

# **Spin Master Corp.**

**Condensed consolidated interim  
financial statements (unaudited)**

**For the three and nine months ended  
September 30, 2025 and September 30, 2024**

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## Condensed consolidated interim statements of financial position

| (Unaudited, in US\$ millions)                     | Notes | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|---------------------------------------------------|-------|-----------------|-----------------|-----------------|
| <b>Assets</b>                                     |       |                 |                 |                 |
| Current assets                                    |       |                 |                 |                 |
| Cash                                              | 9     | 127.9           | 114.2           | 233.5           |
| Trade receivables, net                            | 10    | 574.0           | 643.5           | 499.4           |
| Other receivables                                 | 10    | 63.9            | 56.5            | 54.9            |
| Inventories, net                                  | 11    | 244.4           | 264.2           | 184.7           |
| Income tax receivable                             |       | 17.6            | 14.0            | —               |
| Prepaid expenses and other assets                 | 12    | 58.2            | 46.2            | 48.7            |
|                                                   |       | <b>1,086.0</b>  | <b>1,138.6</b>  | <b>1,021.2</b>  |
| Non-current assets                                |       |                 |                 |                 |
| Intangible assets                                 | 13    | 869.9           | 835.3           | 837.4           |
| Goodwill                                          |       | 368.4           | 381.4           | 368.1           |
| Right-of-use assets                               | 19    | 173.3           | 160.7           | 149.5           |
| Property, plant and equipment                     |       | 66.4            | 63.5            | 60.2            |
| Deferred income tax assets                        |       | 168.9           | 162.6           | 167.1           |
| Other assets                                      | 12    | 29.6            | 36.5            | 29.9            |
|                                                   |       | <b>1,676.5</b>  | <b>1,640.0</b>  | <b>1,612.2</b>  |
| <b>Total assets</b>                               |       | <b>2,762.5</b>  | <b>2,778.6</b>  | <b>2,633.4</b>  |
| <b>Liabilities</b>                                |       |                 |                 |                 |
| Current liabilities                               |       |                 |                 |                 |
| Trade payables and accrued liabilities            | 14    | 501.6           | 528.6           | 429.5           |
| Loans and borrowings                              | 15    | 382.0           | 408.8           | 389.1           |
| Provisions                                        |       | 21.0            | 24.7            | 24.7            |
| Lease liabilities                                 | 19    | 25.9            | 28.3            | 22.3            |
| Deferred revenue                                  |       | 31.3            | 11.2            | 22.0            |
|                                                   |       | <b>961.8</b>    | <b>1,001.6</b>  | <b>887.6</b>    |
| Non-current liabilities                           |       |                 |                 |                 |
| Deferred income tax liabilities                   |       | 209.2           | 217.6           | 209.9           |
| Lease liabilities                                 | 19    | 157.2           | 125.9           | 123.0           |
| Provisions                                        |       | 13.0            | 12.1            | 10.5            |
|                                                   |       | <b>379.5</b>    | <b>355.6</b>    | <b>343.4</b>    |
| <b>Total liabilities</b>                          |       | <b>1,341.3</b>  | <b>1,357.2</b>  | <b>1,231.0</b>  |
| <b>Shareholders' equity</b>                       |       |                 |                 |                 |
| Share capital                                     | 16    | 757.8           | 768.0           | 765.6           |
| Retained earnings                                 |       | 641.1           | 631.4           | 640.1           |
| Contributed surplus                               |       | 37.7            | 40.0            | 45.5            |
| Accumulated other comprehensive loss              |       | (15.4)          | (18.0)          | (48.8)          |
| <b>Total shareholders' equity</b>                 |       | <b>1,421.2</b>  | <b>1,421.4</b>  | <b>1,402.4</b>  |
| <b>Total liabilities and shareholders' equity</b> |       | <b>2,762.5</b>  | <b>2,778.6</b>  | <b>2,633.4</b>  |

Approved by the Board of Directors on October 29, 2025.

The accompanying notes are an integral part of these Condensed consolidated interim financial statements.

