is recognized in a manner consistent with how the items were originally recognized.

Share-based compensation

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

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

Earnings (loss) per share

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

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

Financial instruments

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

- Embedded derivatives component of the senior unsecured convertible debentures, foreign currency forwards, and exchangeable debentures are classified as FVPL, and are initially measured at fair value less transaction costs. They are subsequently measured at fair value and net gains/losses are recognized in the Consolidated Statements of Loss.
- Cash, amounts receivables, long-term amounts receivables, accounts payable and accrued liabilities, interim production financing, long-term debt, senior unsecured convertible and exchangeable debentures and other liabilities are classified as 'amortized cost', and initially measured at fair value. They are subsequently measured at amortized cost, with amounts receivable reassessed using the customer's historical default experience and expected future credit losses under the 'expected credit loss' ("ECL") model.

- There are no financial assets classified as FVOCI.

Impairment of financial assets

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

Amended accounting standards adopted during the period

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

i) Non-current Liabilities with Covenants – Amendments to IAS 1

On June 23, 2021, the IASB issued amendments to IAS 1 in response to feedback on the classification of debt with covenants. The amendments clarify that for a liability to be classified as non-current, the right to defer settlement must be present at the reporting date and not contingent on future conditions. Entities must disclose information about these conditions, including the nature and compliance expectations. Additionally, IAS 1 will now require separate presentation of "non-current liabilities subject to conditions in the next 12 months" in the financial statement. The amendments also specify that a liability cannot be classified as non-current if it could become repayable within 12 months at the discretion of a counterparty or due to uncertain future events. These changes became effective for the Company on July 1, 2024. There was no impact on the financial statements as a result of adoption of this standard on July 1, 2024

Accounting pronouncements issued but not yet effective

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

i) Presentation and Disclosure in Financial Statements – IFRS Accounting Standards 18

On April 9, 2024, the IASB issued IFRS Accounting Standards 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1 as the primary standard for financial statement presentation. The standard aims to enhance the comparability of financial performance by introducing new requirements for categorizing and presenting items in the statement of profit or loss, such as mandatory sub-totals like operating profit. It also updates the statement of cash flows and includes provisions for presenting management-defined performance measures with reconciliations to IFRS Accounting Standards compliant figures. Effective from January 1 2027, IFRS Accounting Standards 18 requires restatement of comparative periods and allows earlier adoption. The Company has yet to assess the impact of adoption on the Consolidated Financial Statements.

ii) Classification and Measurement of Financial Instruments – Amendments to IFRS Accounting Standards 9 and IFRS Accounting Standards 7

On May 30, 2024, the IASB issued amendments to IFRS Accounting Standards 9 and IFRS Accounting Standards 7 aimed at improving the classification and measurement of financial instruments. The recent amendments simplify financial reporting by allowing earlier recognition of liabilities settled via electronic payments, clarifying the assessment of cash flows for basic lending arrangements, and refining definitions for non-recourse features and linked instruments. The amendments also introduce more detailed disclosure requirements for fair value changes in equity instruments and mandate reporting of terms that could affect cash flow timings or amounts. The amendment will be effective from January 1, 2026 and entities must apply these amendments retrospectively, with earlier adoption permitted. The Company has yet to assess the impact of adoption on the Consolidated Financial Statements.

All other IFRS Accounting Standards and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Consolidated Financial Statements.

Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. 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 under the circumstances. Accounting estimates will, by definition, seldom equal the actual results.

The most significant estimates and judgments made by management in the preparation of the Company's consolidated financial statements include the following:

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

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

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

Investment in film assets are subject to regular recoverability assessments. The book value of film assets is compared to the future anticipated revenues. Where recoverability issues are identified, the Company calculates the estimated present value of discounted cash flows directly attributable to the asset. To the extent the asset's book value exceeds the present value of discounted cash flows, an impairment charge is recorded for excess.

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

The value-in-use approach and related future cash flows involve the use of assumptions and estimates which involve estimation uncertainty. Management applies judgment in selecting certain assumptions to be used in the discounted cash flow models. For further details regarding the assumptions and related estimation uncertainty, refer to Note 12.

(iii) Measurement of ECL allowance

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

(iv) Revenue recognition of proprietary productions

For the Company's proprietary production revenues, each contract is assessed at inception to determine if performance obligations are met over time or at a point in time. Management uses judgment to evaluate factors such as ongoing ability to control the asset, rights retained, and the nature of performance obligations. Contracts, where performance obligations are satisfied over a period of time, are recognized based on actual total direct costs of production incurred against total estimated direct costs of production, which are determined based on the production's approved budget, while contracts where performance obligations are satisfied at a point in time are recognized when all performance obligations are completed, as described above under the Company's policy on revenue recognition.

(v) Liquidity

The Company manages liquidity by maintaining sufficient unused capacity within its Revolving Facility (see Note 14), regularly preparing cash flow forecasts, continuously monitoring actual and projected cash flows, and monitoring its ability to meet current and future financial maintenance covenants in order to operate its business and settle its obligations when they become due. Management considers conditions that may cast significant doubt upon its ability to continue as a going concern, which includes the Company's ability to meet future covenants, which is dependent on generating sufficient cash flows in accordance with its business plans to manage its leverage levels, or if these plans are not carried out, generate additional capital to reduce outstanding leverage by way of managing working capital, future equity raises or through the sale of assets. The estimation of future cash flows in accordance with its business plans and the forecasting of leverage levels to meet required financial maintenance covenants is subjective and involves judgment. The Company expects to be able to meet its future covenant requirements through execution of its business plans, although there can be no assurances it will be successful in doing so. As such, management has concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. See the Company's liquidity risk disclosures in Note 23.

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

4 Compensation of key management

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

	June 30, 2025 $	June 30, 2024 $
Salaries and employee benefits	**2,795**	2,765
Share-based compensation	**2,661**	856
Termination and other benefits	**—**	1,125
	5,456	4,746

5 Acquisitions

On July 19, 2023, the Company acquired 100% of the outstanding shares of House of Cool ("HOC"), a privately held pre-production company. In accordance with IFRS 3, Business Combinations, the substance of this acquisition constituted a business combination as the group of assets acquired, along with the processes and outputs, were determined to have met the definition of a business under the standard. Accordingly, the assets acquired, have been recorded at their respective estimated fair values as of the acquisition date.

The Company financed the transaction through the issuance of 4,479,406 WildBrain Ltd. shares, recognized at fair value based on the share price at the date of the transaction (the "Share Consideration") and $5,195 in cash (subject to a customary working capital adjustment). Additionally, the Company is required to repay the seller for certain tax credits relating to in-process productions as at the date of acquisition and completed productions which have yet to receive their final tax credit. A liability of $3,653 to the seller was recorded based on the estimated value of tax credits on acquisition (estimated cost incurred up until acquisition date over estimated total cost of the properties acquired). At June 30, 2025, $1.8 million of this liability remains.

Recognized goodwill is attributable to HOC's assembled workforce combined with its considerable expertise, product development knowledge and skills, and synergies by integrating its operations with the Company's existing production processes. No portion of goodwill is deductible for tax purposes.

