

Spin Master Reports Q4 2025 Financial Results

Toronto, ON, March 5, 2026 - Spin Master Corp. ("Spin Master" or the "Company") (TSX: TOY; www.spinmaster.com), a leading global children's entertainment company, today announced its financial results for the three months and year ended December 31, 2025. The Company's full Management's Discussion and Analysis ("MD&A") for the three months and year ended December 31, 2025 is available under the Company's profile on SEDAR+ (www.sedarplus.com) and posted on the Company's web site at www.spinmaster.com. All financial information is presented in United States dollars ("\$", "dollars" and "US\$") and has been rounded to the nearest hundred thousand, except per share amounts and where otherwise indicated.

"We navigated a challenging fourth quarter for U.S. toy sales, while increasing our POS, achieving double-digit gains in digital games, and strategically expanding the audience for *PAW Patrol* ahead of its third movie release," said Christina Miller, CEO of Spin Master. "Entering 2026 we are setting the stage to return to sustainable growth by investing in innovation in our core toy portfolio and digital platforms, expanding into higher-growth categories, and accelerating collaboration across our creative centers to unlock the full potential of our portfolio and brands."

"The power of our financial model remained evident in 2025 as we generated more than \$300 million in operating cash flows," said Jonathan Roiter, Spin Master's CFO. "This enabled us to make important investments into technology, supply chain diversification, toy innovation, new entertainment content and our digital platforms. We also returned more than \$80 million in capital to shareholders through our dividend and share buybacks, while maintaining a strong balance sheet and prudent leverage."

Consolidated Financial Highlights for Q4 2025 as compared to the same period in 2024

- **Revenue** was \$618.2 million, a decrease of 4.8%. Constant Currency Revenue¹ was \$607.4 million, a decrease of 6.4%.
- **Operating Loss** was \$163.7 million, compared to Operating Income of \$47.1 million. Operating Loss in the current year includes \$229.1 million of non-cash impairment of goodwill and intangible assets.
- **Adjusted Operating Income¹** was \$66.4 million, compared to \$81.3 million.
- **Net Loss** was \$184.3 million or \$(1.85) per share compared to Net Income of \$21.1 million or \$0.21 per share (diluted). Net Loss in the current year includes \$229.1 million of non-cash impairment of goodwill and intangible assets.
- **Adjusted Net Income¹** was \$42.3 million or \$0.41 per share (diluted) compared to \$57.4 million or \$0.55 per share (diluted).
- **Adjusted EBITDA¹** was \$111.3 million, a decrease of \$2.6 million.
- **Adjusted EBITDA Margin¹** was 18.0% compared to 17.5%.
- Cash provided by operating activities was \$194.3 million compared to \$203.4 million.
- Free Cash Flow¹ was \$128.0 million compared to \$175.0 million.
- Repurchased and cancelled 441,195 subordinate voting shares for \$6.7 million (C\$8.9 million) in Q4 2025 through the Company's Normal Course Issuer Bid (the "NCIB") program. Subsequent to December 31, 2025, the Company repurchased and cancelled 313,833 subordinate voting shares for \$4.4 million. Additionally, the TSX has accepted the Company's notice to launch another NCIB commencing on March 7, 2026.
- Subsequent to December 31, 2025, the Company declared a quarterly dividend of C\$0.12 per outstanding subordinate voting share and multiple voting share, payable on April 10, 2026.

2026 Outlook

For the full year 2026, the Company expects:

- Revenue: stable to low single digit percentage growth compared to 2025.
- Adjusted EBITDA¹: mid to high single digit percentage growth compared to 2025.

¹ Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

Consolidated Financial Results as compared to the same period in 2024

(US\$ millions, except per share information)	Q4 2025	Q4 2024	\$ Change
Consolidated Results			
Revenue	618.2	649.1	(30.9)
Operating (Loss) Income	(163.7)	47.1	(210.8)
Operating Margin ²	(26.5)%	7.3 %	
Adjusted Operating Income ^{1,3}	66.4	81.3	(14.9)
Adjusted Operating Margin ¹	10.7 %	12.5 %	
Net (Loss) Income	(184.3)	21.1	(205.4)
Adjusted Net Income ^{1,3}	42.3	57.4	(15.1)
Adjusted EBITDA ^{1,3}	111.3	113.9	(2.6)
Adjusted EBITDA Margin ¹	18.0 %	17.5 %	
Earnings Per Share ("EPS")			
Basic EPS	\$(1.85)	\$0.21	
Diluted EPS	\$(1.85)	\$0.20	
Adjusted Basic EPS ¹	\$0.43	\$0.56	
Adjusted Diluted EPS ¹	\$0.41	\$0.55	
Weighted average number of shares (in millions)			
Basic	99.5	102.4	
Diluted	102.3	105.2	
Selected Cash Flow Data			
Cash provided by operating activities	194.3	203.4	(9.1)
Cash used in investing activities	(79.3)	(30.5)	(48.8)
Cash used in financing activities	(137.9)	(49.5)	(88.4)
Free Cash Flow ¹	128.0	175.0	(47.0)

¹ Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

² Operating Margin is calculated as Operating (Loss) Income divided by Revenue.

³ Refer to the "Reconciliation of Non-GAAP Financial Measures" section for further details on the adjustments.

Segmented Financial Results as compared to the same period in 2024

(US\$ millions)	Q4 2025					Q4 2024				
	Toys	Entertainment	Digital Games	Corporate & Other ¹	Total	Toys	Entertainment	Digital Games	Corporate & Other ¹	Total
Revenue	522.3	42.5	53.4	—	618.2	561.7	41.3	46.1	—	649.1
Operating (Loss) Income	(171.0)	14.3	3.0	(10.0)	(163.7)	31.7	19.7	(0.5)	(3.8)	47.1
Adjusted Operating Income (Loss) ²	40.4	14.2	14.4	(2.6)	66.4	53.5	20.3	11.5	(4.0)	81.3
Adjusted EBITDA ²	61.6	33.5	18.8	(2.6)	111.3	76.2	26.3	15.4	(4.0)	113.9

¹ Corporate & Other includes certain corporate costs (such as certain employee compensation, corporate social responsibility and professional services expenses), foreign exchange, acquisition related transaction costs, as well as investment income and loss.

² Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

Toys Segment Results

The following table provides a summary of the Toys segment operating results, for the three months ended December 31, 2025 and 2024:

(US\$ millions)	Q4 2025	Q4 2024	\$ Change	% Change
Preschool, Infant & Toddler and Plush	336.8	345.7	(8.9)	(2.6) %
Activities, Games & Puzzles and Dolls & Interactive	175.7	206.2	(30.5)	(14.8) %
Wheels & Action	107.1	91.7	15.4	16.8 %
Outdoor	7.8	16.4	(8.6)	(52.4) %
Toy Gross Product Sales¹	627.4	660.0	(32.6)	(4.9)%
Sales Allowances ²	(107.3)	(102.5)	(4.8)	4.7 %
<i>Sales Allowances % of Toy Gross Product Sales¹</i>	<i>17.1 %</i>	<i>15.5 %</i>		1.6 %
Toy Net Sales	520.1	557.5	(37.4)	(6.7)%
Toy - Other Revenue	2.2	4.2	(2.0)	(47.6) %
Toy Revenue	522.3	561.7	(39.4)	(7.0)%
Toys Operating (Loss) Income	(171.0)	31.7	(202.7)	(639.4) %
Toys Operating Margin ³	(32.7)%	5.6 %		(38.3) %
Toys Adjusted EBITDA ¹	61.6	76.2	(14.6)	(19.2) %
Toys Adjusted EBITDA Margin ¹	11.8 %	13.6 %		(1.8) %

¹ Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

² The Company enters arrangements to provide Sales Allowances requested by customers relating to cooperative advertising, contractual and negotiated promotional discounts, volume rebates, markdowns, and costs incurred by customers to sell the Company's products.

³ Operating Margin is calculated as segment Operating Income divided by segment Revenue.

- Toy Revenue declined by \$39.4 million to \$522.3 million due to lower Toy Gross Product Sales¹ and higher markdowns and promotional activities to manage inventory levels and support sell-through. Constant Currency Toy Gross Product Sales¹ was \$614.2 million, a decrease of 6.9%. Constant Current Toy Revenue was \$512.9 million, a decrease of 8.7%.
- Toy Gross Product Sales¹ decreased by \$32.6 million to \$627.4 million, primarily due to global market uncertainties resulting in part from ongoing changes to tariff policies, including a continued slowdown in U.S. retailer orders.
- Sales Allowances increased by \$4.8 million to \$107.3 million. As a percentage of Toy Gross Product Sales¹, Sales Allowances increased to 17.1% from 15.5% driven by higher markdowns and promotional activities.
- Toys Operating Loss was \$171.0 million compared to Operating Income of \$31.7 million. The change was primarily driven by non-cash impairment of goodwill related to Melissa & Doug and lower Toy Revenue, partially offset by a decrease in selling, general and administrative expenses. The impairment of goodwill related to Melissa & Doug was due to revised cash flow projections for the Melissa & Doug CGU due to the ongoing global trade policy uncertainty and other macroeconomic headwinds. Toys Operating Margin was (32.7)% compared to 5.6%.
- Toys Adjusted EBITDA¹ was \$61.6 million compared to \$76.2 million. Toys Adjusted EBITDA Margin¹ was 11.8% compared to 13.6%. The decrease in Toys Adjusted EBITDA¹ was driven by lower Toy Revenue, partially offset by lower marketing due to a shift in timing of marketing spend in the Toys segment driven by higher investments in the first half of the year to support key brand initiatives and retailer programs and lower distribution expenses due to inventory and warehouse optimization, partially offset by higher outbound transportation costs from increased domestic sales volumes.

¹ Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

Entertainment Segment Results

The following table provides a summary of Entertainment segment operating results, for the three months ended December 31, 2025 and 2024:

(US\$ millions)	Q4 2025	Q4 2024	\$ Change	% Change
Entertainment Revenue	42.5	41.3	1.2	2.9 %
Entertainment Operating Income	14.3	19.7	(5.4)	(27.4)%
Entertainment Operating Margin	33.6 %	47.7 %		(14.1)%
Entertainment Adjusted Operating Income ¹	14.3	20.3	(6.0)	(29.6)%
Entertainment Adjusted Operating Margin ¹	33.4 %	49.2 %		(15.8)%

¹ Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

- Entertainment Revenue increased by \$1.2 million to \$42.5 million, primarily driven by distribution revenue from higher volume of content deliveries, partially offset by lower ongoing distribution revenue from *PAW Patrol: The Mighty Movie* and licensing & merchandising revenue.
- Entertainment Operating Income declined by \$5.4 million to \$14.3 million, primarily due to increased amortization of production costs from higher volume of content deliveries in the current year and lower ongoing distribution revenue from *PAW Patrol: The Mighty Movie*.
- Entertainment Operating Margin decreased from 47.7% to 33.6%.
- Entertainment Adjusted Operating Income¹ declined by \$6.0 million to \$14.3 million.
- Entertainment Adjusted Operating Margin¹ decreased from 49.2% to 33.4%, primarily due to the dilutive effect of higher volume of content deliveries in the current year and lower ongoing distribution revenue from *PAW Patrol: The Mighty Movie*.