## Condensed consolidated interim statements of earnings and comprehensive income

| (Unaudited, in US\$ millions, except per share information) | Notes | Nine Months Ended Sep 30, |              |              |              |
|-------------------------------------------------------------|-------|---------------------------|--------------|--------------|--------------|
|                                                             |       | Q3 2025                   | Q3 2024      | 2025         | 2024         |
| Revenue                                                     | 3     | 734.7                     | 885.7        | 1,494.7      | 1,613.9      |
| Cost of sales                                               | 6, 11 | 323.6                     | 416.4        | 678.7        | 788.5        |
| <b>Gross Profit</b>                                         |       | <b>411.1</b>              | <b>469.3</b> | <b>816.0</b> | <b>825.4</b> |
| Expenses                                                    |       |                           |              |              |              |
| Selling, general and administrative                         | 6     | 240.1                     | 247.0        | 656.4        | 645.0        |
| Depreciation and amortization                               | 6     | 17.6                      | 18.7         | 51.6         | 53.8         |
| Other expense, net                                          | 4     | 2.0                       | 1.6          | 21.2         | 5.0          |
| Foreign exchange loss (gain), net                           | 7     | 0.4                       | (1.2)        | 10.3         | 3.2          |
| <b>Operating Income</b>                                     |       | <b>151.0</b>              | <b>203.2</b> | <b>76.5</b>  | <b>118.4</b> |
| Interest expense                                            | 5     | 11.1                      | 14.4         | 31.3         | 39.4         |
| Interest income                                             |       | (0.4)                     | (1.0)        | (1.9)        | (3.4)        |
| <b>Income before income tax expense</b>                     |       | <b>140.3</b>              | <b>189.8</b> | <b>47.1</b>  | <b>82.4</b>  |
| Income tax expense                                          | 8     | 33.5                      | 49.7         | 11.3         | 21.6         |
| <b>Net Income</b>                                           |       | <b>106.8</b>              | <b>140.1</b> | <b>35.8</b>  | <b>60.8</b>  |
| <b>Earnings per share</b>                                   |       |                           |              |              |              |
| Basic                                                       |       | 1.06                      | 1.36         | 0.35         | 0.59         |
| Diluted                                                     |       | 1.03                      | 1.32         | 0.34         | 0.57         |
| <b>Weighted average number of shares (in millions)</b>      |       |                           |              |              |              |
| Basic                                                       |       | 100.7                     | 103.0        | 101.7        | 103.6        |
| Diluted                                                     |       | 103.7                     | 105.9        | 104.3        | 106.1        |

| (Unaudited, in US\$ millions)                                    | Nine Months Ended Sep 30, |              |             |              |
|------------------------------------------------------------------|---------------------------|--------------|-------------|--------------|
|                                                                  | Q3 2025                   | Q3 2024      | 2025        | 2024         |
| Net Income                                                       | 106.8                     | 140.1        | 35.8        | 60.8         |
| <b>Items that may be subsequently reclassified to Net Income</b> |                           |              |             |              |
| Foreign currency translation (loss) gain                         | (7.0)                     | 5.7          | 33.4        | (3.2)        |
| <b>Other comprehensive (loss) income</b>                         | <b>(7.0)</b>              | <b>5.7</b>   | <b>33.4</b> | <b>(3.2)</b> |
| <b>Total comprehensive Income</b>                                | <b>99.8</b>               | <b>145.8</b> | <b>69.2</b> | <b>57.6</b>  |

The accompanying notes are an integral part of these Condensed consolidated interim financial statements.

## Condensed consolidated interim statements of changes in shareholders' equity

| (Unaudited, in US\$ millions)                                          | Note      | Share capital | Retained earnings | Contributed surplus | Accumulated other comprehensive (loss) income | Total          |
|------------------------------------------------------------------------|-----------|---------------|-------------------|---------------------|-----------------------------------------------|----------------|
| <b>Balance at January 1, 2024</b>                                      |           | <b>783.4</b>  | <b>623.1</b>      | <b>27.4</b>         | <b>(14.8)</b>                                 | <b>1,419.1</b> |
| Net Income                                                             |           | —             | 60.8              | —                   | —                                             | <b>60.8</b>    |
| Other comprehensive loss                                               |           | —             | —                 | —                   | (3.2)                                         | <b>(3.2)</b>   |
| Share-based compensation                                               | <b>16</b> | —             | —                 | 22.4                | —                                             | <b>22.4</b>    |
| Dividends declared                                                     | <b>16</b> | —             | (22.8)            | —                   | —                                             | <b>(22.8)</b>  |
| Shares issued upon settlement of long-term incentive plan <sup>1</sup> | <b>16</b> | 9.8           | —                 | (9.8)               | —                                             | <b>—</b>       |
| Subordinate voting shares purchased and cancelled                      | <b>16</b> | (25.2)        | (22.5)            | —                   | —                                             | <b>(47.7)</b>  |
| Change in obligation for automatic share purchase plan                 | <b>16</b> | —             | (7.2)             | —                   | —                                             | <b>(7.2)</b>   |
| <b>Balance at September 30, 2024</b>                                   |           | <b>768.0</b>  | <b>631.4</b>      | <b>40.0</b>         | <b>(18.0)</b>                                 | <b>1,421.4</b> |
| <b>Balance at January 1, 2025</b>                                      |           | <b>765.6</b>  | <b>640.1</b>      | <b>45.5</b>         | <b>(48.8)</b>                                 | <b>1,402.4</b> |
| Net Income                                                             |           | —             | 35.8              | —                   | —                                             | <b>35.8</b>    |
| Other comprehensive income                                             |           | —             | —                 | —                   | 33.4                                          | <b>33.4</b>    |
| Share-based compensation                                               | <b>16</b> | —             | —                 | 12.6                | —                                             | <b>12.6</b>    |
| Dividends declared                                                     | <b>16</b> | —             | (26.1)            | —                   | —                                             | <b>(26.1)</b>  |
| Shares issued upon settlement of long-term incentive plan              | <b>16</b> | 20.4          | —                 | (20.4)              | —                                             | <b>—</b>       |
| Subordinate voting shares purchased and cancelled <sup>2</sup>         | <b>16</b> | (28.2)        | (12.5)            | —                   | —                                             | <b>(40.7)</b>  |
| Change in obligation for automatic share purchase plan                 | <b>16</b> | —             | 3.8               | —                   | —                                             | <b>3.8</b>     |
| <b>Balance at September 30, 2025</b>                                   |           | <b>757.8</b>  | <b>641.1</b>      | <b>37.7</b>         | <b>(15.4)</b>                                 | <b>1,421.2</b> |

<sup>1</sup> Includes \$12.0 million related to a reclassification between share capital and contributed surplus for historical LTIP settlements.

