NEWS RELEASE

WILDBRAIN REPORTS Q3 2022 RESULTS

2022-05-05

- Revenue increased 27% to $129.5 million in Q3 2022, compared to $102.2 million in Q3 2021. YTD 2022 revenue grew 16% to $395.2 million, compared to $339.9 million in YTD 2021. These increases reflected continued strong demand for our content and sustained growth in Consumer Products.
- Net income increased to $21.3 million in Q3 2022, compared to net loss of $26.5 million in Q3 2021. YTD 2022 net income grew to $4.5 million, compared to net loss of $18.5 million in YTD 2021.
- Cash provided by operating activities in Q3 2022 was $39.7 million, compared to $22.1 million in Q3 2021. YTD 2022 cash flow provided by operating activities of $39.6 million, compared to $83.0 million YTD 2021.
- Positive Free Cash Flow[1] of $8.1 million in Q3 2022, compared with negative Free Cash Flow[1] of $3.3 million in Q3 2021. YTD 2022 negative Free Cash Flow[1] of $12.7 million, compared to positive Free Cash Flow[1] of $17.6 million YTD 2021, primarily due to significant growth in accounts receivables associated with larger deals in the current year and timing of working capital settlements.
- Adjusted EBITDA[1] in Q3 2022 increased 75% to $30.2 million, compared with $17.2 million in Q3 2021. YTD 2022 adjusted EBITDA[1] increased 21% to $77.3 million, compared to $63.9 million in YTD 2021.
- Content Production and Distribution revenue increased 61% to $57.4 million in Q3 2022 vs $35.6 million in Q3 2021. YTD 2022 revenue grew 11% to $156.3 million, compared to $140.5 million in YTD 2021.
- Consumer Products revenue grew 11% to $50.9 million in Q3 2022, compared to $45.7 million in Q3 2021. YTD 2022 revenue increased 24% to $161.8 million, compared to $131.0 million in YTD 2021.
- WildBrain Spark ("Spark") revenue increased 11% to $10.7 million in Q3 2022, compared to $9.6 million in Q3 2021. YTD 2022 revenue increased 29% to $44.1 million, compared to $34.1 million in YTD 2021.

HALIFAX, NS, May 5, 2022 /CNW/ - WildBrain Ltd. ("WildBrain" or the "Company") (TSX: WILD), a global leader in kids' and family entertainment, today reported its Fiscal 2022 third-quarter ("Q3 2022") and nine-month ("YTD 2022") results for the periods ended March 31, 2022.

Eric Ellenbogen, WildBrain CEO, said: "Our third-quarter results reflect the success of our 360-degree IP strategy, which is now driving momentum across multiple earnings streams. We're seeing the returns from investments in our branded IP library, premium productions and consumer products. We have a robust creative pipeline -- that we're constantly adding to -- assuring years of opportunities and upside."

Aaron Ames, WildBrain CFO, added: "In Q3 2022, we delivered a strong quarter, reflecting growth across all our content-driven businesses. We're aggregating margin across our studio, distribution and licensing sectors, which is responsible for another quarter of EBITDA growth. We're delighted with our team's early execution on deals which were expected later in the year. Given our production pipeline and large distribution deals now reported in our results, we remain on track to deliver our guidance for Fiscal 2022 revenue in the range of $480.0 million to $500.0 million and adjusted EBITDA between $87.0 million to $93.0 million."

Q3 2022 Performance – Executing on Priorities

PRIORITIES	HIGHLIGHTS
Activate IP and Grow Key Brands	• Signed a multi-year deal to produce a new Degrassi series, launching exclusively on HBO Max in the US in 2023. Additionally, HBO Max has picked up the US rights for the entire 14-season library of Degrassi: The Next Generation, which revenue was recognized in the current quarter. WildBrain retains all distribution rights outside of the US in the new series as well as the library. • More new Peanuts content rolling out on Apple TV+ with the recent premiere of The Snoopy Show Season 2 and two more family specials — celebrating Earth Day and Mother's Day — debuting this Spring. • Launched our new original Strawberry Shortcake series, Berry in the Big City, on Netflix worldwide as we build awareness for the property across all media platforms.
Maximizing the Value of WildBrain Spark	• Spark revenue increased 11% to $10.7 million in Q3 2022 vs $9.6 million in Q3 2021, reflecting stable advertising revenue as well as growth in other revenue streams from direct-ad sales, paid media and digital production. These other revenues collectively increased by approximately 117% in Q3 2022 vs Q3 2021.
Deliver Sustainable Growth	• Revenue increased 27% to $129.5 million in Q3 2022, compared to $102.2 million in Q3 2021, reflecting continued strong demand for our content as well as sustained growth in our Consumer Products business. • Adjusted EBITDA[1] increased 75% to $30.2 million in Q3 2022 vs $17.2 million in Q3 2021. • We reaffirm our expectations for Fiscal 2022 of achieving revenue in the range of $480.0 million to $500.0 million and adjusted EBITDA[1] between $87.0 million to $93.0 million.

