NEWS RELEASE

WILDBRAIN REPORTS Q4 AND FULL YEAR 2021 RESULTS

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- Revenue increased 21% to $112.6 million in Q4 2021, compared to $92.9 million in Q4 2020. Fiscal 2021 revenue grew 6% to $452.5 million, compared to $425.6 million in Fiscal 2020.
- Net income of $11.4 million in Q4 2021 increased from net income of $4.0 million in Q4 2020. Fiscal 2021 net loss improved to $7.1 million, compared to a net loss of $236.0 million in Fiscal 2020, largely as a result of a non-cash goodwill impairment taken in Fiscal 2020.
- Positive Free Cash Flow increased 50% to $13.9 million in Q4 2021, compared to $9.3 million in Q4 2020. Fiscal 2021 positive Free Cash Flow increased 16% to $31.5 million, compared to $27.1 million in Fiscal 2020.
- Adjusted EBITDA in Q4 2021 increased 3% to $19.2 million, compared with $18.7 million in Q4 2020. Fiscal 2021 adjusted EBITDA increased to $83.1 million, compared with $81.8 million in Fiscal 2020.
- Consumer Products revenue grew 33% to $44.2 million in Q4 2021, compared to $33.2 million in Q4 2020. Fiscal 2021 Consumer Products revenue grew to $175.2 million, compared to $168.6 million in Fiscal 2020.
- WildBrain Spark ("Spark") revenue increased 81% to $11.7 million in Q4 2021, compared to $6.5 million in Q4 2020. Fiscal 2021 Spark revenue was $45.8 million, compared to $62.3 million in Fiscal 2020.

HALIFAX, NS, Sept. 14, 2021 /CNW/ - WildBrain Ltd. ("WildBrain" or the "Company") (TSX: WILD), a global leader in kids and family entertainment, today reported its fourth quarter ("Q4 2021") and year-end ("Fiscal 2021") results for the periods ended June 30, 2021.

Eric Ellenbogen, WildBrain CEO, said: "Fiscal 2021 was a turning point for WildBrain. We're seeing returns from our focus on creativity, digital media and IP and activating some of our key brands, which will further fuel our cash flow while driving consumer products upside. Among these activities are our Sonic Prime partnership with SEGA and Netflix, holistic agreements with the emoji company and Moose Toys on new IP, and our expanded Peanuts

partnership with Apple TV+. Recently, we switched on yet another major property, Yo Gabba Gabba!, in an agreement with Apple TV+ for a new original series and our Yo Gabba Gabba! library. And just last week, we relaunched Strawberry Shortcake with the debut of an all-new animated series on WildBrain Spark, a new Roblox game, brand collaborations and new toys and consumer products set to roll out in 2022. WildBrain Spark's revenues were also up 81% in the current quarter, reflecting ongoing improvements in advertising rates and ad placements. If these positive trends continue together with our focus on higher value views, we expect growth to continue at WildBrain Spark in Fiscal 2022 compared to Fiscal 2021 and foresee Q1 2022 revenue increasing by at least 60% over last year's Q1."

Ellenbogen added: "Overall, we expect growth to accelerate as we move through Fiscal 2022 and beyond as these new deals and franchises play out in our numbers. We're investing our increased revenues in new content for WildBrain Spark to drive audience engagement and also in marketing to drive our brands. We're just beginning to switch on the IP in our vault and to leverage WildBrain's unique, 360-degree capabilities in content, distribution, audience delivery and licensing to maximize the profitability of our assets."

Aaron Ames, WildBrain CFO, added: "Full year and Q4 2021 results reflected momentum building across our businesses, enhanced financial flexibility and improving Free Cash Flow. Our growing production pipeline and the high-quality deals that we executed over the past quarters have enhanced our visibility of future revenue and earnings. Looking into Fiscal 2022, we expect revenue of approximately $480 million to $500 million and adjusted EBITDA between $87 million to $93 million based on our latest projections and our current production pipeline. This reflects the significant investments we've made across the organization that we will begin to scale as we move through Fiscal 2022 and beyond."