<sup>2</sup> Includes premium and tax on shares repurchased and cancelled of \$12.0 million and \$0.5 million, respectively, in retained earnings.

The accompanying notes are an integral part of these Condensed consolidated interim financial statements.

## Condensed consolidated interim statements of cash flows

| (Unaudited, in US\$ millions)                                              | Notes | Nine Months Ended Sep 30, |                  |
|----------------------------------------------------------------------------|-------|---------------------------|------------------|
|                                                                            |       | 2025                      | 2024             |
| <b>Operating activities</b>                                                |       |                           |                  |
| Net Income                                                                 |       | 35.8                      | 60.8             |
| Adjustments to reconcile net loss to cash provided by operating activities |       |                           |                  |
| Income tax expense                                                         | 8     | 11.3                      | 21.6             |
| Interest expense                                                           | 5     | 22.1                      | 29.3             |
| Interest income                                                            |       | (1.9)                     | (3.4)            |
| Depreciation and amortization                                              | 6     | 95.5                      | 102.5            |
| (Gain) Loss on disposal of non-current assets                              |       | (1.5)                     | 0.1              |
| Accretion expense                                                          | 5     | 8.5                       | 8.1              |
| Amortization of facility fee costs                                         | 5     | 0.4                       | 1.0              |
| Loss on portfolio investments, net                                         | 12    | 0.2                       | 0.3              |
| Impairment of non-current assets                                           | 13    | 20.3                      | 2.2              |
| Loss on minority interest investments                                      | 12    | 1.0                       | 0.5              |
| Unrealized foreign exchange loss, net                                      | 7     | 0.8                       | 3.8              |
| Share-based compensation expense                                           | 16    | 12.6                      | 22.4             |
| Fair value adjustment on inventory sold                                    | 11    | —                         | 66.3             |
| Net changes in non-cash working capital                                    | 17    | (49.2)                    | (101.9)          |
| Net change in non-cash provisions and other assets                         |       | 2.7                       | (22.5)           |
| Income taxes paid                                                          |       | (32.1)                    | (50.7)           |
| Income taxes received                                                      |       | 0.6                       | 4.1              |
| Interest paid                                                              |       | (15.5)                    | (23.3)           |
| Interest received                                                          |       | 1.9                       | 3.4              |
| <b>Cash provided by operating activities</b>                               |       | <b>113.5</b>              | <b>124.6</b>     |
| <b>Investing activities</b>                                                |       |                           |                  |
| Investment in property, plant and equipment                                |       | (36.1)                    | (25.1)           |
| Investment in intangible assets                                            | 13    | (81.8)                    | (60.0)           |
| Portfolio investments                                                      | 12    | (2.7)                     | —                |
| Minority interest investments                                              | 12    | (1.8)                     | —                |
| Business acquisitions, net of cash acquired                                | 21    | —                         | (952.9)          |
| <b>Cash used in investing activities</b>                                   |       | <b>(122.4)</b>            | <b>(1,038.0)</b> |
| <b>Financing activities</b>                                                |       |                           |                  |
| Proceeds from loans and borrowings                                         | 15    | 25.0                      | 525.0            |
| Repayment of loans and borrowings                                          | 15    | (30.0)                    | (115.0)          |
| Payment of lease liabilities                                               |       | (22.9)                    | (28.4)           |
| Dividends paid                                                             | 16    | (25.9)                    | (18.3)           |
| Change in restricted cash                                                  |       | —                         | 3.1              |
| Repurchase of subordinate voting shares                                    | 16    | (39.9)                    | (46.7)           |
| <b>Cash (used in) provided by financing activities</b>                     |       | <b>(93.7)</b>             | <b>319.7</b>     |
| Effect of foreign currency exchange rate changes on cash                   |       | (3.0)                     | 2.1              |
| <b>Net decrease in cash during the period</b>                              |       | <b>(105.6)</b>            | <b>(591.5)</b>   |
| Cash, beginning of period                                                  |       | 233.5                     | 705.7            |
| <b>Cash, end of period</b>                                                 |       | <b>127.9</b>              | <b>114.2</b>     |

The accompanying notes are an integral part of these Condensed consolidated interim financial statements.