Q3 2022 Financial Highlights

Financial Highlights[1]	Three Months ended		Nine Months ended	
(in millions of Cdn$)	March 31,		March 31,	
	2022	2021	2022	2021
Revenue	$129.5	$102.2	$395.2	$339.9
Gross Margin	$63.7	$43.9	$178.9	$148.9
Gross Margin (%)	49%	43%	45%	44%
Adjusted EBITDA attributable to WildBrain	$30.2	$17.2	$77.3	$63.9
Net Income (Loss) attributable to WildBrain	$21.3	$(26.5)	$4.5	$(18.5)
Basic Earnings (Loss) per Share	$0.12	$(0.15)	$0.03	$(0.11)
Cash Provided by Operating Activities	$39.7	$22.1	$39.6	$83.0
Free Cash Flow	$8.1	$(3.3)	$(12.7)	$17.6

In Q3 2022, revenue grew 27% to $129.5 million, compared with $102.2 million in the prior year, reflecting growth across all our content-driven businesses in Content Production and Distribution, Spark and Consumer Products. YTD 2022 revenue increased 16% to $395.2 million, compared to $339.9 million in YTD 2021.

Content Production and Distribution revenue increased 61% to $57.4 million in Q3 2022 vs $35.6 million in Q3 2021, benefiting from the Degrassi library deal, distribution agreements with Amazon Prime and BBC and a pipeline of premium productions including Sonic Prime and a range of new Peanuts content. YTD 2022 revenue grew 11% to $156.3 million, compared to $140.5 million in YTD 2021.

Consumer Products revenue grew 11% to $50.9 million in Q3 2022, compared with $45.7 million in Q3 2021, reflecting the strength of the Peanuts franchise, supported by consistent output of new content and the synergies of our vertically integrated licensing business. YTD 2022 revenue increased 24% to $161.8 million, compared to $131.0 million in YTD 2021.

Q3 2022 revenue at Spark increased 11% to $10.7 million vs $9.6 million in Q3 2021, reflecting stable advertising revenue and growth in other revenue streams from direct-ad sales, paid media and digital production. YTD 2022 Spark revenue increased 29% to $44.1 million, compared to $34.1 million in YTD 2021. Kids continued to be highly

engaged on Spark, attracting 8.2 billion views across 49.4 billion minutes of videos watched on our network in Q3 2022, consistent with Q3 2021.

Q3 2022 Gross Margin[1] increased to 49% vs 43% in Q3 2021, reflecting a strong slate of premium projects in our studio and the distribution deals in the current quarter. Gross Margin[1] for YTD 2022 increased to 45% vs 44% in YTD 2021.

Cash provided by operating activities in Q3 2022 was $39.7 million, compared to $22.1 million in Q3 2021. Positive Free Cash Flow[1] of $8.1 million in Q3 2022, compared with negative Free Cash Flow[1] of $3.3 million in Q3 2021. YTD 2022 cash flow provided by operating activities of $39.6 million, compared to $83.0 million in YTD 2021. YTD 2022 negative Free Cash Flow[1] of $12.7 million, compared to positive Free Cash Flow[1] of $17.6 million in YTD 2021, primarily due to significant growth in accounts receivables associated with larger deals in the current year and timing of working capital settlements.

Adjusted EBITDA[1] increased 75% to $30.2 million in Q3 2022, compared with $17.2 million in Q3 2021, principally driven by the Degrassi library licensing deal and continued strength in our Content Production and Distribution business. YTD 2022 adjusted EBITDA[1] increased 21% to $77.3 million, compared to $63.9 million in YTD 2021. Q3 2021 included $2.2 million of government wage subsidies while YTD 2021 included $4.7 million of government wage subsidies and other income of $4.4 million from a litigation settlement.