Digital Games Segment Results

The following table provides a summary of Digital Games segment operating results, for the three months ended December 31, 2025 and 2024:

(US\$ millions)	Q4 2025	Q4 2024	\$ Change	% Change
Digital Games Revenue	53.4	46.1	7.3	15.8 %
Digital Games Operating Income (Loss)	3.0	(0.5)	3.5	(700.0)%
Digital Games Operating Margin	5.6 %	(1.1)%		6.7 %
Digital Games Adjusted Operating Income ¹	14.3	11.5	2.8	24.3 %
Digital Games Adjusted Operating Margin ¹	27.0 %	24.9 %		2.1 %

¹ Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

- Digital Games Revenue increased by \$7.3 million to \$53.4 million, driven by revenue generated from strategic distribution partnerships, higher in-game purchases in *Toca Boca World* from growth in user engagement, and higher subscription revenue from *Piknik*.
- Digital Games Operating Income was \$3.0 million, a change of \$3.5 million from Digital Games Operating Loss of \$0.5 million, primarily driven by revenue generated from strategic distribution partnerships, partially offset by higher non-cash impairment of digital game and app development assets. The impairment reflects a strategic decision to streamline the Digital Games business and concentrate investments in core areas with long-term growth potential.
- Digital Games Operating Margin was 5.6% compared to (1.1)%.
- Digital Games Adjusted Operating Income¹ increased by \$2.8 million to \$14.3 million, primarily due to revenue generated from strategic distribution partnerships.
- Digital Games Adjusted Operating Margin¹ increased from 24.9% to 27.0%.

¹ Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

Liquidity

The Company has an unsecured revolving credit facility (the "Facility") with a borrowing capacity of \$510.0 million and contains certain financial covenants, maturing on June 27, 2030.

The Company has a non-revolving credit facility (the "Acquisition Facility") related to the acquisition of Melissa & Doug, with a borrowing capacity of \$225.0 million and contains certain financial covenants, maturing on June 27, 2027.

During the year ended December 31, 2025, the Company repaid \$178.0 million (2024 - \$135.0 million) and drew \$55.0 million (2024 - \$300.0 million) against the Facility. As at December 31, 2025, there was \$42.0 million outstanding (December 31, 2024 - \$165.0 million) under the Facility and \$225.0 million outstanding (December 31, 2024 - \$225.0 million) under the Acquisition Facility. For the year ended December 31, 2025, the weighted average interest rates on the Facility and Acquisition Facility were 5.8% and 5.6%, respectively (2024 - 6.5% and 6.5%).

As at December 31, 2025, the Company had available liquidity of \$566.9 million, comprised of \$104.6 million in cash and \$462.3 million under the Company's committed credit facilities.

Cash Flows for Q4 2025 as compared to the same period in 2024

Cash flows provided by operating activities were \$194.3 million compared to \$203.4 million driven by changes in non-cash working capital, partially offset by changes in non-cash provisions and other assets and higher income taxes received. Changes in non-cash working capital increased by \$90.0 million as compared to an increase of \$126.8 million, due to changes in trade receivables and other receivables, partially offset by changes in trade payables and accrued liabilities.

Cash flows used in financing activities were \$137.9 million compared to \$49.5 million, driven by repayment of \$148.0 towards the Facility (2024 - \$20.0 million), lease payments of \$2.7 million (2024 - \$9.4 million) and shares repurchased under the Company's NCIB for \$6.7 million (2024 - \$7.8 million), partially offset by proceeds of \$30.0 million from the Facility (2024 - \$nil).

Free Cash Flow¹ was \$128.0 million compared to \$175.0 million, primarily due to higher investment in leasehold improvements, computer software, and Entertainment content.

Dividends

The Company's Board of Directors declared a dividend of C\$0.12 per outstanding subordinate voting share and multiple voting share, payable on April 10, 2026 to shareholders of record at the close of business on March 27, 2026. The dividend is designated to be an eligible dividend for purposes of section 89(1) of the Income Tax Act (Canada).

Normal Course Issuer Bid

The Company today announced the TSX has accepted the Company's notice to launch a Normal Course Issuer Bid (the "Bid"). Under the Bid, the Company may repurchase on the open market at its discretion and subject to compliance with applicable securities laws, during the period commencing on March 7, 2026 and ending on the earlier of March 6, 2027 and the completion of purchases under the Bid, up to 2,633,813 subordinate voting shares, representing approximately 10% of the "public float" (within the meaning of the rules of the TSX), subject to the normal terms and limitations of such bids.

Under the TSX rules, the average daily trading volume of the subordinate voting shares on the TSX during the six months ended February 28, 2026 was approximately 125,845 and, accordingly, daily purchases on the TSX pursuant to the Bid will be limited to 31,461 subordinate voting shares, other than purchases made pursuant to the block purchase exception. The actual number of subordinate voting shares which may be purchased pursuant to the Bid and the timing of any such purchases will be determined by the management of the Company, subject to applicable law and the rules of the TSX.

Purchases are expected to be made through the facilities of TSX and/or alternative Canadian trading systems, or by such other means as may be permitted by the Ontario Securities Commission or other applicable Canadian Securities Administrators, at prevailing market prices. The Bid will be funded using existing cash resources and draws on its credit facility, and any subordinate voting shares repurchased by the Company under the Bid will be cancelled.

As of February 28, 2026, the Company had 31,713,454 issued and outstanding subordinate voting shares and a "public float" (within the meaning of the rules of the TSX) of 26,338,132 subordinate voting shares.

The Company believes that the purchases are in the best interest of the Company and constitute a desirable use of its funds. The program will be executed in line with Spin Master's capital allocation strategy which prioritizes investment in the business to support profitable growth.

Pursuant to a previous notice of intention to conduct a normal course issuer bid, under which the Company sought acceptance of the TSX to purchase up to 2,417,522 subordinate voting shares and which was announced by the Corporation on March 4, 2025 and will expire on March 6, 2026, the Company has repurchased and cancelled 2,417,522 subordinate voting shares on

¹ Non-GAAP financial measure or ratio. See "Non-GAAP Financial Measures and Ratios".

the open market at an average purchase price of C\$22.62 per share. The Company has repurchased and cancelled approximately 5.8 million subordinate voting shares on the open market since initiating its first NCIB in 2023, contributing to an approximate 7% decrease in total subordinate voting shares outstanding since December 31, 2022.