## 1. Description of business

Spin Master Corp. was formed by the amalgamation of Spin Master Corp. (formerly SML Investments Inc. which was incorporated on June 9, 2004 under the Business Corporations Act (Ontario)), SML Investments 2008 Inc. and Varadi Bee Corp. pursuant to the filing of articles of amalgamation under the Business Corporations Act (Ontario) on July 29, 2015. The Company is a leading global children's entertainment company, creating exceptional play experiences through its three creative centres: Toys, Entertainment and Digital Games. Its head and registered office is located at 225 King Street West, Suite 200, Toronto, Canada, M5V 3M2. Spin Master Corp. and its subsidiaries are together referred to, in these Condensed consolidated interim financial statements, as the "Company" or "Spin Master".

The Company has three reportable operating segments: Toys, Entertainment and Digital Games (see Note 23).

## 2. Summary of material accounting policy information

### (A) Statement of compliance

These Condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board (IASB). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with IFRS® Accounting Standards as issued by the IASB, have been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The same accounting policies, presentation and methods of computation have been followed in these Condensed consolidated interim financial statements as were applied in the preparation of the Company's audited Consolidated financial statements for the year ended December 31, 2024.

Effective January 1, 2025, the Company adopted the IASB issued The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability. The amendments to IAS 21 clarify the definition of exchangeability and how to estimate an exchange rate when there is a lack of exchangeability. New disclosure requirements are introduced when using an estimated exchange rate on the financial statements. The adoption of this standard did not have any impact on these Condensed consolidated interim financial statements.

All financial information is presented in millions of United States dollars ("US\$") and has been rounded to the nearest hundred thousand, except as otherwise indicated.

These Condensed consolidated interim financial statements and accompanying notes were approved and authorized for issuance by the Board of Directors of the Company on October 29, 2025.

### (B) Basis of preparation

These Condensed consolidated interim financial statements include the accounts of Spin Master Corp. and its subsidiaries and should be read in conjunction with the Company's audited Consolidated financial statements, including the notes thereto, for the year ended December 31, 2024.

The Company has assessed significant accounting judgments and estimates in preparing the Company's Condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 and September 30, 2024. The accounting policies, judgments and estimates as disclosed in Note 3 of the Company's audited Consolidated financial statements for the year ended December 31, 2024 have been applied consistently in the preparation of these Condensed consolidated interim financial statements.

## 3. Revenue

The Company earns revenue from the following primary sources: Toys, Entertainment and Digital Games.

| (US\$ millions)       | Nine Months Ended Sep 30, |              |                |                |
|-----------------------|---------------------------|--------------|----------------|----------------|
|                       | Q3 2025                   | Q3 2024      | 2025           | 2024           |
| Toy revenue           | 650.4                     | 810.9        | 1,246.4        | 1,378.2        |
| Entertainment revenue | 32.8                      | 37.1         | 102.7          | 117.3          |
| Digital Games revenue | 51.5                      | 37.7         | 145.6          | 118.4          |
| <b>Revenue</b>        | <b>734.7</b>              | <b>885.7</b> | <b>1,494.7</b> | <b>1,613.9</b> |

For the three and nine months ended September 30, 2025, the Company recognized revenue of \$9.2 million (2024 - \$2.3 million) and \$17.0 million (2024 - \$5.8 million), respectively, relating to amounts previously deferred.

#### 4. Other expense, net

| (US\$ millions)                                     | Notes | Nine Months Ended Sep 30, |            |             |            |
|-----------------------------------------------------|-------|---------------------------|------------|-------------|------------|
|                                                     |       | Q3 2025                   | Q3 2024    | 2025        | 2024       |
| Impairment on non-current assets                    | 13    | 1.6                       | 0.1        | 20.3        | 2.2        |
| Acquisition related deferred incentive compensation |       | 0.7                       | 0.9        | 1.9         | 3.5        |
| Investment loss, net                                | 12    | 1.1                       | 0.5        | 1.4         | 0.8        |
| Legal settlement expense (recovery)                 |       | —                         | 0.4        | —           | (0.2)      |
| Acquisition related deferred consideration          |       | (0.5)                     | 0.4        | (0.4)       | (1.7)      |
| Other                                               |       | (0.9)                     | (0.7)      | (2.0)       | 0.4        |
| <b>Other expense, net</b>                           |       | <b>2.0</b>                | <b>1.6</b> | <b>21.2</b> | <b>5.0</b> |

#### 5. Interest expense

| (US\$ millions)                                     | Notes | Nine Months Ended Sep 30, |             |             |             |
|-----------------------------------------------------|-------|---------------------------|-------------|-------------|-------------|
|                                                     |       | Q3 2025                   | Q3 2024     | 2025        | 2024        |
| Interest on loans and borrowings                    |       | 5.4                       | 7.5         | 16.3        | 23.3        |
| Interest on lease liabilities and accretion expense |       | 3.3                       | 2.7         | 8.5         | 8.1         |
| Bank fees and financing charges                     |       | 2.3                       | 2.8         | 5.9         | 6.0         |
| Amortization of facility fee costs                  |       | 0.1                       | 0.3         | 0.4         | 1.0         |
| Change in fair value of interest rate swaps         | 22    | —                         | 1.1         | 0.2         | 1.0         |
| <b>Interest expense</b>                             |       | <b>11.1</b>               | <b>14.4</b> | <b>31.3</b> | <b>39.4</b> |