Q4 2021 Performance - Executing on Priorities

PRIORITIES	HIGHLIGHTS
Monetizing our Large Audience on WildBrain Spark	• Spark revenue increased 81% to $11.7 million in Q4 2021 vs $6.5 million in Q4 2020, reflecting ongoing recovery in advertising rates. • The build-out of our proprietary data-analysis tools is driving growth in direct ad sales, paid media and digital production. These nascent revenues increased by 385% in Q4 2021 vs Q4 2020. • Spark continues to add commercial partnerships to create and manage digital content that drive revenue across our various business units. We recently announced a 360° multi-year content and licensing partnership with Moose Toys to produce a new digital-first series for its new Akedo toy brand. WildBrain Distribution will handle worldwide distribution of the new series, WildBrain CPLG will manage the Akedo global licensing program and we also share in revenues from distribution, toys and consumer products.
Grow Key Brands	• WarnerMedia's Cartoon Network licensed the entire 92 half-hours of Caillou back catalogue as well as the original new digital series produced by Spark, Caillou's New Adventures, exclusively for the US market. This recently signed agreement reflects our ability to offer both long-form and quality digital content as well as the benefit of our strategy of consolidating rights ownership on our portfolio of IP to broaden audience engagement and increase exploitation of our brands. Furthermore, since opening the Caillou channels to US viewers on Spark in Q2 2021, global average views have increased 8% to 4.1 million for the property on

our AVOD platform.

- Subsequent to quarter-end, we announced a multi-year global exclusive partnership with Apple TV+ for the production of an original series and licensing of the back catalogue on Yo Gabba Gabba!, representing yet another IP activation from the WildBrain library.
- We relaunched Strawberry Shortcake with a comprehensive global franchise program, including an exclusive digital-first debut of an original animated series on Spark, the launch of a brand-new Roblox game, brand collaborations with Sunkist and others, publishing from Penguin Random House and all-new toys set to roll out worldwide with Moose Toys in 2022 and supported by WildBrain CPLG.

Improve Cash Flow and Balance Sheet

- Positive Free Cash Flow increased 50% to $13.9 million in Q4 2021, compared to positive Free Cash Flow of $9.3 million in Q4 2020. Fiscal 2021 positive Free Cash Flow increased 16% to $31.5 million, compared to Free Cash Flow of $27.1 million Fiscal 2020.

Q4 2021 Financial Highlights

Financial Highlights	Three Months ended		Year ended	
(in millions of Cdn$)	June 30,		June 30,	
	2021	2020	2021	2020
Revenue	$112.6	$92.9	$452.5	$425.6
Gross Margin	$45.9	$39.6	$194.9	$187.8
Gross Margin (%)	41%	43%	43%	44%
Adjusted EBITDA attributable to WildBrain	$19.2	$18.7	$83.1	$81.8
Net Income (Loss) attributable to WildBrain	$11.4	$4.0	$(7.1)	$(236.0)
Basic earnings (Loss) per Share	$0.07	$0.02	$(0.04)	$(1.51)
Free Cash Flow	$13.9	$9.3	$31.5	$27.1

In Q4 2021, revenue grew 21% to $112.6 million, compared with $92.9 million in the prior year, driven by the deal with Apple TV+ for the Yo Gabba Gabba! library, ongoing recovery in Spark and the strength of our Consumer Products business. Fiscal 2021 revenue increased 6% to $452.5 million vs $425.6 million in Fiscal 2020.

Content Production and Distribution revenue increased 12% to $44.6 million in Q4 2021 vs $39.7 million in Q4 2020, benefiting from the Yo Gabba Gabba! library deal and distribution agreements with Netflix, Amazon and

WarnerMedia in the current quarter. Fiscal 2021 revenue rose 27% to $185.1 million vs $145.2 million in Fiscal 2020, which reflected a growing roster of premium productions that also drove associated library deals.