The Company has also agreed to the form of an automatic share purchase plan (an "ASPP") with a designated broker to allow for the purchase of subordinate voting shares under the Bid at times when the Company would ordinarily not be permitted to purchase shares due to regulatory restrictions or self-imposed blackout periods. The ASPP has been cleared by the TSX and will be entered into in connection with the commencement of the Bid.

Forward-Looking Statements

Certain statements, other than statements of historical fact, contained in this Press Release constitute “forward-looking information” within the meaning of certain securities laws, including the Securities Act (Ontario), and are based on expectations, estimates and projections as of the date on which the statements are made in this Press Release. The words “plans”, “expects”, “projected”, “estimated”, “forecasts”, “anticipates”, “indicative”, “intend”, “guidance”, “outlook”, “potential”, “prospects”, “seek”, “strategy”, “targets” or “believes”, or variations of such words and phrases or statements that certain future conditions, actions, events or results “will”, “may”, “could”, “would”, “should”, “might” or “can”, or negative versions thereof, “be taken”, “occur”, “continue” or “be achieved”, and other similar expressions, identify statements containing forward-looking information. Statements of forward-looking information in this Press Release include, without limitation, statements with respect to: future financial performance and growth expectations, as well as the drivers and trends in respect thereof; the Company's priorities, plans and strategies; content, digital game and product pipeline and launches, as well as their impacts; deployment of cash; dividend policy and future dividends; financial position, cash flows, liquidity and financial performance; the creation of long term shareholder value; and the Company's intention to commence the Bid, the benefits of the Bid, the timing, quantity and funding of any purchases of subordinate voting shares under the NCIB and the automatic share purchase plan, and the expected facilities through which any such purchases may be made.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this Press Release, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to any factors and assumptions set forth above in this Press Release, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: the Company will not have any unusual adjustments resulting from unexpected disruptions including regulatory actions impacting global trade, other macro-economic risks and uncertainties, and/or unforeseeable legal matters or non-recurring items, the Company will be able to successfully integrate acquisitions; the Company will be able to successfully expand its portfolio across new channels and formats, and internationally; the Company's ability to achieve other expected benefits through acquisitions; management's estimates and expectations in relation to future economic and business conditions and other factors in relation to the Company's financial performance in addition to the proposed transaction and resulting impact on growth in various financial metrics; the absence of significant undisclosed costs or liabilities associated with the transactions; Melissa & Doug's business will perform in line with the industry; there are no material changes to Melissa & Doug's core customer base; the Company's dividend payments being subject to the discretion of the Board of Directors and dependent on a variety of factors and conditions existing from time to time; the availability of funds for repurchases of outstanding subordinate voting shares under the Bid; alternate uses for the Company's cash resources; seasonality; ability of factories to manufacture products, including labour size and allocation, tooling, raw material and component availability, ability to shift between product mix, and customer acceptance of delayed delivery dates; the steps taken will create long term shareholder value; the expanded use of advanced technology, robotics and innovation the Company applies to its products will have a level of success consistent with its past experiences; the Company will continue to successfully secure, maintain and renew broader licenses from third parties for premiere children's properties consistent with past practices, and the success of the licenses; the expansion of sales and marketing offices in new markets will increase the sales of products in that territory; the Company will be able to successfully identify and integrate strategic acquisition and minority investment opportunities; the Company will be able to maintain its distribution capabilities; the Company will be able to leverage its global platform to grow sales from acquired brands; the Company will be able to recognize and capitalize on opportunities earlier than its competitors; the Company will be able to continue to build and maintain strong, collaborative relationships; the Company will maintain its status as a preferred collaborator; the culture and business structure of the Company will support its growth; the current business strategies of the Company will continue to be desirable on an international platform; the Company will be able to expand its portfolio of owned branded IP and successfully license it to third parties; use of advanced technology and robotics in the Company's products will expand; the Company will be able to continue to develop and distribute entertainment content in the form of movies, TV shows and short form content; the Company will be able to continue to design, develop and launch mobile digital games to be distributed globally via app stores; access of entertainment content on mobile platforms will expand; fragmentation of the market will continue to create acquisition opportunities; the Company will be able to maintain its relationships with its employees, suppliers, retailers and license partners; the Company will continue to attract qualified personnel to support its development requirements; the Company's key personnel will continue to be involved in the Company products, mobile digital games and entertainment properties will be launched as scheduled; and the availability of cash for dividends and that the risk factors noted in this Press Release, collectively, do not have a material impact on the Company.

By its nature, forward-looking information is subject to inherent 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 information in this Press Release. Such risks and uncertainties include, without limitation, risks

outlined in the "Global Tariffs Uncertainty and 2026 Outlook" section of the Annual MD&A; risks associated with using funds to repurchase subordinate voting shares under the Bid; the risk of a determination not to repurchase subordinate voting shares under the Bid; concentration of manufacturing and geopolitical risks; uncertainty and adverse changes in general economic conditions and consumer spending habits and the factors discussed in the Company's disclosure materials, including the Annual MD&A and the Company's most recent Annual Information Form, filed with the securities regulatory authorities in Canada and available under the Company's profile on SEDAR+ (www.sedarplus.com). These risk factors are not intended to represent a complete list of the factors that could affect the Company and investors are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The forward-looking statements contained herein are made as of March 5, 2026 and the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Conference call

Christina Miller, Chief Executive Officer and Jonathan Roiter, Chief Financial Officer, will host a conference call to discuss the financial results on Thursday, March 5, 2026 at 8:30 a.m. (ET).