#### 6. Expenses

##### *Selling, general and administrative expenses*

| (US\$ millions)                            | Nine Months Ended Sep 30, |              |              |              |
|--------------------------------------------|---------------------------|--------------|--------------|--------------|
|                                            | Q3 2025                   | Q3 2024      | 2025         | 2024         |
| Administrative                             | 109.4                     | 115.2        | 325.2        | 347.5        |
| Marketing                                  | 49.0                      | 50.1         | 145.6        | 124.8        |
| Selling                                    | 54.8                      | 52.2         | 106.5        | 87.7         |
| Distribution                               | 18.7                      | 19.3         | 49.2         | 58.2         |
| Product development                        | 8.2                       | 10.2         | 29.9         | 26.8         |
| <b>Selling, general and administrative</b> | <b>240.1</b>              | <b>247.0</b> | <b>656.4</b> | <b>645.0</b> |

##### *Depreciation and amortization*

| (US\$ millions)                      | Nine Months Ended Sep 30, |             |             |              |
|--------------------------------------|---------------------------|-------------|-------------|--------------|
|                                      | Q3 2025                   | Q3 2024     | 2025        | 2024         |
| Included in cost of sales            | 17.2                      | 17.3        | 43.9        | 48.7         |
| Included in expenses                 | 17.6                      | 18.6        | 51.6        | 53.8         |
| <b>Depreciation and amortization</b> | <b>34.8</b>               | <b>35.9</b> | <b>95.5</b> | <b>102.5</b> |

#### 7. Foreign exchange

| (US\$ millions)                              | Nine Months Ended Sep 30, |              |             |            |
|----------------------------------------------|---------------------------|--------------|-------------|------------|
|                                              | Q3 2025                   | Q3 2024      | 2025        | 2024       |
| Unrealized foreign exchange loss (gain), net | 0.3                       | 4.4          | 0.8         | 3.8        |
| Realized foreign exchange loss (gain), net   | 0.1                       | (5.6)        | 9.5         | (0.6)      |
| <b>Foreign exchange loss, net</b>            | <b>0.4</b>                | <b>(1.2)</b> | <b>10.3</b> | <b>3.2</b> |

## 8. Income tax

The income tax expense recognized in the Condensed consolidated interim statements of earnings and comprehensive income comprises of the following:

| (US\$ millions)              | Q3 2025     | Q3 2024     | Nine Months Ended Sep 30, |             |
|------------------------------|-------------|-------------|---------------------------|-------------|
|                              |             |             | 2025                      | 2024        |
| Current income tax expense   | 34.5        | 62.5        | 12.6                      | 27.0        |
| Deferred income tax recovery | (1.0)       | (12.8)      | (1.3)                     | (5.4)       |
| <b>Income tax expense</b>    | <b>33.5</b> | <b>49.7</b> | <b>11.3</b>               | <b>21.6</b> |

The income tax expense is calculated as follows:

| (US\$ millions)                                                                 | Nine Months Ended Sep 30, |               |             |               |
|---------------------------------------------------------------------------------|---------------------------|---------------|-------------|---------------|
|                                                                                 | 2025                      |               | 2024        |               |
| Income before income tax expense                                                | 47.1                      |               | 82.4        |               |
| Income tax expense at Canadian statutory tax rate of 26.5%                      | 12.5                      | 26.5 %        | 21.8        | 26.5 %        |
| Effect of:                                                                      |                           |               |             |               |
| Different tax rates of subsidiaries operating in other jurisdictions            | (1.4)                     | (3.0) %       | (3.5)       | (4.2) %       |
| Recognition of previously unrecognized tax losses and other deferred tax assets | (0.5)                     | (1.1) %       | —           | — %           |
| Expense not deductible in determining taxable income                            | 0.1                       | 0.2 %         | 1.8         | 2.2 %         |
| Unused tax losses and tax attributes not recognized as deferred tax assets      | 0.1                       | 0.2 %         | 0.2         | 0.2 %         |
| Other                                                                           | 0.5                       | 1.3 %         | 1.3         | 1.5 %         |
| <b>Income tax expense</b>                                                       | <b>11.3</b>               | <b>24.1 %</b> | <b>21.6</b> | <b>26.2 %</b> |

The tax rate used for the reconciliation above is the Canadian statutory tax rate of Spin Master Corp., payable by corporate entities in the Company, on taxable profits under tax laws in the respective jurisdictions in which the Company operates.

## 9. Cash

As at September 30, 2025, the Company held \$8.3 million of cash in a geographic region which is subject to certain limitations (September 30, 2024 - \$8.4 million, December 31, 2024 - \$7.7 million).

## 10. Trade and other receivables, net

### Trade receivables

| (US\$ millions)                 | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|---------------------------------|-----------------|-----------------|-----------------|
| Trade receivables <sup>1</sup>  | 804.5           | 888.8           | 797.0           |
| Provisions for sales allowances | (217.6)         | (235.6)         | (286.4)         |
| Allowance for doubtful accounts | (12.9)          | (9.7)           | (11.2)          |
| <b>Trade receivables, net</b>   | <b>574.0</b>    | <b>643.5</b>    | <b>499.4</b>    |

<sup>1</sup> Trade receivables disclosed above include any amounts that are past due as at the end of the reporting period.

