NEWS RELEASE

WILDBRAIN REPORTS Q3 2024 RESULTS

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Q3 2024 Highlights

- Revenue was $100.1 million, compared to $140.9 million in Q3 2023.
- Net loss was $14.7 million, compared with net income of $19.4 million in Q3 2023.
- Adjusted EBITDA[1] was $19.6 million, compared to $32.9 million in the prior-year period.
- Cash provided in operating activities was $23.3 million, compared to cash provided in operating activities of $24.0 million in Q3 2023.
- Free Cash Flow[1] was negative $2.9 million, compared to negative $4.6 million in Q3 2023.

TORONTO, May 9, 2024 /CNW/ - WildBrain Ltd. ("WildBrain" or the "Company") (TSX: WILD), a global leader in kids' and family entertainment, today reported its third quarter ("Q3 2024") results for the period ended March 31, 2024.

Josh Scherba, WildBrain President and CEO, said: "As I reflect on my first year as President and CEO, I am encouraged by the significant progress we've made to focus on our key franchises and in solidifying our position as a leader in content creation, audience engagement and global licensing. Despite the industry headwinds in content production brought on this year by the slowdown in greenlights, our production pipeline for Fiscal Years 2025 and 2026 is returning to a more normalized output. Major streaming platforms are now looking to WildBrain as a 'go to' partner for premium animation—as reflected by projects such as our new Peanuts feature greenlit by Apple TV+ and the success of Sonic Prime as a top-ten show on Netflix. Additionally, in the third quarter, we saw strength in our AVOD business and in licensing for our owned brands in Asia-Pacific. I am optimistic and excited about the path ahead, as we remain committed to executing on our long-term strategy of simplifying and growing our business and improving our balance sheet."

Nick Gawne, WildBrain CFO, added: "We continue to focus our business on our key franchises that can generate the greatest returns from our integrated 360-degree capabilities. While Fiscal Year 2024 has been impacted by the slowdown in production greenlights, we remain committed to our key financial goals of addressing our 2024 convertible debentures and reducing our leverage over time. We also continue to pursue the sale of non-core assets as announced back in September. While we have nothing to announce today, we've made significant progress on both these fronts, and we look forward to providing updates in due course."

Q3 2024 Performance – Executing on Priorities

PRIORITIES	HIGHLIGHTS
Focus on Key Brands & Partnerships	• Apple TV+ announced the global premiere of Yo Gabba GabbaLand! for August 2024. The series expands the universe of Yo Gabba Gabba! which has delighted kids and parents alike worldwide with its blend of supremely singable music, colorful live-action characters and captivating animation. New consumer products programs are launching with franchise partners. • WildBrain CPLG expanded the licensing program for PLAYMOBIL, with new cross-category partnerships across the globe. As PLAYMOBIL celebrates its milestone 50th anniversary, new global collections across apparel, accessories, and publishing were announced. • Omega x Swatch Snoopy MoonSwatch was launched in both black and white versions, featuring Snoopy lying on the celestial satellite, with the coveted watches selling out at launch. • As part of the year-long 45th anniversary celebrations of Strawberry Shortcake, a host of new collaborations and collections are launching, including a new toy line to approximately 3,900 US Walmart locations.
Deliver Sustainable Growth	• Impacted by the slowdown in the content production market, we continue to expect revenue to be down approximately 8% to 12% year over year and expect Adjusted EBITDA to be down approximately 5% to 10% year over year in Fiscal Year 2024. • Looking ahead, we are confident in our content production outlook for Fiscal Year 2025 and 2026, with over 60% and 50% of our pipeline greenlit, respectively.
Improve Balance Sheet	• Committed to financial discipline, reducing leverage and consistent free cash flow generation. We continue to target leverage of under 4x through both EBITDA growth and successful completion of non-core asset sales.

Q3 2024 Financial Highlights

Financial Highlights	Three Months ended

(in millions of Cdn$)	March 31,	
	2024	2023
Revenue	$100.1	$140.9
Gross Margin[1]	$50.5	$67.5
Gross Margin (%)[1]	50 %	48 %
Adjusted EBITDA attributable to WildBrain[1]	$19.6	$32.9
Net Income (Loss) attributable to WildBrain	$(14.7)	$19.4
Basic Earnings (Loss) per Share	$(0.07)	$0.11
Cash Provided by Operating Activities	$23.3	$24.0
Free Cash Flow[1]	$(2.9)	$(4.6)

In Q3 2024, revenue decreased 29% to $100.1 million, compared to $140.9 million in Q3 2023.