WEBCAST: <https://app.webinar.net/qZYJrGejAN7>

A link to the webcast will also be available on the Events & Presentations page of the Investors section of Spin Master's website at <http://www.spinmaster.com/events.php>. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. An archived replay of the webcast will be available for 90 days.

DIAL-IN: To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/3N85slG> to receive an instant automated call back. You can also dial direct to be entered to the call by an Operator: 1-416-945-7677 or 1-888-699-1199.

About Spin Master

Spin Master Corp. (TSX:TOY) is a leading global children's entertainment company, creating exceptional play experiences across its three creative centres: Toys, Entertainment and Digital Games. With worldwide toy distribution, Spin Master is best known for award-winning brands including PAW Patrol®, Melissa & Doug®, Bakugan® and Rubik's® Cube, and is the global toy licensee for other iconic properties. Through its in-house entertainment studio, the company creates and produces captivating multiplatform content including powerhouse preschool franchise PAW Patrol, along with other original shows, short-form series and feature films. With an established presence in digital games anchored by Toca Boca® and Piknik™, Spin Master engages close to 60 million active users monthly in open-ended, creative and safe play. With 29 offices spanning nearly 20 countries, Spin Master employs more than 2,500 team members globally.

For further information

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Consolidated statements of financial position

(In US\$ millions)	Dec 31, 2025	Dec 31, 2024
Assets		
Current assets		
Cash and cash equivalents	104.6	233.5
Trade receivables, net	508.1	499.4
Other receivables	71.5	54.9
Inventories, net	149.7	184.7
Income tax receivable	19.3	—
Prepaid expenses and other assets	44.3	48.7
	897.5	1,021.2
Non-current assets		
Intangible assets	865.8	837.4
Goodwill	164.0	368.1
Right-of-use assets	174.3	149.5
Property, plant and equipment	92.0	60.2
Deferred income tax assets	175.7	167.1
Other assets	34.0	29.9
	1,505.8	1,612.2
Total assets	2,403.3	2,633.4
Liabilities		
Current liabilities		
Trade payables and accrued liabilities	436.0	429.5
Loans and borrowings	264.1	389.1
Provisions	22.9	24.7
Lease liabilities	33.6	22.3
Deferred revenue	31.5	22.0
	788.1	887.6
Non-current liabilities		
Deferred income tax liabilities	215.8	209.9
Lease liabilities	161.1	123.0
Provisions	14.7	10.5
	391.6	343.4
Total liabilities	1,179.7	1,231.0
Shareholders' equity		
Share capital	753.6	765.6
Retained earnings	442.2	640.1
Contributed surplus	35.2	45.5
Accumulated other comprehensive loss	(7.4)	(48.8)
Total shareholders' equity	1,223.6	1,402.4
Total liabilities and shareholders' equity	2,403.3	2,633.4

Consolidated statements of (loss) earnings and comprehensive (loss) earnings

(In US\$ millions, except earnings per share)	Year Ended Dec 31,	
	2025	2024
Revenue	2,112.9	2,263.0
Cost of sales	967.6	1,072.1
Gross Profit	1,145.3	1,190.9
Expenses		
Selling, general and administrative	908.6	931.9
Depreciation and amortization	70.3	72.7
Impairment of non-current assets	250.4	20.7
Other (income) expense, net	(11.3)	1.6
Foreign exchange loss (gain), net	14.5	(1.5)
Operating (Loss) Income	(87.2)	165.5
Interest expense	42.5	50.5
Interest income	(2.5)	(4.0)
(Loss) Income before income tax expense	(127.2)	119.0
Income tax expense	21.3	37.1
Net (Loss) Income	(148.5)	81.9
Earnings per share		
Basic	(1.46)	0.79
Diluted	(1.46)	0.77
Weighted average number of shares (in millions)		
Basic	101.4	103.3
Diluted	103.9	105.8
(In US\$ millions)	Year Ended Dec 31,	
	2025	2024
Net (Loss) Income	(148.5)	81.9
Items that may be subsequently reclassified to Net (Loss) Income		
Foreign currency translation gain (loss)	41.4	(34.0)
Items that will not be reclassified to Net (Loss) Income		
Loss on minority investment	(3.0)	—
Other comprehensive income (loss)	38.4	(34.0)
Total comprehensive (loss) income	(110.1)	47.9

Consolidated statements of cash flows

(in US\$ millions)	Year Ended Dec 31,	
	2025	2024
Operating activities		
Net (Loss) Income	(148.5)	81.9
Adjustments to reconcile net loss to cash provided by operating activities		
Income tax expense	21.3	37.1
Interest expense	30.2	38.4
Interest income	(2.5)	(4.0)
Depreciation and amortization	142.1	136.8
(Gain) Loss on disposal of non-current assets	(12.0)	1.3
Accretion expense	11.5	10.6
Amortization of facility fee costs	0.6	1.2
Loss on portfolio investments, net	0.2	0.3
Impairment of non-current assets	250.4	20.7
Loss on minority interest investments	1.0	0.5
Unrealized foreign exchange loss, net	(3.7)	(8.4)
Share-based compensation expense	11.5	29.3
Fair value adjustment on inventory sold	—	66.3
Net changes in non-cash working capital	40.8	24.9
Net changes in non-cash provisions and other assets	27.4	(21.0)
Income taxes paid	(48.7)	(66.7)
Income taxes received	5.4	4.3
Interest paid	(21.7)	(29.2)
Interest received	2.5	3.7
Cash provided by operating activities	307.8	328.0
Investing activities		
Investment in property, plant and equipment	(71.2)	(34.0)
Investment in intangible assets	(113.0)	(83.6)
Business acquisitions, net of cash acquired	(12.7)	(952.9)
Portfolio investments	(3.0)	(1.1)
Minority interest investments	(1.8)	—
Change in restricted cash	—	3.1
Cash used in investing activities	(201.7)	(1,068.5)
Financing activities		
Proceeds from loans and borrowings	55.0	525.0
Repayment of loans and borrowings	(178.0)	(135.0)
Payment of lease liabilities, net of lease incentives received	(25.6)	(37.8)
Dividends paid	(34.7)	(27.5)
Repurchase of subordinate voting shares	(46.6)	(54.5)
Payment of financing costs related to the facility	(1.7)	—
Cash (used in) provided by financing activities	(231.6)	270.2
Effect of foreign currency exchange rate changes on cash	(3.4)	(1.9)
Net decrease in cash during the period	(128.9)	(472.2)
Cash, beginning of the year	233.5	705.7
Cash, end of the year	104.6	233.5