### Other receivables

| (US\$ millions)                    | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|------------------------------------|-----------------|-----------------|-----------------|
| Investment tax credits receivables | 53.4            | 50.5            | 46.2            |
| Sales tax receivables              | 5.7             | 3.4             | 3.6             |
| Other                              | 4.7             | 2.6             | 5.1             |
| <b>Other receivables</b>           | <b>63.8</b>     | <b>56.5</b>     | <b>54.9</b>     |

## 11. Inventories, net

| (US\$ millions)         | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|-------------------------|-----------------|-----------------|-----------------|
| Finished goods          | 241.5           | 262.2           | 183.2           |
| Raw materials           | 2.9             | 2.0             | 1.5             |
| <b>Inventories, net</b> | <b>244.4</b>    | <b>264.2</b>    | <b>184.7</b>    |

Inventories as at September 30, 2025 are net of \$11.9 million for the provision of inventories to net realizable value (September 30, 2024 - \$14.5 million, December 31, 2024 - \$15.1 million).

The cost of inventories recognized as an expense in cost of sales during the three and nine months ended September 30, 2025 was \$284.8 million (2024 - \$380.5 million) and \$573.8 million (2024 - \$692.3 million), respectively.

On January 2, 2024, the Company acquired \$179.6 million of inventories as part of the acquisition of Melissa & Doug, of which \$66.3 million relates to a fair value adjustment, representing the difference between inventory cost and its fair value less cost of disposal. The fair value adjustment is recognized as an expense in cost of sales as the related inventories are sold. For the three and nine months ended September 30, 2025, the Company did not recognize any fair value adjustment in cost of sales as it was fully recognized in 2024 (2024 - \$21.5 million and \$66.3 million, respectively). As at September 30, 2025, the fair value adjustment for inventory was \$nil (September 30, 2024 - \$nil, December 31, 2024 - \$nil).

## 12. Prepaid expenses and other assets

| (US\$ millions)                          | Notes | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|------------------------------------------|-------|-----------------|-----------------|-----------------|
| Prepaid expenses                         |       | 34.0            | 24.4            | 25.4            |
| Advances on royalties                    |       | 24.2            | 16.0            | 16.8            |
| Foreign exchange forward contracts       |       | —               | 5.8             | 6.5             |
| <b>Prepaid expenses and other assets</b> |       | <b>58.2</b>     | <b>46.2</b>     | <b>48.7</b>     |

| (US\$ millions)                              |    | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|----------------------------------------------|----|-----------------|-----------------|-----------------|
| Minority interest investments                |    | 9.8             | 9.0             | 9.0             |
| Portfolio investments                        |    | 6.9             | 3.4             | 4.5             |
| Investment tax credits - non-current portion |    | 6.3             | 5.2             | 5.6             |
| Investment in associate                      |    | 3.2             | 2.8             | 3.4             |
| Advances on royalties                        |    | 2.9             | 4.6             | 4.0             |
| Trade receivables - non-current portion      |    | 0.2             | 11.1            | 3.4             |
| Unamortized facility fee costs               | 15 | —               | 0.1             | —               |
| Other non-current assets                     |    | 0.3             | 0.3             | —               |
| <b>Other assets, non-current</b>             |    | <b>29.6</b>     | <b>36.5</b>     | <b>29.9</b>     |

### Minority interest investments

Minority interest investments classified as fair value through other comprehensive income ("FVTOCI") is comprised of equity instruments that the Company has irrevocably elected to recognize in this category. These are strategic investments, and the Company considers this classification to be most relevant.

During the nine months ended September 30, 2025, the Company invested \$1.8 million in new minority interest investments classified as fair value through profit or loss ("FVTPL") (2024 - \$nil).

## 12. Prepaid expenses and other assets *(continued)*

The carrying value of the seven minority interest investments held as at September 30, 2025 (September 30, 2024 - six investments, December 31, 2024 - five investments) were as follows:

| (US\$ millions)                                    | Carrying value at, |                 |                 |
|----------------------------------------------------|--------------------|-----------------|-----------------|
|                                                    | Sep 30,<br>2025    | Sep 30,<br>2024 | Dec 31,<br>2024 |
| Minority interest investments classified as FVTOCI | 3.0                | 3.0             | 3.0             |
| Minority interest investments classified as FVTPL  | 6.8                | 6.0             | 6.0             |
| <b>Minority interest investments</b>               | <b>9.8</b>         | <b>9.0</b>      | <b>9.0</b>      |

For the three and nine months ended September 30, 2025, the Company recognized \$1.0 million loss (2024 - \$0.5 million) on the minority interest investments in Other expense, net in the Condensed consolidated interim statements of earnings and comprehensive income.

### *Investment in associate*

For the three and nine months ended September 30, 2025, the Company recognized \$nil and \$0.2 million of loss, respectively, from its associate (2024 - \$nil) in Other expense, net in the Condensed consolidated interim statements of earnings and comprehensive income.