Q4 2021 revenue at Spark increased 81% to $11.7 million vs $6.5 million in Q4 2020, reflecting ongoing recovery in advertising revenue. The build-out of our proprietary data-analysis tools is also driving growth in other AVOD revenue streams including in direct advertising sales, paid media and digital production fees. These nascent revenues increased by 385% in Q4 2021 vs Q4 2020. Fiscal 2021 revenue at Spark was $45.8 million vs $62.3 million in Fiscal 2020 due to the impacts of COVID-19 as well as YouTube's policy changes on advertising on kids and family content made in early January 2020. We expect Spark to return to growth in Fiscal 2022 as advertising rates continue to improve and we drive growth in monetizing the significant audience on our AVOD network. While there will be seasonality across the year, Q1 2022 revenue is forecast to increase at least 60%, compared with the same prior year quarter.

Spark continued to attract a highly engaged audience. Q4 2021 views were 6.6 billion vs 11.6 billion in Q4 2020, reflecting normalization of viewing patterns from peak viewership during pandemic lockdowns. This amounted to 42.0 billion minutes of videos watched on Spark, compared with 72.1 billion in Q4 2020. Compared to the period prior to COVID-19 lockdowns, views increased 8% to 35.1 billion and watch time increased 30% to 215.9 billion minutes in Fiscal 2021 vs Fiscal 2019. Kids are spending more time on our platform, up 17% over Q4 2020 (six-minutes and 21-seconds on average per view in Q4 2021). In terms of views, Spark has been outperforming its peers and the overall kids' genre on YouTube. These metrics hit a trough in Q4 2021 and have been sequentially improving in Q1 2022 with views and watch time up 26% and 20% respectively since April 2021. Advertising rates on average have also increased 163% since April 2021. This dovetails with our focus on building higher-quality viewership, driven by our premium content for our own and partner brands, and not just the quantity of views, which is resulting in higher revenues as reflected in our current quarter.

Furthermore, Spark continued to cross sell opportunities to IP partners, producing and promoting content that monetizes across multiple revenue streams, including distribution and consumer products, as evidenced by the recent partnership with Moose Toys on its new Akedo toy brand. Leading IP partners are recognizing the value of our AVOD network for its audience delivery and data insights when building and amplifying brands.

Consumer Products revenue grew 33% to $44.2 million in Q4 2021, compared with $33.2 million in Q4 2020. Higher revenue in Q4 2021 was due to the strength of the Peanuts brand, complemented by the quality and reach of the new content we are bringing to market starting with the first series, Snoopy in Space, that debuted in November 2019. We are in the early stages of a prolific rollout of new Peanuts content over the coming years, which is expected to drive consumer products globally. For Fiscal 2021, revenue increased to $175.2 million vs $168.6 million in the same prior-year period, reflecting the enduring vitality of the Peanuts franchise as well as increased

commissions and growth in new business from our licensing agency WildBrain CPLG.

Q4 2021 Gross Margin was 41% vs 43% in Q4 2020, due to higher WildBrain Spark revenue which typically yields lower gross margin and higher marketing spend related to the Consumer Products business, offset by a growing slate of higher-margin premium production projects. Fiscal 2021 Gross Margin was steady at 43% vs 44% in Fiscal 2020, reflecting a strong slate of premium projects in our studio and the Peanuts library deal in current year.

Positive Free Cash Flow for Q4 2021 increased to $13.9 million, compared with positive Free Cash Flow of $9.3 million in Q4 2020, primarily due to the timing of working capital settlements. In Fiscal 2021, positive Free Cash Flow increased to $31.5 million, compared with $27.1 million in Fiscal 2020.

Adjusted EBITDA increased 3% to $19.2 million in Q4 2021, compared with $18.7 million in Q4 2020. In Fiscal 2021, adjusted EBITDA rose to $83.1 million vs $81.8 million in Fiscal 2020, driven by higher gross margin and other income, offset by higher distribution to non-controlling interests. During Fiscal 2021, WildBrain continued to reinvest in new content for Spark and in marketing for IP based on building momentum in these core areas.