Non-GAAP Financial Measures and Ratios

In addition to using financial measures prescribed under International Financial Reporting Standards ("IFRS"), references are made in this Press Release to the following terms, each of which is a non-GAAP financial measure:

- Toy Gross Product Sales
- Adjusted EBITDA
- Toys Adjusted EBITDA
- Entertainment Adjusted EBITDA
- Digital Games Adjusted EBITDA
- Adjusted Operating Income (Loss)
- Toys Adjusted Operating Income (Loss)
- Entertainment Adjusted Operating Income (Loss)
- Digital Games Adjusted Operating Income (Loss)
- Adjusted Net Income (Loss)
- Free Cash Flow

Non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

Additionally, references are made in this Press Release to the following terms, each of which is a non-GAAP financial ratio:

- Adjusted EBITDA Margin
- Toys Adjusted EBITDA Margin
- Toys Adjusted Operating Margin
- Entertainment Adjusted Operating Margin
- Digital Games Adjusted Operating Margin
- Adjusted Operating Margin
- Adjusted Basic EPS
- Adjusted Diluted EPS
- Sales Allowances as a percentage of Toy Gross Product Sales

Non-GAAP financial ratios are ratios or percentages that are calculated using a Non-GAAP financial measure. Non-GAAP financial ratios do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

Management believes the Non-GAAP financial measures, Non-GAAP financial ratios, and supplementary financial measures defined above are important supplemental measures of operating performance and highlight trends in the business. Management believes that these measures allow for assessment of the Company's operating performance and financial condition on a basis that is consistent and comparable between reporting periods. The Company believes that investors, lenders, securities analysts and other interested parties frequently use these Non-GAAP financial measures, Non-GAAP financial ratios, and Supplementary financial measures in the evaluation of issuers.

Non-GAAP Financial Measures

Toy Gross Product Sales represent Toy Revenue, excluding the impact of Sales Allowances. As Sales Allowances are generally not associated with individual products, the Company uses Toy Gross Product Sales to provide meaningful comparisons across product categories and geographical results to highlight trends in Spin Master's business. For a reconciliation of Toy Gross Product Sales to Revenue, the closest IFRS measure, refer to the revenue tables for the three months and year ended December 31, 2025, as compared to the same period in 2024 in this Press Release.

Adjusted EBITDA is calculated as Operating Income before interest income and interest expense and depreciation and amortization (EBITDA) excluding adjustments that do not necessarily reflect the Company's underlying financial performance. These adjustments include restructuring and other related costs, foreign exchange gains or losses, share based compensation expenses, acquisition related contingent consideration, impairment of intangible assets, impairment of goodwill, investment income (loss), net, acquisition related deferred incentive compensation, impairment of property, plant and equipment, legal settlement, transaction cost and gain on disposal of asset. Adjusted EBITDA is used by management as a measure of the Company's profitability. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Operating Income (Loss), the closest IFRS measure.

Toys Adjusted EBITDA is calculated as Toy Operating Income (Loss) before interest income and interest expense and depreciation and amortization (EBITDA) excluding adjustments that do not necessarily reflect the Company's underlying financial performance. These adjustments include restructuring and other related costs, foreign exchange gains or losses, share based compensation expenses, acquisition related contingent consideration, impairment of intangible assets, impairment of goodwill, investment income (loss), acquisition related deferred incentive compensation, impairment of property,

plant and equipment, legal settlement, transaction cost and gain on disposal of asset. Toys Adjusted EBITDA is used by management as a measure of the Company's profitability. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Toys Operating Income (Loss), the closest IFRS measure.

Entertainment Adjusted EBITDA is calculated as Entertainment Operating Income (Loss) before interest income and interest expense and depreciation and amortization (EBITDA) excluding adjustments that do not necessarily reflect the Company's underlying financial performance. These adjustments include restructuring and other related costs, foreign exchange gains or losses, share based compensation expenses, acquisition related contingent consideration, impairment of intangible assets, impairment of goodwill, investment income (loss), acquisition related deferred incentive compensation, impairment of property, plant and equipment, legal settlement, transaction cost and gain on disposal of asset. Entertainment Adjusted EBITDA is used by management as a measure of the Company's profitability. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Digital Games Operating Income (Loss), the closest IFRS measure.

Digital Games Adjusted EBITDA is calculated as Digital Games Operating Income (Loss) before interest income and interest expense and depreciation and amortization (EBITDA) excluding adjustments that do not necessarily reflect the Company's underlying financial performance. These adjustments include restructuring and other related costs, foreign exchange gains or losses, share based compensation expenses, acquisition related contingent consideration, impairment of intangible assets, impairment of goodwill, investment income (loss), acquisition related deferred incentive compensation, impairment of property, plant and equipment, legal settlement, transaction cost and gain on disposal of asset. Digital Games Adjusted EBITDA is used by management as a measure of the Company's profitability. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Digital Games Operating Income (Loss), the closest IFRS measure.