The fair value of consideration transferred for the acquisition of HOC consists of the following:

	July 19, 2023 Purchase price $
Consideration paid in cash[1]	**5,195**
Consideration paid in common shares	**7,660**
Consideration for outstanding tax credits receivable[2]	**3,653**
Total Consideration	**16,508**

[1] Consideration paid in cash for business acquisition in Consolidated Statements of Cash Flows excludes $1,664 cash acquired.
[2] Consideration for outstanding tax credits receivable has been recorded as a liability for the Company and presented under Accounts payable and accrued liabilities in consolidated balance sheet.

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

During the year ended June 30, 2024, the company recorded the following purchase price allocation for the acquired assets and liabilities:

	July 19, 2023		June 30, 2024
	Preliminary amounts $	Adjustments[2] $	Final amounts $
Current assets			
Cash	**1,662**	**2**	**1,664**
Amounts receivable[1]	**14,941**	**(2,894)**	**12,047**
Prepaid expenses and other	**63**	**(44)**	**19**
Investment in film and television programs	**633**	**342**	**975**
	17,299	**(2,594)**	**14,705**
Non-current assets			
Property and equipment	**402**	**—**	**402**
Intangible assets[3]	**5,000**	**500**	**5,500**
Goodwill	**5,609**	**711**	**6,320**
	11,011	**1,211**	**12,222**
Current liabilities			
Accounts payable	**(8,040)**	**(752)**	**(8,792)**
Current portion of lease liabilities	**(90)**	**—**	**(90)**
	(8,130)	**(752)**	**(8,882)**
Non-current liabilities			
Deferred tax liability	**(1,325)**	**(212)**	**(1,537)**
	(1,325)	**(212)**	**(1,537)**
Total net assets acquired	**18,855**	**(2,347)**	**16,508**

[1] Amounts receivable include outstanding tax credits receivable of $3,653.

[2] The purchase price allocation was finalized in the fourth quarter of fiscal 2024 upon the Company's review of opening balances, these adjustments required a true-up of the goodwill balance as the finalization of net working capital balances and the valuation of other intangibles altered the initial purchase price allocation.

[3] Intangible assets comprise of Customer relationships and Brand.

Valuation methodology and key assumptions:

Customer relationships: Valued based on a discounted cash flow approach using a Multi-period Excess Earnings Method. Assumptions include forecast operating results from existing customers at the acquisition date; assumed attrition of existing customers going forward; contributory asset charges for working capital, fixed assets, brand and workforce; and an intangible discount rate based on consideration of the overall IRR and WACC and a weighted average returns analysis.

Brand: Valued based on a discounted cash flow approach using a Relief from Royalty Method. Assumptions include forecast revenue for the acquired business and an intangible discount rate based on consideration of the overall IRR and WACC and a weighted average returns analysis.

6 Canadian Television Broadcasting operations

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

During the second quarter of fiscal 2025, the Company signed a definitive agreement ("Sale Agreement") to sell 66.67% of its Canadian Television Broadcasting business to IoM Media Ventures Inc. ("IoM"). The transaction, which was subject to certain closing conditions, was expected to close within approximately six months from its signing, pending approval by the Canadian Radio-television and Telecommunications Commission (CRTC). As a result, the Company accounted for and presented the Canadian Television Broadcasting business unit as held for sale during a significant portion of its fiscal year.

In April 2025, Bell Canada notified the Company that it was removing WildBrain channels from its distribution services. As a result of these events, the Company and IoM entered renegotiation of certain commercial aspects of the Sale Agreement.

At June 30, 2025, management determined that a sale of the Canadian Television Broadcasting business was no longer highly probable given the status of the reopened negotiations and uncertainty around open CRTC rulings. As a result, the Company reclassified the Canadian Television Broadcasting business to held-for-use at June 30, 2025. The net assets of the disposal group comprising of $7,077 assets and $6,592 liabilities were reclassified at the lower of their carrying amounts, less amortization that would have been recorded had the assets not been classified as held for sale, and their recoverable value. Previous losses from the revaluation of assets held for sale recognized in previous quarters of $7,807 were allocated to the assets to which the impairment related, had the assets been recorded as held for use in those periods with additional impairment on reclassification of the assets to held for use of $10,114 for total impairment of assets within the Canadian Television Broadcasting business during the period of $15,304. These impairment losses were recorded on revaluation to recoverable amount of the CGU's investment in film and television program assets (Note 8). The recoverable amount of the assets was determined by assessing the expected net cash flows from the Canadian Television Broadcasting CGU until the date of termination of the TV business on October 31, 2025.

In August 2025, the Company announced that it would cease Canadian Television Broadcasting operations, with such closure taking effect in Q2 2026.

7 Amounts receivable

	June 30, 2025	June 30, 2024
	$	$
Trade receivables	**180,111**	216,829
Less: ECL allowance on trade receivables	**(7,261)**	(7,663)
Trade receivables, net of loss allowance	**172,850**	209,166
Sales tax receivable	**3,482**	2,492
Federal and provincial film tax credits and other government assistance (note 17)	**71,726**	66,643
Amounts receivable	**248,058**	278,301

The aging of trade receivables is as follows:

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

	June 30, 2025	June 30, 2024
	$	$
Less than 60 days	**157,159**	169,947
Between 60 and 90 days	**6,109**	7,362
Over 90 days	**16,843**	39,520
	180,111	216,829

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

	June 30, 2025	June 30, 2024
	$	$
Opening balance	**7,663**	8,935
Loss allowance on trade receivables	**2,156**	1,618
Write-offs during the year	**(908)**	(663)
Recoveries of receivables previously provided for	**(1,986)**	(2,418)
Impact of foreign exchange	**336**	191
Ending balance	**7,261**	7,663

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

8 Investment in film and television programs

	Development	In Production	Delivered	Program and film rights - broadcasting[1]	Total
	$	$	$		$
Cost					
June 30, 2024	**4,434**	**38,507**	**819,606**	**181,733**	**1,044,280**
Additions	1,411	14,945	53,133	3,291	72,780
Reclassifications[1]	(2,110)	(37,840)	39,950	—	—
Write-down	(2,339)	—	—		(2,339)
Disposals	—	—	(31,824)	—	(31,824)
Impact of foreign exchange	(12)	2,157	17,905	—	20,050
June 30, 2025	**1,384**	**17,769**	**898,770**	**185,024**	**1,102,947**
Accumulated amortization and impairment					
June 30, 2024			**718,643**	**166,053**	**884,696**
Amortization			81,388	3,667	85,055
Write-downs			30,892	15,304	46,196
Disposals			(26,324)		(26,324)
Impact of foreign exchange			15,371	—	15,371
June 30, 2025			**819,970**	**185,024**	**1,004,994**
Net book value					
June 30, 2024	4,434	38,507	100,963	15,680	159,584
June 30, 2025	**1,384**	**17,769**	**78,800**	**—**	**97,953**

[1] Reclassifications represent content that has progressed from one classification to another (such as from Development to In Production)

During the year ended June 30, 2025, interest of $570 (June 30, 2024 - $375) was capitalized to investment in film and television programs.