### *Portfolio investments*

For the three and nine months ended September 30, 2025, the Company recognized \$nil and \$0.1 million of net unrealized loss, respectively, (2024 - \$nil and \$0.3 million) in Other expense, net in the Condensed consolidated interim statements of earnings and comprehensive income. The Company recognized \$nil and \$0.1 million of realized loss, respectively, in Other expense, net for the three and nine months ended September 30, 2025 (2024 - \$nil).

## 13. Intangible assets

For the three and nine months ended September 30, 2025, the Company recognized an addition of \$3.1 million in intellectual property through the acquisition of an asset from a preschool activities company.

At September 30, 2025, the Company assessed intangible assets for any indication of impairment. The Company recognized \$(0.5) million and \$18.0 million of impairment for the three and nine months ended September 30, 2025, respectively, primarily related to \$nil and \$17.1 million for digital game and app development assets and \$nil and \$0.9 million for entertainment content development assets, reflecting changes in management's strategies (2024 - \$1.8 million related to content development project and components of computer software) in the Condensed consolidated interim statements of earnings and comprehensive income.

## 14. Trade payables and accrued liabilities

The Company is enrolled in a supplier financing arrangement program with a third-party financial institution that provides financing to certain suppliers of the Company. This arrangement allows these suppliers to elect to be paid by the financial institution at a discount earlier than the maturity date of the receivable. The payment term for the arrangement is on average 21 days from the invoice date under the program. The Company will pay the full amount owing to the financial institution according to the terms negotiated with the supplier on the maturity dates, which generally ranges between 60 and 75 days.

The amount outstanding to the financial institution under this program as at September 30, 2025 was \$56.3 million (September 30, 2024 - \$59.6 million, December 31, 2024 - \$30.1 million), of which suppliers have received payment of \$51.0 million from the financial institution under the program (September 30, 2024 - \$51.2 million, December 31, 2024 - \$22.3 million).

The activity related to this program is classified as an operating activity within the Condensed consolidated interim statements of cash flows.

## 15. Loans and borrowings

| (US\$ millions)                          | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|------------------------------------------|-----------------|-----------------|-----------------|
| Unsecured debt (at amortized cost)       |                 |                 |                 |
| Facility (i)                             | 160.0           | 185.0           | 165.0           |
| Acquisition Facility (ii)                | 225.0           | 225.0           | 225.0           |
|                                          | <b>385.0</b>    | <b>410.0</b>    | <b>390.0</b>    |
| Less:                                    |                 |                 |                 |
| Unamortized financing costs              | (3.0)           | (1.2)           | (0.9)           |
| <b>Total unamortized financing costs</b> | <b>(3.0)</b>    | <b>(1.2)</b>    | <b>(0.9)</b>    |
| Current                                  | 382.0           | 408.8           | 389.1           |
| <b>Total loans and borrowings</b>        | <b>382.0</b>    | <b>408.8</b>    | <b>389.1</b>    |

### Unsecured Debt

#### Bank facilities

- i. The Company has a committed unsecured revolving credit facility (the "Facility") with a borrowing capacity of \$510.0 million and contains certain financial covenants. The Facility also has an option which permits the Company to increase the total capital available by an additional \$200.0 million. On June 27, 2025, the Company entered into an agreement to amend its existing Facility, which now matures on June 27, 2030. During the nine months ended September 30, 2025, the Company drew \$25.0 million (2024 - \$300.0 million) and repaid \$30.0 million (2024 - \$115.0 million) against the Facility.

Total financing costs of \$3.2 million, which include Facility amendment fees and related legal fees, are offset in Loans and borrowings and are being amortized over the term of the amended and restated agreement.

As at September 30, 2025, there was \$5.7 million (September 30, 2024 - \$4.8 million, December 31, 2024 - \$4.8 million) in letters of credit outstanding under the Facility.

- ii. On November 20, 2023, the Company entered into a non-revolving credit facility (the "Acquisition Facility") with a borrowing capacity of \$225.0 million, which contains certain financial covenants. On June 27, 2025, the Company entered into an agreement to amend its existing Acquisition Facility, which now matures on June 27, 2027. The Acquisition Facility was used to fund the acquisition of Melissa & Doug. Total financing costs of \$1.2 million, which include facility arranger fees, agency fees and related legal fees, are offset in Loans and borrowings and are being amortized over the term of the Acquisition Facility.

During the nine months ended September 30, 2025, the Company made no drawings (2024 - \$225.0 million) and made no repayment (2024 - \$nil) against the Acquisition Facility.

For the nine months ended September 30, 2025, the weighted average interest rates on the Facility and Acquisition Facility were 5.7% and 5.6%, respectively (2024 - 6.6% and 6.6%).

The Company was in compliance with all financial covenants as at September 30, 2025, September 30, 2024 and December 31, 2024.

#### Bank overdraft facility

The Company has an uncommitted overdraft facility agreement (the "European Facility") for €15.0 million (equivalent to \$15.9 million). The European Facility will be used, if needed, to fund working capital requirements in Europe. As at September 30, 2025, the outstanding balance was \$nil (September 30, 2024 - \$nil, December 31, 2024 - \$nil).