Q3 2022 net income grew to $21.3 million vs net loss of $26.5 million in Q3 2021, reflecting higher gross margins. YTD 2022 net income increased to $4.5 million, compared to net loss of $18.5 million in YTD 2021.

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1. Free Cash Flow, Gross Margin, Adjusted EBITDA and Adjusted EBITDA attributable to WildBrain are non-GAAP financial measures. Free Cash Flow is defined as 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. Gross Margin means revenue less direct production costs and expense of film and television programs produced (per the financial statements). Adjusted EBITDA represents income of the Company before amortization, finance income (expense), taxes, reorganization and development expenses, impairments, equity-settled share-based compensation expense, and adjustments for other identified charges. Adjusted EBITDA attributable to WildBrain means Adjusted EBITDA excluding the portion of Adjusted EBITDA attributable to non-controlling interests. Further details on the definitions of and reconciliation to Free Cash Flow, Gross Margin, Adjusted EBITDA and Adjusted EBITDA attributable to WildBrain can be found in the "Non-GAAP Financial Measures" section of the Company's Q3 2022 Management Discussion and Analysis ("MD&A").

Q3 2022 Conference Call

The Company will hold a conference call on May 6, 2022 at 10:00 a.m. ET to discuss the results.

To listen, call +1 (888) 254-3590 toll-free or +1 (647) 794-4605 internationally and reference conference ID 3761338. Please allow 10 minutes to be connected to the conference call. Replay will be available after the call on +1 (888) 203-1112 toll free or +1 (647) 436-0148, under passcode 3761338, until May 13, 2022.

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

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About WildBrain

At WildBrain we inspire imaginations to run wild, engaging kids and families everywhere with great content across all media. With approximately 13,000 half-hours of filmed entertainment in our library – one of the world's most extensive – we are home to such brands as Peanuts, Teletubbies, Strawberry Shortcake, Yo Gabba Gabba!, Caillou, Inspector Gadget, Johnny Test and Degrassi. At our 75,000-square-foot state-of-the-art animation studio in Vancouver, BC, we produce such fan-favourite series as The Snoopy Show, Snoopy in Space, Chip & Potato, Carmen Sandiego, Go, Dog. Go! and more. Our shows are enjoyed worldwide in more than 150 countries on over 500 streaming platforms and telecasters, and our AVOD business – WildBrain Spark – offers one of the largest networks of kids' channels on YouTube, garnering billions of views per month from over 245 million subscribers. Through our leading agency, WildBrain CPLG, we also license consumer products and location-based entertainment in every major territory for our own properties as well as for our clients and content partners. Our television group owns and operates four family entertainment channels that are among the most viewed in Canada. WildBrain is headquartered in Canada with offices worldwide and trades on the Toronto Stock Exchange (TSX: WILD). Please visit us at **www.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 the growth strategy of WildBrain, WildBrain's production pipeline and projects in development, content agreements of WildBrain, WildBrain's brand strategies, WildBrain's

direct ad sales business, the value of WildBrain's assets, leverage ratio and cash flow, use of capital for investments and other growth opportunities and expected returns therefrom, monetization of WildBrain Spark, the business strategies and operational activities of WildBrain, the markets and industries in which WildBrain operates, and the growth and future financial and operating performance of WildBrain. 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 the industries and changes in laws and regulations related to the industries in which WildBrain operates, (vi) consumers and consumer preferences, (vii) the ability of WildBrain to execute on acquisition and other growth strategies and opportunities and realize the expected benefits therefrom, (viii) the ability of WildBrain to identify and execute on production, distribution and licensing arrangements, (ix) the availability of investment opportunities at acceptable valuations and the ability of WildBrain to execute on such investment 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 the 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, (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, market factors, WildBrain's ability to identify and execute on anticipated production, distribution, licensing and other contracts, 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 this press release, WildBrain uses certain non-IFRS financial measures, including "Free Cash Flow", "Gross Margin", "Adjusted EBITDA", and "Adjusted EBITDA attributable to WildBrain", to measure, compare and explain WildBrain's operating results and financial performance. These measures and other non-IFRS measures are commonly used by entities in WildBrain's industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. For further details on these non-IFRS measures, including relevant definitions and reconciliations, see "Non-GAAP Measures" in WildBrain's most recent MD&A.

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