During the year ended June 30, 2025, additions to investment in film and television programs were reduced by $20,502 (June 30, 2024 - $6,980) in respect of production tax credits.

In Q2 2025 the Company sold certain of its non-core IP titles contained within Investment in film and television programs and Acquired and library content for proceeds of $5,500. Any book value in excess of the net realizable value was included as a component of write-down, along with other titles that were subject to impairments in the quarter due to book values in excess of discounted expected future cash flows. For these titles, the Company assessed the multiple revenue streams associated with each title over the next 5 to 10 years depending on the age of the title, applying decay rates where appropriate to current streams based on historical trends, and using a present value rate approximating the Company's weighted average cost of capital.

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

9 Acquired and library content

	Acquired and library content $
Cost	
June 30, 2024	**190,676**
Additions	92
Disposals	(19,248)
Impact of foreign exchange	2,221
June 30, 2025	**173,741**
Accumulated amortization and impairment	
June 30, 2024	**111,794**
Amortization	8,188
Disposals	(19,248)
Write-down	17,043
Impact of foreign exchange	1,429
June 30, 2025	**119,206**
Net book value	
June 30, 2024	78,882
June 30, 2025	**54,535**

In Q2 2025, the Company sold certain of its non-core IP titles contained within Investment in film and television programs and Acquired and library content for proceeds of $5,500. Any book value in excess of the net realizable value was included as a component of write-down, along with other titles that were subject to impairments in the quarter due to book values in excess of discounted expected future cash flows. For these titles, the Company assessed the multiple revenue streams associated with each title over the next 5 to 10 years depending on the age of the title, applying decay rates where appropriate to current streams based on historical trends, and using a present value rate approximating the Company's weighted average cost of capital.

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

10 Property and equipment

	Furniture, fixtures and equipment	Computer, post-production equipment and related software	Leasehold improvements	ROU assets - equipment	ROU assets - premise	Total
	$	$	$	$	$	$
For the year ended June 30, 2024						
Opening net book value	1,348	1,893	4,677	10,399	15,920	34,237
Additions	111	335	459	789	2,321	4,015
Amortization	(233)	(910)	(1,254)	(4,276)	(5,523)	(12,196)
Impact of foreign exchange	—	95	23	3	168	289
	1,226	1,413	3,905	6,915	12,886	26,345
As at June 30, 2024						
Cost	7,580	42,886	18,124	24,854	39,913	133,357
Accumulated amortization	(6,378)	(42,014)	(14,260)	(17,942)	(27,587)	(108,181)
Impact of foreign exchange	24	541	41	3	560	1,169
Net book value	1,226	1,413	3,905	6,915	12,886	26,345
For the year ended June 30, 2025						
Opening net book value	**1,226**	**1,413**	**3,905**	**6,915**	**12,886**	**26,345**
Additions	**26**	**843**	**36**	**693**	**2,988**	**4,586**
Amortization	**(208)**	**(606)**	**(1,289)**	**(3,280)**	**(4,900)**	**(10,283)**
Impairment	**(2)**	**(14)**	**—**	**—**	**—**	**(16)**
Impact of foreign exchange	**—**	**166**	**(4)**	**18**	**45**	**225**
	1,042	**1,802**	**2,648**	**4,346**	**11,019**	**20,857**
As at June 30, 2025						
Cost	**7,604**	**43,715**	**18,160**	**25,547**	**42,901**	**137,927**
Accumulated amortization	**(6,586)**	**(42,620)**	**(15,549)**	**(21,222)**	**(32,487)**	**(118,464)**
Impact of foreign exchange	**24**	**707**	**37**	**21**	**605**	**1,394**
Net book value	**1,042**	**1,802**	**2,648**	**4,346**	**11,019**	**20,857**

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

11 Intangible assets

	Broadcast licenses [1]	Customer relationships and representation agreements	Brands [2]	Production and distribution rights [3]	Software and Other [4]	Total
	$	$	$	$	$	$
For the year ended June 30, 2024						
Opening net book value	67,800	10,536	355,416	10,143	3,859	447,754
Additions	—	4,200	1,300	163	1,801	7,464
Amortization	—	(6,234)	(2,271)	(3,051)	(1,255)	(12,811)
Impairment	(67,545)	—	—	—	—	(67,545)
Impact of foreign exchange	—	153	11,836	232	56	12,277
Net book value	255	8,655	366,281	7,487	4,461	387,139
As at June 30, 2024						
Cost	67,800	45,231	442,891	33,251	8,347	597,520
Accumulated amortization and impairment	(67,545)	(36,811)	(88,575)	(26,054)	(3,952)	(222,937)
Impact of foreign exchange	—	235	11,965	290	66	12,556
Net book value	255	8,655	366,281	7,487	4,461	387,139
For the year ended June 30, 2025						
Opening net book value	**255**	**8,655**	**366,281**	**7,487**	**4,461**	**387,139**
Additions	**—**	**—**	**—**	**178**	**1,410**	**1,588**
Amortization	**(51)**	**(5,064)**	**(552)**	**(1,939)**	**(1,570)**	**(9,176)**
Impairment	**—**	**—**	**—**	**(5,312)**	**—**	**(5,312)**
Impact of foreign exchange	**—**	**182**	**(1,150)**	**243**	**200**	**(525)**
Net book value	**204**	**3,773**	**364,579**	**657**	**4,501**	**373,714**
As at June 30, 2025						
Cost	**67,800**	**45,231**	**442,891**	**33,429**	**9,757**	**599,108**
Accumulated amortization and impairment	**(67,596)**	**(41,875)**	**(89,127)**	**(33,305)**	**(5,522)**	**(237,425)**
Impact of foreign exchange	**—**	**417**	**10,815**	**533**	**266**	**12,031**
Net book value	**204**	**3,773**	**364,579**	**657**	**4,501**	**373,714**

(1) All broadcast licenses relate to the operations of WildBrain Television.
(2) Included in Brands are $363,041 of indefinite life intangibles (June 30, 2024 - $364,212).
(3) Comprised of rights acquired by the Company to produce and/or distribute television content where the Company does not own the underlying intellectual properties.
(4) Comprised of software, production backlog and non-compete contracts.

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

12 Goodwill

The continuity of goodwill is as follows:

	June 30, 2025	June 30, 2024
	$	$
Opening balance	**28,545**	21,435
Additions	**—**	6,320
Impact of foreign exchange	**(77)**	790
Ending balance	**28,468**	28,545

Impairment testing of goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets, being the broadcast licenses and certain acquired brands, are tested for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired. The Company performs its goodwill and indefinite life intangible assets impairment test annually as at June 30, in accordance with its policy described in note 3. Goodwill and indefinite life intangible assets are tested for impairment at the lowest CGU level. On this basis, management has determined that it has five CGUs: i) the Company's production, distribution, and licensing of film and television programs business, being the Content Business, excluding House of Cool, and Peanuts (the "Content Business"); ii) House of Cool; iii) Peanuts; iv) CPLG, which manages copyrights, licensing and brands for third parties; and v) WildBrain Television. The Content Business and CPLG CGUs do not have any goodwill or indefinite life intangible assets, and therefore have not been tested for impairment.