Adjusted Operating Income (Loss) is calculated as Operating Income (Loss) excluding adjustments (as defined in Adjusted EBITDA). Adjusted Operating Income (Loss) is used by management as a measure of the Company's profitability. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Operating Income (Loss), the closest IFRS measure.

Toys Adjusted Operating Income (Loss) is calculated as Toys Operating Income (Loss) excluding adjustments (as defined in Adjusted EBITDA). Toys Adjusted Operating Income (Loss) is used by management as a measure of the Company's profitability. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Toys Operating Income (Loss), the closest IFRS measure.

Entertainment Adjusted Operating Income (Loss) is calculated as Entertainment Operating Income (Loss) excluding adjustments (as defined in Adjusted EBITDA). Entertainment Adjusted Operating Income (Loss) is used by management as a measure of the Company's profitability. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Entertainment Operating Income (Loss), the closest IFRS measure.

Digital Games Adjusted Operating Income (Loss) is calculated as Digital Games Operating Income (Loss) excluding adjustments (as defined in Adjusted EBITDA). Digital Games Adjusted Operating Income (Loss) is used by management as a measure of the Company's profitability. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Digital Games Operating Income (Loss), the closest IFRS measure.

Adjusted Net Income (Loss) is calculated as Net Income (Loss) excluding adjustments (as defined in Adjusted EBITDA), the corresponding impact these items have on income tax expense. Management uses Adjusted Net Income (Loss) to measure the underlying financial performance of the business on a consistent basis over time. Refer to the "Reconciliation of Non-GAAP Financial Measures" section below for a reconciliation of this metric to Operating Income (Loss), the closest IFRS measure.

Free Cash Flow is calculated as cash flows provided by/used in operating activities reduced by cash flows used in investing activities and adding back cash used for business acquisitions, advance paid for business acquisitions, asset acquisitions, portfolio investments, minority interest investments, proceeds from sale of manufacturing operations and net of investment distribution income. Management uses the Free Cash Flow metric to analyze the cash flows being generated by the Company's business after accounting for operational and capital expenditures. It measures the Company's ability to generate discretionary cash, which can be used to pay dividends, repurchase shares, repay loans and borrowings, and fund business acquisitions. Refer to the "Reconciliation of Non-GAAP Financial Measures" section for a reconciliation of this metric to Cash provided by operating activities, the closest IFRS measure.

Non-GAAP Financial Ratios

Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Revenue. Management uses Adjusted EBITDA Margin to evaluate the Company's performance compared to internal targets and to benchmark its performance against key competitors.

Toys Adjusted EBITDA Margin is calculated as Toys Adjusted EBITDA divided by Toy Revenue. Management uses Toys Adjusted EBITDA Margin to evaluate the Company's performance compared to internal targets and to benchmark its performance against key competitors.

Adjusted Operating Margin is calculated as Adjusted Operating Income (Loss) divided by Revenue. Management uses Adjusted Operating Margin to evaluate the Company's performance compared to internal targets and to benchmark its performance against key competitors.

Toys Adjusted Operating Margin is calculated as Toys Adjusted Operating Income (Loss) divided by Toy Revenue. Management uses Toys Adjusted Operating Margin to evaluate the Company's performance compared to internal targets and to benchmark its performance against key competitors.

Entertainment Adjusted Operating Margin is calculated as Entertainment Adjusted Operating Income (Loss) divided by Toy Revenue. Management uses Entertainment Adjusted Operating Margin to evaluate the Company's performance compared to internal targets and to benchmark its performance against key competitors.

Digital Games Adjusted Operating Margin is calculated as Digital Games Adjusted Operating Income (Loss) divided by Digital Games Revenue. Management uses Digital Games Adjusted Operating Margin to evaluate the Company's performance compared to internal targets and to benchmark its performance against key competitors.

Adjusted Basic EPS is calculated by dividing Adjusted Net Income (Loss) by the weighted average number of shares outstanding during the period. Adjusted Diluted EPS is calculated by dividing Adjusted Net Income (Loss) by the weighted average number of shares outstanding, assuming the conversion of all dilutive securities were exercised during the period. Management uses Adjusted Basic EPS and Adjusted Diluted EPS to measure the underlying financial performance of the business on a consistent basis over time.

Sales Allowances as a percentage of Toy Gross Product Sales is calculated by dividing Sales Allowances by Toy Gross Product Sales. Management uses Sales Allowances as a percentage of Toy Gross Product Sales to identify and compare the cost of doing business with individual retailers, different geographic markets and amongst various distribution channels.

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of Operating (Loss) Income to Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, and cash used in operating activities and investing activities to Free Cash Flow for the three months ended December 31, 2025 and 2024:

(in US\$ millions)	Q4 2025	Q4 2024	\$ Change	% Change
Operating (Loss) Income	(163.7)	47.1	(210.8)	(447.6)%
Adjustments:				
Impairment of goodwill ¹	215.6	12.9	202.7	n.m
Impairment of intangible assets ²	13.5	5.5	8.0	145.5 %
Transaction and integration costs ³	5.1	5.0	0.1	2.0 %
Foreign exchange loss (gain) ⁴	4.2	(4.7)	8.9	(189.4) %
Amortization of intangible assets acquired ⁵	1.7	1.7	—	— %
Impairment of property, plant and equipment ⁶	1.0	0.1	0.9	n.m
Acquisition related deferred incentive compensation ⁷	0.7	(1.1)	1.8	(163.6) %
Investment loss, net ⁸	0.2	0.1	0.1	100.0 %
Restructuring and other related costs ⁹	0.2	3.9	(3.7)	(94.9) %
Legal settlement expense	—	0.6	(0.6)	(100.0) %
Share based compensation ¹⁰	(1.1)	7.6	(8.7)	(114.5) %
Acquisition related deferred consideration ¹¹	(1.2)	2.6	(3.8)	(146.2) %
Gain on sale of asset ¹²	(9.8)	—	(9.8)	n.m.
Adjusted Operating Income	66.4	81.3	(14.9)	(18.3)%
Depreciation and amortization ¹³	44.9	32.6	12.3	37.7 %
Adjusted EBITDA	111.3	113.9	(2.6)	(2.3)%
Income tax recovery (expense)	(10.0)	(15.5)	5.5	(35.5) %
Interest expense	(10.6)	(10.5)	(0.1)	1.0 %
Depreciation and amortization ¹³	(44.9)	(32.6)	(12.3)	37.7 %
One-time income tax expense ¹⁴	—	8.1	(8.1)	(100.0) %
Tax effect of normalization adjustments ¹⁵	(3.5)	(6.0)	2.5	(41.7) %
Adjusted Net Income	42.3	57.4	(15.1)	(26.3)%
Cash provided by operating activities	194.3	203.4	(9.1)	(4.5) %
Cash used in investing activities	(79.3)	(30.5)	(48.8)	160.0 %
Add:				
Cash used in business acquisitions, asset acquisitions, portfolio investments, investment in associate and minority interest investments, net of investment distribution income	13.0	2.1	10.9	n.m
Free Cash Flow	128.0	175.0	(47.0)	(26.9)%