Q4 2021 net income increased to $11.4 million vs net income of $4.0 million in the same prior-year quarter, reflecting higher gross margin. Fiscal 2021 net loss improved to $7.1 million vs a net loss of $236.0 million in Fiscal 2020. The Fiscal 2021 net loss was primarily due to non-cash, non-operating items of $3.5 million related to the corporate refinancing and the change in fair value of embedded derivatives of $26.2 million resulting from appreciation of the share price. Fiscal 2020 included a non-cash goodwill impairment charge of $184.5 million[1] due to the impact on advertising revenue from YouTube's policy changes as well as the potential impacts of global uncertainties from COVID-19.

During Fiscal 2021, we refinanced our corporate debt on attractive terms with a new seven-year US$285.0 million senior secured term loan and removed the financial maintenance covenant. We also entered into a new five-year US$30.0 million revolving credit facility.

Fiscal 2022 Outlook

We expect growth to build in Fiscal 2022 as our expanding production pipeline and new deals entered into in the prior fiscal year are reflected in our results. As a result of this visibility, we expect revenue of approximately $480.0 million to $500.0 million and adjusted EBITDA between $87.0 million to $93.0 million in Fiscal 2022, based on our latest projections and our current pipeline, as well as expected timing around revenue recognition on our productions projects.

Fiscal 2022 Strategic Priorities

Activate IP and grow key brands;

Maximize the value of Spark; and

Deliver sustainable growth.

Further details can be found in the Fiscal 2022 Outlook section of the Company's Fiscal 2021 MD&A.

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1. The non-cash goodwill impairment charge of $184.5 million recorded in Q3 2020 excluded goodwill held in the Company's Peanuts and Television cash generating units (CGUs).

2. 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 [illegible] Company's Q4 2021 MD&A.

Q4 and Fiscal 2021 Conference Call

The Company will hold a conference call on September 15, 2021 at 10:00 a.m. ET to discuss the results.

To listen, call +1 (800) 437-2398 toll-free or +1 (647) 792-1240 internationally and reference conference ID 2579663. 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 2579663, until September 22, 2021.

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

Investor Day

WildBrain's Investor Day for institutional investors and analysts will be held on October 5, 2021 from 9:30 a.m. to 12:30 p.m. ET. The event will be held in person in New York City and will also be available via live webcast. Please register for Investor Day at this link: **https://canvasmeetings.regfox.com/wildbrain-investor-day-2021**

The event will be hosted by WildBrain CEO Eric Ellenbogen, and other members of the executive team, who will discuss the evolving global landscape and opportunity in kids' content and present a detailed look into WildBrain's 360° approach to monetizing its large portfolio of known brands and IP.

A video recording of the Investor Day webcast will be archived on WildBrain's website following the event.

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, 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 150 million subscribers. 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 the Company including, without limitation, statements regarding the future growth and financial and operating performance of WildBrain and its subsidiaries, including expected revenue growth for WildBrain Spark in Q1 of the Company's Fiscal 2022, activation of the Company's IP and results therefrom, the timing for certain product rollouts, the future financial and operating results of the Company, including revenue and adjusted EBITDA for the Company's Fiscal 2022, investments of the Company and benefits therefrom, and the strategic priorities, business strategies and operational activities of the Company and its growth and long-term prospects. Although the Company 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 the Company. Actual results or events may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations, among other things, include the inability to find financing on acceptable terms, the availability of investment opportunities and at acceptable valuations, the ability of the Company to execute on such investments, epidemics, pandemics or other public health crises, including the current COVID-19 pandemic, the magnitude and length of economic disruption as a result of the worldwide COVID-19 pandemic, the reliance of the Company on the Internet and other technologies to continue to conduct its business, the ability of the Company to execute on its business strategies, consumer and customer preferences, market factors, conditions in the AVOD, entertainment and brands industries, the ability of the Company to execute on production, distribution and licensing arrangements, the timing for commencing and completing productions, the ability of the Company and its partners to execute on brand plans and consumer

products programs, foreign exchange risk, and risk factors discussed in materials filed with applicable securities regulatory authorities from time to time including matters discussed under "Risk Factors" in the Company's most recent Annual Information Form and annual Management Discussion and Analysis. These forward-looking statements are made as of the date hereof, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

SOURCE WildBrain Ltd.