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

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

As at June 30, 2025, the Company completed its annual impairment tests for goodwill and indefinite life intangible assets, and concluded that there was no impairment for the Peanuts Business CGU and the House of Cool CGU(June 30, 2024- no impairment). The Company has conducted a sensitivity analysis on the key assumptions used to determine the recoverable amount for both Peanuts Business CGU and House of Cool. Management believes that any reasonably possible change in the assumptions on which the estimates of recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the related CGU.

13 Accounts payable and accrued liabilities

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

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

	June 30, 2025	June 30, 2024
	$	$
Accounts payable	**31,829**	35,638
Accrued liabilities:		
Accrued agency, participation and licensor fees	**59,650**	58,830
Accrued goods and services received	**27,935**	17,735
Accrued people costs	**14,465**	10,467
Accrued Interest	**10,107**	13
Minimum guarantees payable	**1,531**	6,681
Other	**362**	3,984
Income tax payable	**11,984**	3,310
	157,863	136,658

14 Credit facilities

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

	June 30, 2025	June 30, 2024
	$	$
Prior Revolving Facility (note 14a)	**—**	13,800
Revolving Facility (note 14b)	**10,914**	—
Prior Term Loan Facility, net of unamortized issue costs of $nil (June 30, 2024 - $6,077) (note 14c)	**—**	371,301
Term Loan Facility, net of unamortized issue costs of $14,541 (June 30, 2024 - $nil) (note 14d)	**487,133**	—
Convertible Debentures, net of unamortized issue costs and conversion option of $nil (June 30, 2024 - $1,566) (note 14e)	**—**	138,434
Interim production financing[(1)]	**56,472**	59,101
Total	**554,519**	582,636
Less: amount due within 12 months	**(136,588)**	(215,236)
Amount due beyond 12 months	**417,931**	367,400

[(1)] Assignment and direction of specific production financing, licensing contracts receivable and film tax credits receivable have been pledged as security. As at June 30, 2025, the Canadian dollar bank prime rate was 4.95% (June 30, 2024 - 6.95%).

The termination of the Prior Credit Facility and the entering into the Senior Secured Credit Facility was accounted for as an extinguishment of the Prior Credit Facility. As a result, during the year ended June 30, 2025, unamortized issue costs of $6,077 and professional and legal fees of $236 were expensed within Finance Costs. Issue costs, professional and legal fees of $18,166 were capitalized in relation to the Senior Secured Credit Facility and will be netted against the outstanding balance and accreted over the term of the Senior Secured Credit Facility using the effective interest method.

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

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

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

[1] As defined in the Senior Secured Credit Facility

[2] As defined in the September 2025 amendment of the Senior Secured Credit Facility

a) Prior Revolving Facility

The Prior Revolving Facility bore interest of SOFR plus 4% based on the applicable form of borrowing and did not carry a financial maintenance covenant, except when amounts were drawn and outstanding. The Revolving Facility had a maturity date of the earlier of March 26, 2026 or three months prior to the maturity of the Company's convertible debentures dated September 30, 2024, except where converted. On June 27, 2024, the Company arranged with its current lenders to extend maturity of the Prior Credit Facility to the earlier of July 26, 2024 or two months prior to the earliest maturity of the Company's convertible debentures dated September 30, 2024, except where converted.

Amounts owed under the Prior Revolving Facility were recorded in Bank Indebtedness and were classified as current liabilities. Upon payment in full of the outstanding balance on July 23, 2024, the Prior Revolving Facility arrangement was extinguished.

b) Revolving Facility

During the year ended June 30, 2025, the Revolving Facility bore average interest of 10.62%.

Amounts owed under the Revolving Facility are recorded in Bank Indebtedness and are classified as current liabilities. As at June 30, 2025, US$8,000 or $10,914 (June 30, 2024 - US$nil or $nil) was drawn on the Revolving Facility.

c) Prior Term Loan Facility

The Prior Term Loan Facility bore interest of SOFR + 4.25% and had a maturity date of March 26, 2028. The Prior Term Loan Facility had no financial maintenance covenants, except when amounts were drawn and outstanding, and required quarterly repayment equal to 0.25% of the initial principal amount.

Upon payment in full of the outstanding balance on July 23, 2024, the Prior Term Loan Facility arrangement was extinguished.

d) Term Loan Facility

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

Total Leverage Ratio[(1)]	Excess Cash Flow % Payable
Greater than 3.50x	100%
Greater than 3.00x and less than 3.50x	50%
Less than 3.00x	25%

[(1)] As defined in the Senior Secured Credit Facility

During the year ended June 30, 2025, the Term Loan Facility bore average interest of 10.62%.

The Company is required to comply with a leverage covenant of 6.25x. As at June 30, 2025, the Company's Total Net Leverage Ratio was 4.76x and in compliance with the leverage covenant requirement.

As at June 30, 2025, the Company's Term Loan had a principal balance of US$367,715, or $501,674 (June 30, 2024 - US$nil or $nil).

Refer to Management of financial risks and financial instruments (note 23) for information related to principal and fixed rate interest payments as at June 30, 2025.

e) Senior unsecured convertible debentures ("Convertible Debentures")

During the first quarter of fiscal 2025, the Company fully repaid the principal balance of $140,000 for the Convertible Debentures, bearing interest at a fixed annual rate of 5.875% payable semi-annually on March 31 and September 30 of each year.

The Convertible Debentures had a cash conversion option whereby the Company could elect to make a cash payment in lieu of issuing Common Voting Shares or Variable Voting Shares upon exercise of the conversion option feature by the holder of the Convertible Debentures. As a result, the Convertible Debentures were deemed to have no equity component at initial recognition and the estimated fair value of the embedded derivatives was recorded as a financial liability and included with the debt component on the Company's consolidated balance sheet. Changes in the estimated fair value of the embedded derivatives were recorded through the Company's consolidated statement of Loss.

During the year ended June 30, 2025, the Company recorded a gain of $7,871 and $1, respectively, as a change in fair value of the embedded derivative (June 30, 2024 - a gain of $nil and $339, respectively), and the estimated fair value of the embedded derivative as at June 30, 2025 was $nil (June 30, 2024 - $1).

