NEWS RELEASE

WILDBRAIN REPORTS FULL YEAR AND Q4 2024 RESULTS

2024-09-17

Fiscal 2024 Highlights

- Revenue was $461.8 million, compared to $532.9 million in FY2023.
- Net loss was $106.0 million, compared with net loss of $45.6 million in FY2023.
- Adjusted EBITDA[1] was $87.6 million, compared to $97.9 million in FY2023.
- Cash provided by operating activities was $73.6 million, compared to cash provided by operating activities of $94.2 million in FY2023.
- Free Cash Flow[1] was negative $29.5 million, compared to positive $29.8 million in FY2023.

Q4 2024 Highlights

- Revenue was $130.0 million, compared to $124.9 million in Q4 2023.
- Net loss was $80.7 million, compared with net loss of $44.4 million in Q4 2023.
- Adjusted EBITDA[1] was $23.9 million, compared to $19.1 million in Q4 2023.
- Cash provided by operating activities was $18.3 million, compared to cash provided by operating activities of $30.4 million in Q4 2023.
- Free Cash Flow[1] was negative $6.6 million, compared to positive $16.9 million in Q4 2023.

TORONTO, Sept. 17, 2024 /CNW/ - WildBrain Ltd. ("WildBrain" or the "Company") (TSX: WILD), a global leader in kids' and family entertainment, today reported its fourth quarter ("Q4 2024") results for the period ended June 30, 2024.

Josh Scherba, WildBrain President and CEO, said: "In Fiscal Year 2024, we undertook a realignment of our global organization to focus on building key franchises across our core competencies of Content Creation, Audience

Engagement and Global Licensing. Driven by our 360-degree franchise strategy and led by an experienced senior management team, we have begun to see benefits in accelerating growth for key owned franchises and partner brands. The build in our licensing business this year was offset by the industry-wide slowdown in the content greenlights due to the Hollywood strikes, but our production pipeline has been ramping up and we are seeing a return to normal levels for Fiscal 2025 and 2026. We are confident that the combination of our assets, our strategy and capabilities in the kids and family entertainment space, amounts to a unique and highly valuable foundation to deliver growth over the long term."

Nick Gawne, WildBrain CFO, added: "We are pleased to have announced in July a comprehensive plan to refinance our debt and repay our convertible debentures. The successful completion of the refinancing process during a challenging period for the wider industry demonstrates the robustness of our model and strategic vision. With the extended maturity, we can continue to execute on this strategic vision and drive earnings and free cash flow growth. We will continue to focus on disciplined financial management, improving our balance sheet and reducing leverage over time."

Q4 2024 Performance – Executing on Priorities

PRIORITIES	HIGHLIGHTS
Focus on Key Brands & Partnerships	• The new series Yo Gabba GabbaLand! premiered on Apple TV+ in August 2024. The soundtrack for Season 1 also dropped on music streaming platforms in partnership with BMG, featuring appearances by leading music artists, including Anderson .Paak, Portugal. The Man, Thundercat, The Linda Lindas, Big Daddy Kane, Reggie Watts and more. • Apple TV+ announced a second season of Camp Snoopy, WildBrain's newest animated Peanuts series. Subsequent to the quarter, multiple new licensing deals across categories were also announced by Peanuts Worldwide, including partnerships with leading licensees LeSportsac (bags & accessories), Hush Puppies (shoes & apparel), Bamford (watches), McDonald's (collector cups) and Anya Hindmarch (stationery). • WildBrain CPLG expanded its existing partnership with Supercell to launch global cross-category consumer products for "Brawl Stars", a mobile game with over $2 billion in lifetime revenue. This builds on the existing global partnership across Supercell's "World of Clash" games, "Clash of Clans" and "Clash Royale". • WildBrain extended its world-leading position in kids' FAST channels through an expanded partnership with Samsung TV Plus. New channels for Teletubbies, Strawberry Shortcake, Caillou and Sonic launched on Samsung's FAST platform in Australia and New Zealand. WildBrain also signed a partnership with The Pokémon Company International to become the only distributor of the single-IP Pokémon FAST channel. With almost 150 FAST (free ad-supported television) channels now launched across multiple platforms worldwide and more on the way, WildBrain is the world's leading expert in harnessing FAST for kids' content.
Deliver Sustainable Growth	• Fiscal Year 2024 was challenged by the slowdown in greenlights in the content production industry which impacted revenue and EBITDA in our studio business. The Company saw continued growth in the YouTube and FAST businesses as well as growth in Global Licensing, with particular strength in our key franchises, Strawberry Shortcake and Teletubbies. Also within Global Licensing, the Peanuts brand saw strength in North America. • In Fiscal Year 2025, we expect revenue growth of approximately 10 to 15% and Adjusted EBITDA growth of approximately 5 to 10%.
Improve Balance	

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- Subsequent to the quarter, in July, the Company successfully refinanced its debt, extending debt maturity out to 2029. Proceeds of the new facility were used to repay the prior Term Loan B and Revolving Facility. Additionally, proceeds along with working capital and the exercise of warrants, were placed into escrow to repay the Convertible Unsecured Subordinated Debentures due September 30, 2024.
- The Company is committed to financial discipline, reducing leverage and consistent free cash flow generation. We continue to target leverage of under 4x over time. We expect leverage to remain elevated through Fiscal Year 2025 as we return to growth in our content production business.