Content Creation and Audience Engagement revenue decreased 49% to $40.8 million in Q3 2024, compared to $80.6 million in Q3 2023. The revenue decline was driven by fewer productions in the studios, reflective of the slower activity in the broader content production industry. The revenue decline in the studio businesses was offset by continued strength in the FAST and AVOD networks, the latter delivering over 60 billion minutes watched compared to 46 billion minutes of videos watched on our network in 3Q23.

Global Licensing revenue decreased 3% to $49.6 million in Q3 2024, compared to $50.9 million in Q3 2023. Revenue for both Peanuts and our global licensing agency, WildBrain CPLG, was lower year over year in Europe. This was offset by continued growth in North America for Peanuts, and in China and Asia-Pacific for both Peanuts and WildBrain CPLG.

Legacy WildBrain Spark revenue in Q3 2024 increased 36% to $12.4 million compared to $9.1 million in Q3 2023. Kids continue to be highly engaged on our YouTube network, with over 60 billion minutes of videos watched in the quarter and the average duration of viewing continuing to improve.

Gross margin[1] for Q3 2024 was 50%, compared with gross margin of 48% in Q3 2023. Gross margin percentage was higher as a result of Global Licensing and Audience Engagement revenues being a higher proportion of total revenues, in the current period.

Cash provided by operating activities in Q3 2024 was $23.3 million, compared to $24.0 million provided by operating activities in Q3 2023. Free Cash Flow[1] was negative $2.9 million in Q3 2024, compared with Free Cash Flow of negative $4.6 million in Q3 2023.

Adjusted EBITDA[1] was down 40% to $19.6 million in Q3 2024, compared with $32.9 million in Q3 2023. The decrease in the quarter was driven by lower gross margin dollars, offset by a $3.1 million reduction in SG&A.

Q3 2024 net loss was $14.7 million compared to net income of $19.4 million in Q3 2023. The decrease was primarily driven by lower gross margin dollars, offset by lower SG&A in the current period, a reduction in the change of the fair value of embedded derivatives, and the non-recurrence of the prior period impairment of investment in film and television and acquired and library content.

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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.

Q3 2024 Conference Call

The Company will hold a conference call on May 10, 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://emportal.ink/3VOIL8v**

Alternatively, you may dial direct to be entered into the call by an operator, referencing conference ID 09789 at +1 (800) 836-8184 in North America or +1 (289) 819-1350 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 09789#, until May 17, 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 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. 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 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 contains "forward looking statements" under applicable securities laws with respect to WildBrain including, without limitation, statements regarding the business strategies and operational activities of WildBrain, debt and leverage reduction plans of the Company, the potential sale of non-core assets, content and other commercial agreements and opportunities of WildBrain, AVOD/YouTube performance, consumer products growth, monetization of WildBrain's assets, the markets and industries in which WildBrain operates, expense moderation, investment in and support of growth initiatives, the Company's production pipeline and outlook for the Company's

content production business for Fiscal Years 2025 and 2026, refinancing or otherwise addressing the Company's convertible debentures and the growth and future financial and operating performance of WildBrain, including revenue, Adjusted EBITDA, Free Cash Flow and leverage for Fiscal 2024. 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 and industry mergers and acquisitions on WildBrain, (v) changes in the industries, and changes in laws and regulations related to the industries in which WildBrain operates, (vi) consumer and customer preferences, (vii) the ability of WildBrain to execute on and integrate investment, acquisition and other growth strategies and opportunities and realize the expected benefits therefrom, (viii) the ability of WildBrain to execute production, distribution, licensing and other revenue-generating arrangements, (ix) the availability of investment and divestiture opportunities at acceptable valuations and the ability of WildBrain to execute on such investment and divestiture opportunities, * interest and foreign exchange rates, (xi) the timing for commencement and completion of productions, (xii) the ability of WildBrain and its partners to execute on its brand plans and consumer products programs, (xiii) changes in the markets and industries in which WildBrain operates and the ability of WildBrain to adapt to such changes, (xiv) changes to YouTube and in advertising markets, (xv) the ability of WildBrain to commercialize consumer products related to its brands, (xvi) the current geopolitical landscape, (xvii) general economic and industry growth rates, and (xviii) the economic impact of inflation, any potential recession or downturn on consumer behaviour and advertising sales.

Forward-looking statements are inherently subject to risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A number of known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, could cause actual events, performance, or results to differ materially from what is projected in the forward-looking statements in this press release. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, WildBrain's leverage and indebtedness and failure to refinance or meet covenant requirements under its senior credit facility (as and where applicable),

general economic and market conditions and the impact of such conditions on the industries in which WildBrain operates, debt and equity capital markets and the availability of financing on acceptable terms, competition and the potential impact of industry mergers and acquisitions, WildBrain's ability to identify and execute anticipated production, distribution, licensing and other contracts, contractual counterparty risk, dependence on key third party relationships and partnerships with buyers, 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.sedarplus.ca**).

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.