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

15 Share capital

	June 30, 2025		June 30, 2024	
	Number	Amount	Number	Amount
	#	$	#	$
Preferred variable voting shares				
Opening balance	**500,000,000**	**—**	500,000,000	—
Ending balance	**500,000,000**	**—**	500,000,000	—
Common shares				
Opening balance	**206,116,162**	**415,808**	199,994,229	405,612
Options exercised	**716,747**	**—**	—	—
RSU settled	**547,844**	**1,313**	662,881	1,370
DSU settled	**—**	**—**	979,646	1,166
Shares for warrant exercise	**5,000,000**	**6,250**	—	—
Shares for business acquisition	**—**	**—**	4,479,406	7,660
Ending balance	**212,380,753**	**423,371**	206,116,162	415,808
Common Voting Shares	**21,195,875**		29,569,453	
Variable Voting Shares	**191,184,878**		176,546,709	
	212,380,753		206,116,162	

	Number
	#
Preferred Variable Voting Shares ("PVVS"), redeemable at the option of the Company at any time at a millionth of a cent per share, no entitlement to dividends, voting	**500,000,000**
Common Voting Shares without nominal or par value	**Unlimited**
Variable Voting Shares without nominal or par value	**Unlimited**
Non-Voting Shares without nominal or par value	**Unlimited**

The votes attached to the PVVS as a class are automatically adjusted so that they, together with the votes attached to the common shares that are owned by Canadians, equal 55% of the votes attached to all shares in the capital of the Company. The votes attached to the PVVS as a class are, in aggregate, not less than 1% of the votes attached to all shares in the capital of the Company. The PVVS are not listed on any stock exchange.

Common shares

The common shares of the Company are inclusive of Common Voting Shares, Variable Voting Shares and Non-Voting Shares.

Warrants

On July 23, 2024, the Company issued 5,000,000 Variable Voting Shares for exercise of warrants held by Fine Capital. The Company recorded the transaction at fair value based on the share price at the date of the transaction with a corresponding adjustment to contributed surplus in the consolidated balance sheets.

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

16 Share-based compensation

Omnibus equity incentive plan ("Omnibus Plan")

As at June 30, 2025, the total amount available for issuance under the Omnibus Plan subject to the 10% maximum was 20,814,501 (June 30, 2024 - at 10% - 20,310,747).

During the years ended June 30, 2025, the Company recognized the following share-based compensation expense (recovery) with a corresponding adjustment to contributed surplus:

	June 30, 2025	June 30, 2024
	$	$
Options	**9**	(534)
Performance share unit plan ("PSUs")	**687**	(16)
Restricted share unit plan ("RSUs")	**2,207**	3,093
Deferred share unit plan ("DSUs")	**1,673**	1,209
	4,576	3,752

Options

As at June 30, 2025 and 2024, the Company had the following stock options outstanding:

	Number of options	Weighted average exercise price per stock option
	#	$
Outstanding at June 30, 2023	3,517,800	3.52
Forfeited	(600,000)	2.57
Expired	(1,006,800)	5.61
Outstanding at June 30, 2024	1,911,000	2.71
Exercisable at June 30, 2024	1,911,000	2.71
Outstanding at June 30, 2024	**1,911,000**	**2.71**
Issued	**450,000**	**1.51**
Expired	**(662,500)**	**5.27**
Exercised	**(900,000)**	**1.51**
Outstanding at June 30, 2025	**798,500**	**1.62**
Exercisable at June 30, 2025	**798,500**	**1.62**

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

The range of exercise prices for options outstanding at June 30, 2025 and 2024, is presented below.

Range of exercise prices	Number outstanding at June 30, 2025 #	Weighted average remaining contractual life years	Weighted average exercise price $	Number outstanding at June 30, 2024 #	Weighted average exercise price $
$1.50 - $3.49	**798,500**	**0.25**	**1.62**	1,391,000	1.60
$3.50 - $5.49	**—**	**—**	**—**	100,000	5.47
$5.50 - $7.49	**—**	**—**	**—**	420,000	5.73
Total	**798,500**	**0.25**	**1.62**	1,911,000	2.71

Performance share unit plan ("PSUs")

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

	June 30, 2025 PSUs #	June 30, 2024 PSUs #
Outstanding, beginning of year	**1,890,163**	1,850,968
Granted	**717,345**	891,695
Forfeited	**(415,000)**	(852,500)
Outstanding, end of year	**2,192,508**	1,890,163

Restricted share unit plan ("RSUs")

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

	June 30, 2025 RSUs #	June 30, 2024 RSUs #
Outstanding, beginning of year	**2,227,137**	2,483,778
Granted	**3,065,526**	1,017,991
Forfeited	**(147,831)**	(479,943)
Exercised	**(1,056,017)**	(794,689)
Outstanding, end of year	**4,088,815**	2,227,137

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

Deferred share unit plan ("DSUs")

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

	June 30, 2025	June 30, 2024
	DSUs	DSUs
	#	#
Outstanding, beginning of year	**3,008,691**	3,245,260
Granted	**1,227,053**	743,077
Redeemed	**—**	(979,646)
Outstanding, end of year	**4,235,744**	3,008,691

17 Government financing and assistance

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

	June 30, 2025	June 30, 2024
	$	$
Opening balance	**66,643**	74,444
Additions	**39,537**	43,002
Collections	**(34,454)**	(50,897)
Impact of foreign exchange	**—**	94
Closing balance	**71,726**	66,643

Amounts receivable from the Canadian federal government and other government agencies in connection with production financing represented 30% of total amounts receivable at June 30, 2025 (June 30, 2024 - 24%). These amounts receivable are presented as current assets and are part of the normal operating cycle of the Company, which can be greater than 12 months. Certain of these amounts are subject to audit by Canada Revenue Agency.

The Company adjusts amounts receivable from the Canadian federal government and other government agencies including federal and provincial tax credits receivable, quarterly and yearly, for any known differences arising from internal or external audit of these balances. There were no material adjustments for the year ended June 30, 2025.

Additionally, during the year ended June 30, 2025, the Company collected $1,941 (June 30, 2024 - $794) in relation to non-repayable contributions from the Canadian Media Fund license fee program.

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

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

For the twelve months ended-month periods ended June 30, 2025, an impairment charge of $68,777 was recorded (June 30, 2024 - $90,403) . This included an intangible asset impairment of $5,312 (June 30, 2024 - $67,545), write-down of acquired and library content of $17,043 (June 30, 2024 - $nil) and investment in film assets of $46,196 (June 30, 2024 - $22,858). The write-downs reflect the weaker than expected revenue performance and current market conditions for the brands and titles impaired.

19 Income taxes

Significant components of the Company's net deferred income tax asset as at June 30, 2025 and June 30, 2024 are as follows:

	June 30, 2025 $	June 30, 2024 $
Broadcast licenses	(107)	(121)
Tangible benefit obligation	(96)	—
Reserves	6,484	7,206
Foreign tax credits	10,866	14,197
Property and equipment	(326)	(814)
Share issuance costs, deferred financing fees and financial instruments	6,658	1,116
Investment in film and television programs and acquired and library content	(16,558)	(12,120)
Intangible assets	(13,939)	(9,723)
Foreign currency related balances	(1,980)	988
Non-capital losses and other	32,505	10,120
Other	(730)	(3)
Net deferred income tax asset	22,777	10,846

The recognition of Canadian, US and UK net operating losses is dependent upon future taxable income and the ability, under Canadian, US and UK tax law, to utilize its net operating losses. Based on the current forecast of Canadian taxable income, it is probable that certain losses may not be utilized. The deferred tax asset not recognized of $63,161 (June 30, 2024 - $49,428), relates primarily to the Canadian non-capital loss carry forwards which begin to expire in the 2033 taxation year. The non-recognition of the deferred tax asset related to the net operating losses does not constrain the Company's ability to utilize it against future income.