Q4 2024 Financial Highlights

Financial Highlights	Year Ended		Three Months Ended	
(in millions of Cdn$)	June 30,		June 30,	
	2024	2023	2024	2023
Revenue	$461.8	$532.9	$130.0	$124.9
Gross Margin[1]	$221.1	$241.5	$59.5	$57.5
Gross Margin (%)[1]	48 %	45 %	46 %	46 %
Adjusted EBITDA attributable to WildBrain[1]	$87.6	$97.9	$23.9	$19.1
Net Income (Loss) attributable to WildBrain	$(106.0)	$(45.6)	$(80.7)	$(44.4)
Basic Earnings (Loss) per Share	$(0.51)	$(0.26)	$(0.39)	$(0.24)
Cash Provided by Operating Activities	$73.6	$94.2	$18.3	$30.4
Free Cash Flow[1]	$(29.5)	$29.8	$(6.6)	$16.9

In Q4 2024, revenue increased 4% to $130.0 million, compared to $124.9 million in Q4 2023. Fiscal Year 2024 revenue was $461.8 million, compared to revenue of $532.9 million in Fiscal Year 2023.

Content Creation and Audience Engagement revenue increased 7% to $68.0 million in Q4 2024, compared to $63.6 million in Q4 2023. Strong distribution revenue in the current quarter as well as continued strength in the YouTube and AVOD networks drove quarter-on-quarter growth but was offset by lower production revenues as a result of

fewer productions in the studios. Fiscal Year revenue for the segment was $212.8 million, compared to revenue of $280.6 million in Fiscal Year 2023.

Global Licensing revenue increased 4% to $53.7 million in Q4 2024, compared to $51.8 million in Q4 2023. Revenue in the quarter was driven by growth in Peanuts and WildBrain brands, as well as growth in Asia Pacific for WildBrain CPLG. Global Licensing revenue in Fiscal Year 2024 was $213.6 million, reflecting 1% growth over Fiscal Year 2023.

Legacy WildBrain Spark revenue in Q4 2024 was $6.9 million compared to $10.3 million in Q4 2023. Kids continue to be highly engaged on our YouTube network, with over 64 billion minutes of videos watched in the quarter and strong engagement in the average duration of viewing. The YouTube network saw revenue growth in the quarter which was offset by the production headwinds seen in the broader content industry. Legacy WildBrain Spark had revenue of $45.2 million, compared to $47.1 million in Fiscal Year 2023.

Gross margin[1] for Q4 2024 was 46%, consistent with gross margin of 46% in Q4 2023. Gross margin for Q4 2024 was $59.5 million, an increase of $2.0 million, compared to $57.5 million for Q4 2023. Fiscal Year 2024 consolidated gross margin was $221.1 million, a decrease of $20.4 million, compared to $241.5 million in Fiscal Year 2023.

Cash provided by operating activities in Q4 2024 was $18.3 million, compared to $30.4 million provided by operating activities in Q4 2023. Fiscal Year 2024 cash provided by operating activities was $73.6 million, compared to $94.2 million in Fiscal Year 2023. Free Cash Flow[1] was negative $6.6 million in Q4 2024, compared with Free Cash Flow of positive $16.9 million in Q4 2023. Fiscal Year 2024 Free Cash Flow was negative $29.5 million, compared to positive $29.8 million in Fiscal Year 2023.

Adjusted EBITDA[1] was up 25% to $23.9 million in Q4 2024, compared with $19.1 million in Q4 2023. The increase in the quarter was driven by higher gross margin dollars and a reduction in SG&A. Adjusted EBITDA in Fiscal Year 2024 was $87.6 million, compared to $97.9 million in Fiscal Year 2023.

Q4 2024 net loss was $80.7 million compared to net loss of $44.4 million in Q4 2023. The change was primarily driven by a non-cash impairment charge of intangible assets in relation to our Television Business segment and investments in film and television and acquired and library content, offset by higher income tax recovery, higher gross margin dollars, lower SG&A, and a change in fair value of embedded derivatives in the current quarter. Fiscal Year 2024 net loss was $106.0 million, compared to net loss of $45.6 million in Fiscal Year 2023.

