NEWS RELEASE

WILDBRAIN REPORTS Q1 2023 RESULTS

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Q1 2023 Highlights

- Revenue increased 12% to $126.7 million in Q1 2023, compared to $112.6 million in Q1 2022.
- Net loss was $7.6 million in Q1 2023, compared to net loss of $21.4 million in Q1 2022.
- Adjusted EBITDA[1] in Q1 2023 was $19.9 million, consistent with $19.9 million in Q1 2022.
- Cash used in operating activities in Q1 2023 was $23.3 million, compared to $11.4 million provided by operating activities in Q1 2022.
- Free Cash Flow[1] for Q1 2023 was negative $8.9 million, compared with negative Free Cash Flow[1] of $19.9 million in Q1 2022.

HALIFAX, NS, Nov. 9, 2022 /CNW/ - WildBrain Ltd. ("WildBrain" or the "Company") (TSX: WILD), a global leader in kids' and family entertainment, today reported its first-quarter ("Q1 2023") results for the period ended September 30, 2022.

Eric Ellenbogen, WildBrain CEO, said: "Fiscal 2023 is off to a good start with solid top-line growth, particularly in our content production and distribution segments. Our content continues to resonate with distribution partners around the world who value premium, high-quality shows for our beloved brands, such as Caillou, Chip and Potato and Teletubbies. Sonic Prime, a new series we are co-producing with SEGA, premieres on December 15th on Netflix. We continue to layer on more premium content deals to drive consumer products upside and grow our long-term earnings base.

"For Peanuts, in particular, our consistent output of new content on Apple TV+ and the synergies of our vertically integrated business are furthering what we see as a long runway for growth in consumer products. We're

continuing to find innovative ways under our 360-degree strategy to connect with audiences across the globe through multi-platform content and consumer products."

Aaron Ames, WildBrain CFO, added: "Q1 2023 results were strong as we continue to build on the investments we've made in the business to increase monetization of our assets and provide a solid foundation for sustainable growth. We increased our revolving credit facility after quarter end to provide greater financial flexibility. We remain comfortable with our leverage, and we expect leverage to continue to decline over time. We reiterate our guidance for Fiscal 2023 revenue in the range of $525 million to $575 million and adjusted EBITDA between $95 million to $105 million."

Q1 2023 Performance – Executing on Priorities

PRIORITIES	HIGHLIGHTS
Activate IP and Grow Key Brands	• Announced Teletubbies Let's Go!, a brand-new animated series for WildBrain Spark which began rolling out at the end of October. This followed our previous announcement of a refreshed live-action version for Netflix, featuring new creative elements, which launches this November. • Premiered additional new Peanuts content on Apple TV+ in August, including more new episodes of The Snoopy Show Season 2 plus the fourth original family special, Lucy's School. • Launched the first plush toys for the Chip and Potato brand online with Walmart and Amazon, as the newest episodes for the preschool series debuted as a top-ten show on Netflix in the US this October. • Appointed PMI as novelty toy and games consumer products partner for Sonic Prime, which premieres on Netflix on December 15, 2022 and is co-produced with SEGA. An exclusive line of Sonic Prime products from PMI is planned for a multi-territory launch in early 2023.
Deliver Sustainable Growth	• Revenue grew 12% for the first quarter of 2023, reflecting strong demand for our branded content and IP. • Adjusted EBITDA[1] was $19.9 million in Q1 2023 consistent with $19.9 million in Q1 2022. • Reaffirming our expectations for Fiscal 2023 for revenue of approximately $525 million to $575 million and adjusted EBITDA of approximately $95 million to $105 million.

Q1 2023 Financial Highlights

Financial Highlights (in millions of Cdn$)	Three Months ended September 30,	
	2022	2021
Revenue	$126.7	$112.6
Gross Margin[1]	$55.3	$51.5
Gross Margin (%)[1]	44 %	46 %

Adjusted EBITDA attributable to WildBrain[1]	$19.9	$19.9
Net Income (Loss) attributable to WildBrain	$(7.6)	$(21.4)
Basic Earnings (Loss) per Share	$(0.04)	$(0.12)
Cash Provided by (Used In) Operating Activities	$(23.3)	$(11.4)
Free Cash Flow[1]	$(8.9)	$(19.9)

In Q1 2023, revenue increased 12% to $126.7 million, compared to $112.6 million in Q1 2022, reflecting growth across our content-driven businesses in Content Production and Distribution.

Content Production and Distribution revenue grew 40% to $52.8 million in Q1 2023, compared to $37.6 million in Q1 2022. The increase was driven by higher revenue from premium projects, including Caillou Specials and Malory Towers as well as a ramp-up in live action productions, in the current quarter.

Consumer Products revenue increased 7% to $52.1 million in Q1 2023, compared to $48.5 million in Q1 2022, due to the continuation of strong licensing royalties from our Peanuts franchise, supported by consistent output of content on Apple TV+ and the synergies of our vertically integrated licensing business.

Q1 2023 WildBrain Spark revenue decreased 25% to $11.6 million, compared to $15.4 million in Q1 2022, driven by softer advertising revenue due to macroeconomic headwinds. Kids continued to be highly engaged on WildBrain Spark, particularly in our brands, attracting over 45 billion views across more than 7 billion minutes of videos watched on our network in Q1 2023.

Gross Margin[1] for Q1 2023 was 44% vs 46% in Q1 2022, driven by a step-up in live action production, which carries a lower margin.