Deferred income tax liability has not been recognized for the withholding tax and other taxes that would be payable on unremitted earnings of certain subsidiaries, as such amounts are permanently reinvested. Unremitted earnings totaled $75,065 as at June 30, 2025 (June 30, 2024 -$111,372).

The Excessive Interest and Financing Expenses Limitation ("EIFEL") Rules were enacted on June 20, 2024 and are effective for taxation years beginning after September 30, 2023. These rules apply to any taxpayer, defined as a corporation or trust, that is not considered to be an "excluded entity and are intended to restrict Canadian taxpayers' net interest and financing expenses deductions based upon a percentage of their "tax-EBITDA". The amount of interest and financing expenses denied under the EIFEL rules in a taxation year (the "restricted interest and financing expenses ("RIFE")) can be carried forward indefinitely to be used in future taxation years when a taxpayer has "excess capacity" to deduct net interest and financing expenses greater than its actual net interest and financing expenses in that future year. As at June 30, 2025, the Company has an unrecognized DTA of $9,673 in respect of RIFE.

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

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

	June 30, 2025 $	June 30, 2024 $
Income tax expense (recovery) based on combined federal and provincial tax rates of 27% (June 30, 2024 - 27%)	(14,304)	(25,231)
Income taxes (reduced) by:		
Non-deductible expenses	1,133	2,821
Tax rate differential	433	3,412
Non-controlling interest	(9,568)	(6,792)
Provision to return adjustment	853	4,436
Non-capital losses not recognized	20,617	6,138
Other	125	343
Recovery of income taxes	(781)	(14,873)

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

20 Non-controlling interest

The Company's non-controlling interest as at June 30, 2025 was $253,705 (June 30, 2024 - $257,234), which primarily relates to its subsidiary, Peanuts Worldwide LLC (DE) ("Peanuts"). The Company is the majority owner of Peanuts, holding a 40.8% interest while Sony Music Entertainment (Japan) Inc. holds a 39.2% interest. The family of Charles M. Schulz holds the remaining 20% interest. The Company has majority voting control with two out of three seats of the Board of Managers of which the voting rights of each Board member are equal to their respective percentage interest. Furthermore, the Company manages the day-to-day operations of Peanuts, and as such at June 30, 2025, the Company controlled Peanuts and therefore consolidates 100% of Peanuts with an adjustment for non-controlling interest. The Company also holds shares in several other brands, such as YoGabbaGabba, that it consolidates with a non-controlling interest.

During the year ended June 30, 2025, the Company distributed $39,534 (June 30, 2024 - $26,093) to its non-controlling interests. The following table summarizes the financial information of Peanuts before the elimination of intercompany trading balances and intercompany receivables and payables:

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

	June 30, 2025 $	June 30, 2024 $
Current assets	**140,551**	**138,791**
Non-current assets	**392,727**	**391,986**
Current liabilities	**(50,999)**	**(54,975)**
Non-current liabilities	**(106)**	**(2,065)**
Net assets	**482,173**	**473,737**
Revenue	**228,747**	**172,486**
Total expenses	**(164,212)**	**(131,211)**
Net income and comprehensive income	**64,535**	**41,275**

21 Finance costs, net

Net finance costs comprise the following:

	June 30, 2025 $	June 30, 2024 $
Finance costs (income)		
Change in fair value of interest rate swap and forward contract	**(46)**	9,624
Interest income	**(2,939)**	(3,881)
Interest expense on bank indebtedness	**2,590**	1,582
Interest on long-term debt	**58,517**	35,734
Interest on completed and released productions	**1,922**	3,799
Amortization of deferred financing fees	**3,625**	2,668
Write-down of unamortized issue costs	**6,313**	—
Accretion on convertible debentures, exchangeable debentures, lease liabilities and other	**3,003**	6,253
	72,985	55,779

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

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

22 Expenses by nature

The following sets out the expenses by nature:

	June 30, 2025	June 30, 2024
	$	$
Direct production costs and expense of film and television produced:		
Direct production and new media costs	**195,152**	182,400
Expense of film and television programs	**81,388**	50,381
Expense of film and broadcast rights for broadcasting	**3,667**	7,929
	280,207	240,710
Selling, general and administrative:		
Office and administrative	**23,269**	19,264
Investor relations and marketing	**1,200**	2,473
Professional and regulatory	**9,903**	10,171
Salaries and employee benefits	**77,365**	70,497
	111,737	102,405
Reorganization, development and other expense:		
Reorganization, development and other expenses[(1)]	**6,768**	10,874
Termination and other benefits	**5,009**	5,077
	11,777	15,951
Amortization of property and equipment and intangible assets	**19,459**	25,007
Amortization of acquired and library content	**8,188**	8,696
Write-down of investment in film and television programs, acquired and library content, and intangible assets (note 18)	**68,777**	90,403
Share-based compensation (note 16)	**4,576**	3,752
Finance costs, net (note 21)	**72,985**	55,779
Change in fair value of embedded derivatives	**(1)**	**(339)**
Impact of foreign exchange	**321**	14,666
	578,026	557,030

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

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

	June 30, 2025	June 30, 2024
	$	$
System implementation costs	**560**	4,251
Development write-off	**2,339**	3,083
Write-down of refinancing costs	**1,111**	937
Relocation costs	**—**	383
Other	**2,759**	2,220
	6,769	10,874

23 Management of financial risks and financial instruments

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

a) Credit risk

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

The maximum exposure to credit risk for cash and trade receivables (excluding government, film tax credit, and interest rate swap receivables) approximates the amounts recorded on the consolidated balance sheets of $258,398 (June 30, 2024 - $289,742). The Company manages credit risk on cash and cash equivalents by ensuring that the counterparties are banks, governments and government agencies with high credit ratings.

The balance of trade receivables is mainly with streamers, consumer product licensees, toy companies and large international content distributors. Management manages credit risk by assessing new customers' creditworthiness and regularly reviewing aged accounts receivable. Management also determines the loss allowance for trade receivables by categorizing customers into risk groups and applying provision percentages based on historical loss rates and judgment. The allowance represents approximately 4.0% of current receivables (June 30, 2024 - 3.5%). Long-term receivables are only offered to large international linear and digital broadcasters with a good payment history.

b) Interest rate risk

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

The Company periodically enters into interest rate swaps to manage the cost of interest (note 14c). Management will continue to monitor the interest rate risk closely and take appropriate measures as necessary. Changes in the estimated fair value of the interest rate swap are recorded through the Company's consolidated statement of (loss). The interest rate swap terminated June 28, 2024 and there is no interest rate swap for year ended June 30, 2025.

An increase of 100 basis points in interest rates during the year ended June 30, 2025 would have decreased pre-tax net income by $5,545 (June 30, 2024 - $5,826).