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1. Adjusted EBITDA, Adjusted EBITDA attributable to WildBrain, Gross Margin and Free Cash Flow are non-GAAP financial measures - see below for further details.

Q4 2024 Conference Call

The Company will hold a conference call on September 18, 2024 at 10:00 a.m. ET to discuss the results.

To immediately join the call by phone on that date without operator assistance, please use the following URL to receive an automated instant call back connecting you into the conference:

https://link.meetingpanel.com/?id=93436

Alternatively, you may dial direct to be entered into the call by an operator, referencing conference ID 93436 at **+1 (888) 510-2154** in North America or **+1 (437) 900-0527** internationally.

If dialing in, please allow 10 minutes to be connected to the conference call.

Replay will be available after the call on **+1 (888) 660-6345** or **+1 (289) 819-1450**, under passcode 93436#, until September 25, 2024.

The audio and transcript will also be archived on our website approximately three business days following the event.

For more information, please contact:

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About WildBrain

At WildBrain we inspire imaginations through the wonder of storytelling. As a leader in 360° franchise management, we are experts in content creation, audience engagement and global licensing, cultivating and growing love for our own and partner brands with kids and families around the world. With approximately 14,000 half-hours of filmed entertainment in our library—one of the world's most extensive—we are home to such treasured franchises as

Peanuts, Teletubbies, Strawberry Shortcake, Yo Gabba Gabba!, Caillou, Inspector Gadget and Degrassi. WildBrain's mission is to create exceptional entertainment experiences that captivate and delight fans both young and young at heart.

Our studios produce such award-winning series as The Snoopy Show; Snoopy in Space; Strawberry Shortcake: Berry in the Big City; Sonic Prime; Chip and Potato; Teletubbies Let's Go! and many more. Enjoyed in more than 150 countries on over 500 platforms, our content is everywhere kids and families view entertainment, including YouTube, where our network has garnered over 1.5 trillion minutes of watch time. Our television group owns and operates some of Canada's most-viewed family entertainment channels. WildBrain CPLG, our leading consumer-products and location-based entertainment agency, represents our owned and partner properties in every major territory worldwide.

WildBrain is headquartered in Canada with offices worldwide and trades on the Toronto Stock Exchange (TSX: WILD). Visit us at wildbrain.com. Visit us at wildbrain.com.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects WildBrain's current assumptions and expectations regarding future events as at the time they are made. The words "will", "expects", "anticipates", "believes", "plans", "intends" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond WildBrain's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include but are not limited to: changes in general economic, business and political conditions. WildBrain undertakes no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Non-IFRS Measures

In addition to the results reported in accordance with IFRS as issued by the International Accounting Standards Board, the Company uses various non-GAAP financial measures, which are not recognized under IFRS, as

supplemental indicators of our operating performance and financial position. These non-GAAP financial measures are provided to enhance the user's understanding of our historical and current financial performance and our prospects for the future. Management believes that these measures provide useful information in that they exclude amounts that are not indicative of our core operating results and ongoing operations and provide a consistent basis for comparison between periods. The following discussion explains the Company's use of certain non-GAAP financial measures, which are Adjusted EBITDA, Adjusted EBITDA attributable to the Shareholders of the Company, Gross Margin and Free Cash Flow.

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

"Adjusted EBITDA" means earnings (loss) before net finance costs, income taxes, amortization of property & equipment and right-of-use and intangible assets, amortization of acquired and library content, equity-settled share-based compensation expense, changes in fair value of embedded derivatives, gain/loss on foreign exchange, reorganization, development and other expenses, impairment of certain investments in film and television programs/acquired and library content/P&E/intangible assets/goodwill, and also includes adjustments for other identified charges, as specified in the accompanying tables. Adjusted EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP; accordingly, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Management believes that certain lenders, investors and analysts use Adjusted EBITDA to measure a company's ability to service debt and meet other payment obligations, and as a common valuation measurement in the media and entertainment industry. Further, certain of our debt covenants use Adjusted EBITDA in the calculation. The most comparable GAAP measure is earnings before income taxes.

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

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

"Free Cash Flow" means operating cash flow less distributions to non-controlling interests, changes in interim production financing, cash interest paid on our long-term debt, bank indebtedness, and lease liabilities, and

principal repayments on our lease liabilities. Free Cash Flow does not have a standardized meaning prescribed by GAAP; accordingly, Free Cash Flow may not be comparable to similar measures presented by other issuers. Management believes Free Cash Flow is a useful measure of the Company's ability to repay debt, finance strategic business acquisitions and investments, pay dividends, and repurchase shares. The most comparable GAAP measure is cash from operating activities.

SOURCE WildBrain Ltd.