Cash used in operating activities in Q1 2023 was $23.3 million, compared to $11.4 million in Q1 2022. Free Cash Flow[1] was negative $8.9 million in Q1 2023, compared with negative Free Cash Flow[1] of $19.9 million in Q1 2022. Free Cash Flow[1] for Q1 2023 reflected the significant growth in accounts receivable associated with larger deals, additional SG&A for growth initiatives and working capital timing. We expect SG&A to moderate over the balance of the year as we begin to harvest the returns on investments we have made for sustained growth.

Adjusted EBITDA[1] was $19.9 million in Q1 2023, consistent with $19.9 million in Q1 2022.

Q1 2023 net loss was $7.6 million vs net loss of $21.4 million in Q1 2022, primarily due to a non-cash, foreign

exchange loss of $12.5 million in the current quarter from revaluing USD debt into Canadian compared to a foreign exchange loss of $13.0 million in the prior year quarter.

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

Q1 2023 Conference Call

The Company will hold a conference call on November 10, 2022 at 10:00 a.m. ET to discuss the results.

To listen, call +1 (888) 394-8218 toll-free or +1 (647) 794-4605 internationally and reference conference ID 2091197. Please allow 10 minutes to be connected to the conference call. Replay will be available after the call on +1 (888) 390-0541 toll free or +1 (416) 764-8677, under passcode 902399, until November 17, 2022.

The audio and transcript will also be archived on our website approximately two days after the event.

About WildBrain

At WildBrain we inspire imaginations to run wild, engaging kids and families everywhere with great content and beloved brands. With approximately 13,000 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. Our integrated, in-house capabilities spanning production, distribution and licensing set us apart as a unique independent player in the industry, managing IP across its entire lifecycle, from concept to content to consumer products.

At our state-of-the-art animation studio in Vancouver, we produce award-winning, fan-favourite series, such as The Snoopy Show; Snoopy in Space; Sonic Prime; Chip and Potato; Strawberry Shortcake: Berry in the Big City; Carmen Sandiego; Go, Dog. Go! and many more. Enjoyed in more than 150 countries and on over 500 streaming platforms and telecasters, our content is everywhere kids and families view entertainment. WildBrain Spark, our AVOD network, has garnered over 1 trillion minutes of watch time on YouTube, offering one of the largest selections of kids' content on that platform. Our leading consumer-products and location-based entertainment agency, WildBrain CPLG, represents our owned and partner properties in every major territory worldwide. Our television group owns and operates some of Canada's most-viewed family entertainment channels.

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

Forward-Looking Statements

This press release contains "forward looking statements" under applicable securities laws with respect to WildBrain including, without limitation, statements regarding WildBrain's execution against its 360º strategy, content and other commercial agreements and opportunities of WildBrain, consumer products growth, monetization of WildBrain's assets, investments, including those reflected in SG&A, and expected benefits therefrom the business strategies and operational activities of WildBrain, WildBrain's market positioning, the markets and industries in which WildBrain operates, and the growth and future financial and operating performance of WildBrain, including revenue and adjusted EBITDA for Fiscal 2023. Although WildBrain believes that the expectations reflected in such forward looking statements are reasonable, such statements involve risks and uncertainties and are based on information currently available to WildBrain. Actual results or events may differ materially from those expressed or implied by such forward looking statements. These forward-looking statements are made as of the date hereof, and WildBrain assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Forward-looking statements are based on factors and assumptions that management believes are reasonable at the time they are made, but a number of assumptions may prove to be incorrect, including, but not limited to, assumptions about (i) WildBrain's future operating results, (ii) the expected pace of expansion of WildBrain's operations, (iii) future general economic and market conditions, including debt and equity capital markets and the availability of financing on acceptable terms, (iv) the impact of increasing competition on WildBrain, (v) changes in laws and regulations related to the industries and markets in which WildBrain operates, (vi) consumers and consumer preferences, (vii) the ability of WildBrain to execute on investment, acquisition and other growth strategies and opportunities and realize the expected benefits therefrom, (viii) the ability of WildBrain to identify and execute production, distribution, licensing and other revenue-generating arrangements, (ix) the availability of investment, acquisition, and other growth opportunities at acceptable valuations and the ability of WildBrain to execute on and integrate such opportunities, * the timing for commencement and completion of productions, (xi) the ability of WildBrain and its partners to execute on its brand plans and consumer products programs, (xii) changes in the markets and industries in which WildBrain operates and the ability of WildBrain to adapt to such changes, (xiii) changes to YouTube and in advertising markets, (xiv) the ability of WildBrain to commercialize consumer products related to its brands, (xv) changes in foreign exchange and interest rates, and (xvi) the current geopolitical landscape (including vis a vis the recent invasion of the Ukraine by Russia and associated political and economic repercussions).

Forward-looking statements are inherently subject to risks and uncertainties that may be general or specific and

which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking statements in this press release. Factors that could cause actual results or events to differ materially from current expectations include, among other things, the current outbreak of COVID-19 and the magnitude and length of economic disruption as a result of such outbreak, general economic and market conditions and the impact of such conditions on the industries in which WildBrain operates, competition and the potential impact of industry mergers and acquisitions, market factors, WildBrain's ability to identify and execute anticipated production, distribution, licensing and other contracts, contractual counterparty risk, the ability of WildBrain to realize the expected value of its assets, supply chain and other related disruptions, and other factors discussed in materials filed with applicable securities regulatory authorities from time to time including matters discussed under "Risk Factors" in WildBrain's most recent Annual Information Form and Management Discussion and Analysis filed with the securities regulatory authorities in Canada and available under the Company's profile on SEDAR (**www.sedar.com**).

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, and Gross Margin.

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.