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity by maintaining sufficient unused capacity within its Revolving Facility, regularly preparing cash flow forecasts, continuously monitoring actual and projected cash flows, and monitoring its ability to meet current and future financial maintenance covenants in order to operate its business and settle its obligations when they become due.

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

	Total $	Less than 1 year $	1 to 3 years $	3 to 5 years $	After 5 years $
Bank indebtedness	10,914	10,914	—	—	—
Accounts payable and accrued liabilities	157,863	157,863	—	—	—
Interim production financing	56,472	56,472	—	—	—
Other long-term liabilities	2,850	—	2,850	—	—
Term facility	710,644	69,202	113,200	528,242	—
Finance lease obligations	25,261	11,804	10,867	2,124	466
	964,004	306,255	126,917	530,366	466

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

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

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

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

Subsequent to year end, in September 2025, the Company agreed with its lenders to a further amendment to the Senior Secured Credit Facility which (i) removed the requirement to execute one or several de-leveraging events by Q2 2026, (ii) added a 1.5% prepayment premium in the event of early repayment of the loan, (iii) added further fees to lenders of $6 million to be paid by October 1, 2025 and other lender fees in respect of the timing of any de-leveraging events that the Company may enter into, which may result under certain scenarios in additional finance charges of 0.6% to 6.0% per annum, and (iv) further changes to the financial maintenance covenant, as outlined in Note 14.

The Company is bound by certain financial maintenance covenants in its Senior Secured Credit Facility, specifically a Leverage Ratio condition based on trailing twelve month EBITDA of a restricted group of WildBrain entities, adjusted for certain one-time and non-cash charges (for more information refer to the Senior Secured Credit Facility, on SEDAR+ at www.sedarplus.ca.). Non-compliance with the financial maintenance covenant would be considered an event of default under the Senior Secured Credit facility, which could, absent a waiver from the lenders or cure by the Company, restrict the Company's access to funds required to run its business and settle its obligations in a timely manner. Management considers conditions that may cast significant doubt upon its ability to continue as a going concern, which includes the Company's ability to meet future covenants, which is dependent on generating sufficient cash flows in accordance with its business plans to manage its leverage levels, or if these plans are not carried out, generate additional capital to reduce outstanding leverage by way of managing working capital, future equity raises or through the sale of assets. The estimation of future cash flows in accordance with its business plans and the forecasting of leverage levels to meet required financial maintenance covenants is subjective and involves judgment. The Company expects to be able to meet its future covenant requirements through execution of its business plans, although there can be no assurances it will be successful in doing so. As such, management has concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

d) Currency risk

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

A 1% strengthening of Canadian dollars against the foreign currency balances held by the Company at June 30, 2025 would have increased pre-tax net income by $1,129 (June 30, 2024 - increased pre-tax net income by $3,583).

Fair value of financial instruments

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

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

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

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

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

Financial assets and (liabilities) measured at fair value

	As at			
	June 30, 2025		June 30, 2024	
	Fair value hierarchy	Fair value[1]	Fair value hierarchy	Fair value[1]
		$		$
Embedded derivatives[2]	**Level 2**	**—**	Level 2	(1)
Foreign currency forwards[3]	**Level 2**	**(106)**	Level 2	75
Foreign currency forwards[3]	**Level 2**	**96**	Level 2	(137)

[1] Derivative financial instruments are initially measured at fair value on the trade date. Subsequent valuations are based on observable inputs to the valuation model.

[2] Embedded derivatives include convertible debentures, measured using valuation models. This is classified under Accounts payable, accrued and derivative liabilities in the consolidated balance sheet as the maturity date is within the next 12 months.

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

As at June 30, 2025, the Company held forward contract options with the following notional value and average contractual exchange rates:

US$ exchange for GBP	
Less than one year	**US$796 to US$1,194**
Weighted average rate	**1.3263**
US$ exchange for Canadian dollars	
Less than one year	**US$15,611 to US$17,337**
Weighted average rate	**1.3700**
Japanese Yen ("Yen") exchange for US$	
Less than one year	**US$1,032 to US$1,032**
Weighted average rate	**159.6667**

The Company does not apply hedge accounting and the forward contract options are measured at fair value at each reporting date. The estimated fair value of the forward contract options as at June 30, 2025, was a liability of $106 and an asset of $96 (June 30, 2024 - a liability of $137 and an asset of $75), which have been included in derivative assets and derivative liabilities, respectively, in the consolidated balance sheet.

Financial assets and liabilities not measured at fair value

The carrying amount of all financial instruments presented in the consolidated financial statements approximate their fair values, except for the Convertible Debentures as follows:

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

	As at					
	June 30, 2025			June 30, 2024		
	Fair value hierarchy	Fair value liability	Carrying value	Fair value hierarchy	Fair value liability	Carrying value
		$	$		$	$
Convertible Debentures[1]	**Level 1**	**—**	**—**	Level 1	134,400	138,434

[1] The fair value of the Convertible Debentures is based on market quotes as these are actively traded on the open exchange.

During the year ended June 30, 2025, the Company recorded a gain of $1, as a change in fair value of the embedded derivative (June 30, 2024 - a gain of $339), and the estimated fair value of the embedded derivative as at June 30, 2025 was $nil (June 30, 2024 - $1).

24 Earnings or loss per common share

a) Basic

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

	June 30, 2025	June 30, 2024
	$	$
Net loss attributable to shareholders of the Company	**(89,814)**	(105,970)
Weighted average number of common shares outstanding (in 000's)	**211,908**	205,943
Basic loss per common share	**(0.42)**	(0.51)

b) Diluted

During the years ended June 30, 2025 and June 30, 2024, the diluted weighted average number of common shares outstanding was the same as the basic weighted average number of common shares outstanding, as the Company had a net loss and all potential dilutive instruments were anti-dilutive.

Basic and diluted loss per share are calculated using an adjusted denominator as shown above.

25 Capital disclosures

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

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

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

	June 30, 2025	June 30, 2024
	$	$
Total bank indebtedness and long-term debt, excluding interim production financing	**498,047**	523,535
Less: Cash	**(68,871)**	(49,715)
Net debt	**429,176**	473,820
Total shareholders' equity	**165,040**	246,490
	594,216	720,310

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

26 Consolidated statement of cash flows - supplementary information

Net change in non-cash balances related to operations

	June 30, 2025	June 30, 2024
	$	
Decrease in amounts receivable	**31,233**	27,500
Increase (decrease) in prepaid expenses and other	**(2,247)**	(2,930)
Decrease in long-term amounts receivable	**13,782**	34,513
Increase (decrease) in accounts payable and accrued liabilities	**4,962**	(60,886)
Decrease in deferred revenue	**(19,377)**	(18,431)
	28,353	(20,234)

Net change in film and television programs

	June 30, 2025	June 30, 2024
	$	$
Net change in development costs	**3,049**	2,512
Net additions to productions in progress and productions completed and released	**(70,187)**	(58,323)
Additions to program and film rights - broadcasting	**(5,908)**	(4,839)
Amortization of film and television programs	**81,388**	50,381
Amortization of program and film rights - broadcasting	**6,284**	7,929
	14,626	(2,340)