¹ Impairment of goodwill primarily related to the Melissa & Doug cash generating unit ("CGU").

² Impairment of intangible assets primarily related to Digital game and app development.

³ Transaction and integration costs incurred relating to acquisitions.

⁴ Includes foreign exchange losses (gains) generated by the translation and settlement of monetary assets/liabilities denominated in a currency other than the functional currency of the applicable entity and losses (gains) related to the Company's hedging programs.

⁵ Relates to the amortization of intangible assets acquired with Melissa & Doug.

⁶ Impairment of property, plant and equipment related to tooling.

⁷ Deferred incentive compensation associated with acquisitions.

⁸ Investment loss (income), net includes unrealized and realized (gain)/loss on portfolio investments and minority interest investments and share of (income)/loss from an investment in associate.

⁹ Restructuring and other related costs related to the reduction in the Company's global workforce.

¹⁰ Related to non-cash expenses associated with long-term incentive plan and includes mark to market loss of deferred share units ("DSUs").

¹¹ Expense (recovery) associated with contingent consideration for acquisitions.

¹² Gain on disposal of intangible asset.

¹³ Depreciation and amortization for the calculation of Adjusted EBITDA excludes \$1.7 million of amortization of intangible assets acquired with Melissa & Doug.

¹⁴ Adjustment for one-time income tax expense in Q4 2024.

¹⁵ Tax effect of adjustments (Footnotes 2-12). Adjustments are tax effected at the effective tax rate of the given period.

Segment Results

The Company's results from operations by reportable segment for the three months ended December 31, 2025 and 2024 are as follows:

(US\$ millions)	Q4 2025					Q4 2024				
	Toys	Entertain- ment	Digital Games	Corporate & Other ¹	Total	Toys	Entertain- ment	Digital Games	Corporate & Other ¹	Total
Revenue	522.3	42.5	53.4	—	618.2	561.7	41.3	46.1	—	649.1
Operating (Loss) Income	(171.0)	14.3	3.0	(10.0)	(163.7)	31.7	19.7	(0.5)	(3.8)	47.1
Adjusting items:										
Impairment of goodwill	215.6	—	—	—	215.6	10.0	—	2.9	—	12.9
Impairment of intangible assets	2.4	0.4	10.7	—	13.5	—	—	5.5	—	5.5
Transaction and integration costs	2.4	—	0.1	2.6	5.1	2.6	—	—	2.4	5.0
Foreign exchange loss (gain)	—	—	—	4.2	4.2	—	—	—	(4.7)	(4.7)
Amortization of intangible assets acquired	1.7	—	—	—	1.7	1.7	—	—	—	1.7
Impairment of property, plant and equipment	1.0	—	—	—	1.0	0.1	—	—	—	0.1
Acquisition related deferred incentive compensation	0.1	—	0.6	—	0.7	0.2	—	(1.3)	—	(1.1)
Investment loss, net	—	—	—	0.2	0.2	—	—	—	0.1	0.1
Restructuring and other related costs	—	(0.1)	0.3	—	0.2	1.7	0.1	2.1	—	3.9
Legal settlement expense	—	—	—	—	—	—	—	—	0.6	0.6
Share based compensation	(0.8)	(0.4)	(0.3)	0.4	(1.1)	5.1	0.5	0.6	1.4	7.6
Acquisition related deferred consideration	(1.2)	—	—	—	(1.2)	0.4	—	2.2	—	2.6
Gain on sale of asset	(9.8)	—	—	—	(9.8)	—	—	—	—	—
Adjusted Operating Income (Loss)	40.4	14.2	14.4	(2.6)	66.4	53.5	20.3	11.5	(4.0)	81.3
Adjusted Operating Margin	7.7%	33.4%	27.0%	n.m.	10.7%	9.5%	49.2%	24.9%	n.m.	12.5%
Depreciation and amortization ²	21.2	19.3	4.4	—	44.9	22.7	6.0	3.9	—	32.6
Adjusted EBITDA	61.6	33.5	18.8	(2.6)	111.3	76.2	26.3	15.4	(4.0)	113.9
Adjusted EBITDA Margin	11.8%	78.8%	35.2%	n.m.	18.0%	13.6%	63.7%	33.4%	n.m.	17.5%

¹ Corporate & Other includes certain corporate costs (such as certain employee compensation, corporate social responsibility and professional services expenses), foreign exchange, acquisition related transaction costs, as well as investment income and loss.

² Depreciation and amortization for the calculation of Adjusted EBITDA excludes \$1.7 million (Q4 2024 - \$1.7 million) of amortization of intangible assets acquired with Melissa & Doug.