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

Net change in interim production financing[1]

	June 30, 2025	June 30, 2024
	$	$
Proceeds from interim production financing	**50,877**	51,101
Repayment of interim production financing	**(53,506)**	(78,891)
	(2,629)	(27,790)

Supplemental cash flow information

	June 30, 2025	June 30, 2024
	$	$
Taxes paid	**(1,417)**	(3,650)
Taxes refunded	**1,749**	282
	332	(3,368)

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

	Term facility $	Senior unsecured convertible debentures $	Lease liabilities $	Total $
Balance - June 30, 2023	360,976	133,002	32,049	526,027
Repayments and settlements	(3,846)	—	(10,288)	(14,134)
Payment of debt issue costs	(6)	—	—	(6)
Total financing cash flow activities	(3,852)	—	(10,288)	(14,140)
Amortization of deferred financing costs	1,778	890	—	2,668
Lease liabilities additions	—	—	3,054	3,054
Interest paid on lease liabilities	—	—	(1,780)	(1,780)
Accretion expense	—	4,542	1,780	6,322
Impact of foreign exchange	12,399	—	139	12,538
Total other activities	14,177	5,432	3,193	22,802
Balance - June 30, 2024	371,301	138,434	24,954	534,689

	Term facility $	Senior unsecured convertible debentures $	Lease liabilities $	Total $
Balance - June 30, 2024	**371,301**	**138,434**	**24,954**	**534,689**
Proceeds (repayments) (note 14d)	**504,947**	**—**	**(8,688)**	**496,259**
Repayments (notes 14c and 14e)	**(381,252)**	**(140,000)**	**—**	**(521,252)**
Payment of debt issue costs	**(18,166)**	**—**	**—**	**(18,166)**
Total financing cash flow activities	**105,529**	**(140,000)**	**(8,688)**	**(43,159)**
Amortization of deferred financing costs	**3,625**	**240**	**—**	**3,865**
Lease liabilities additions	**—**	**—**	**3,156**	**3,156**
Interest paid on lease liabilities	**—**	**—**	**(1,501)**	**(1,501)**
Accretion expense	**—**	**1,327**	**1,501**	**2,828**
Impact of foreign exchange	**365**	**(1)**	**117**	**481**
Write-down of unamortized issue costs	**6,313**	**—**	**—**	**6,313**
Total other activities	**10,303**	**1,566**	**3,273**	**15,142**
Balance - June 30, 2025	**487,133**	**—**	**19,539**	**506,672**

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

27 Revenues and segmented information

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

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

In evaluating performance, the Chief Operating Decision Maker ("CODM"), defined as the Company's President and CEO, and CFO, rely on recommendations by the CIG to assess and allocate resources. The composition of the CODM group changed in the second quarter of fiscal 2024.

As a result, in the fourth quarter of fiscal 2024, the Company further refined its view of the reportable segments and made changes to report three reportable segments, being 1) Content and Licensing; 2) Global Licensing and 3) Canadian Television Broadcasting.

1) Content Creation and Audience Engagement - comprises revenue generated from production of proprietary content and distribution of proprietary titles owned by the Company and its strategic partners, and third-party service work.

2) Global Licensing - comprises royalties from IPs owned by the Company and its strategic partners, and commissions earned from the licensing agency business.

3) Canadian Television Broadcasting - comprises revenue from operating the broadcast channels in Canada.

During the year ended June 30, 2025, revenues from one customer (June 30, 2024 - none) of the Company's Content segment represented approximately 10% of total revenues of $64,760 (June 30, 2024 - $0) of total revenues).

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

	Year ended June 30, 2024			
	Content Creation and Audience Engagement	Global Licensing	Canadian Television Broadcasting	Consolidated
	$	$	$	$
Revenues	212,765	213,598	35,457	461,820
Direct production costs and expense of film and television produced	133,449	94,324	12,937	240,710
Segment Margin	79,316	119,274	22,520	221,110
Share based compensation and selling, general and administrative	35,740	53,851	1,624	91,215
Segment profit	43,576	65,423	20,896	129,895
Corporate selling, general and administrative expense and items unallocated to segments				14,942
Amortization of property and equipment and intangible assets				25,007
Amortization of acquired and library content				8,696
Write-down of investment in film and television programs and intangible assets				90,403
Finance costs, net				55,779
Change in fair value of embedded derivatives				(339)
Foreign exchange loss				14,666
Reorganization, development and other expenses				15,951
Income before income taxes				(95,210)

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

	Year ended June 30, 2025			
	Content Creation and Audience Engagement	Global Licensing	Canadian Television Broadcasting	Consolidated
	$	$	$	$
Revenues	**203,095**	**284,187**	**36,080**	**523,362**
Direct production costs and expense of film and television produced	**143,656**	**129,058**	**7,493**	**280,207**
Segment Margin	**59,439**	**155,129**	**28,587**	**243,155**
Share based compensation and selling, general and administrative	**30,436**	**60,816**	**4,897**	**96,149**
Segment profit	**29,003**	**94,313**	**23,690**	**147,006**
Corporate selling, general and administrative expense and items unallocated to segments				**20,164**
Amortization of property and equipment and intangible assets				**19,459**
Amortization of acquired and library content				**8,188**
Write-down of investment in film and television programs, and acquired and library content (note 18)				**68,777**
Finance costs, net				**72,985**
Change in fair value of embedded derivatives				**(1)**
Foreign exchange loss				**321**
Reorganization, development and other expenses				**11,777**
Loss before income taxes				**(54,664)**

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

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

	June 30, 2025	June 30, 2024
	$	$
Timing of revenue recognition		
At a point in time[1]		
Content Creation and Audience Engagement	**28,357**	59,458
	28,357	59,458
Over time		
Content Creation and Audience Engagement (including royalties)	**174,738**	153,307
Global licensing	**284,187**	213,598
Canadian Television Broadcasting	**36,080**	35,457
	523,362	461,820

[1] All revenues recognized at a point in time relate to Audience Engagement.

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

The following table presents the Company's revenues, property and equipment, intangible assets and goodwill recognized in different geographical locations:

	June 30, 2025	June 30, 2024
	$	$
Revenue		
Canada	**133,606**	124,011
USA	**243,683**	186,797
UK	**135,522**	143,183
Rest of the world	**10,551**	7,829
	523,362	461,820
Property and equipment		
Canada	**14,183**	19,994
USA	**2,270**	2,759
Rest of the world	**4,404**	3,592
	20,857	26,345
Intangible assets		
Canada	**5,978**	7,842
USA	**363,794**	365,321
Rest of the world	**3,942**	13,976
	373,714	387,139
Goodwill		
Canada	**6,320**	6,320
USA	**22,148**	22,225
	28,468	28,545

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

28 Commitments and contingencies

As at June 30, 2025, the Company has entered into various contracts to buy broadcast rights with future commitments totaling $2,921.

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