### Secured Debt

#### Bank facilities

The Company has an uncommitted revolving credit facility to finance television and film production (the "Production Facility"). The limit of the Production Facility is C\$10.0 million (equivalent to \$7.4 million). As at September 30, 2025, the outstanding balance of the Production Facility was \$nil (September 30, 2024 - \$nil, December 31, 2024 - \$nil).

## 16. Share capital

(a) Authorized as at September 30, 2025 and September 30, 2024

- Unlimited number of multiple voting shares with no par value;
- Unlimited number of subordinate voting shares with no par value; and
- Unlimited number of preferred shares issuable in series with no par value.

Multiple voting shares and subordinate voting shares entitle the holder to receive dividends, and to receive the proceeds of liquidation, dissolution or winding up the Company in proportion to the number of shares held. These rights are subject to the prior rights of the holders of any shares ranking prior to the multiple voting shares and the subordinate voting shares.

The holders of the multiple voting shares are entitled to 10 votes for each share held and the holders of the subordinate voting shares are entitled to 1 vote for each share held.

Multiple voting shares are convertible at any time into an equivalent number of subordinate voting shares. Subordinate voting shares do not have any redemption or conversion rights.

Preferred shares of each series will be entitled to preference over the multiple voting shares and subordinate voting shares with respect to the payment of dividends and the proceeds of liquidation, dissolution or winding up of the Company.

|                                                     | Nine months ended<br>Sep 30, 2025 |                           | Nine months ended<br>Sep 30, 2024 |                           |
|-----------------------------------------------------|-----------------------------------|---------------------------|-----------------------------------|---------------------------|
|                                                     | Shares<br>(millions)              | Amount<br>(US\$ millions) | Shares<br>(millions)              | Amount<br>(US\$ millions) |
| <b>Multiple voting shares:</b>                      |                                   |                           |                                   |                           |
| Outstanding, beginning of period                    | 68.5                              | 350.5                     | 68.7                              | 350.5                     |
| Conversion to subordinate voting shares             | —                                 | —                         | (0.2)                             | —                         |
| <b>Outstanding, end of period</b>                   | <b>68.5</b>                       | <b>350.5</b>              | <b>68.5</b>                       | <b>350.5</b>              |
| <b>Subordinate voting shares:</b>                   |                                   |                           |                                   |                           |
| Outstanding, beginning of period                    | 33.9                              | 415.1                     | 35.0                              | 432.9                     |
| Issuance                                            | 0.8                               | 20.4                      | 1.0                               | 9.8                       |
| Purchased and cancelled                             | (2.3)                             | (28.2)                    | (2.1)                             | (25.3)                    |
| Conversion from multiple voting shares              | —                                 | —                         | 0.2                               | —                         |
| <b>Outstanding, end of period</b>                   | <b>32.4</b>                       | <b>407.3</b>              | <b>34.1</b>                       | <b>417.4</b>              |
| <b>Shares issued and outstanding, end of period</b> | <b>100.9</b>                      | <b>757.8</b>              | <b>102.6</b>                      | <b>768.0</b>              |

On February 28, 2024, the Company launched, and the Toronto Stock Exchange ("TSX") accepted the notice to launch, a Normal Course Issuer Bid ("NCIB"). Under this NCIB, the Company was able to repurchase (and cancel) its subordinate voting shares on the open market at its discretion and subject to compliance with applicable securities laws and the rules of the TSX. This NCIB commenced on March 4, 2024, and was scheduled to end on the earlier of March 3, 2025, and the completion of purchases under the NCIB, of up to 2,984,559 subordinate voting shares, which represented approximately 10% of the "public float" (within the meaning of the rules of the TSX) upon launch of the NCIB. As at March 31, 2025, the Company had repurchased an aggregate of 2,984,559 subordinate voting shares under this NCIB.

On March 4, 2025, the TSX accepted the Company's notice to launch a NCIB. Under this NCIB, the Company is permitted to repurchase (and cancel) its subordinate voting shares on the open market at its discretion and subject to compliance with applicable securities laws and the rules of the TSX. This NCIB commenced on March 7, 2025, and will end on the earlier of March 6, 2026, and the completion of purchases under the NCIB, of up to 2,417,522 subordinate voting shares, which represented approximately 10% of the "public float" (within the meaning of the rules of the TSX) upon launch of the NCIB.

On September 16, 2025, the Company entered into an automatic share purchase plan pursuant to which a broker is authorized to purchase subordinate voting shares under the NCIB for a period up to October 30, 2025. As at September 30, 2025, an obligation for the outstanding repurchase commitments of \$3.2 million was recognized in trade payables and accrued liabilities (September 30, 2024 - \$7.2 million, December 31, 2024 - \$7.0 million). Subsequent to September 30, 2025, the Company repurchased and cancelled 174,878 subordinate voting shares for \$2.5 million.

## 16. Share capital (continued)

Below is a summary of the Company's activities under NCIBs for the nine months ended September 30, 2025 and 2024.

| (US\$ millions, unless otherwise noted)                                   | Nine Months Ended Sep 30, |           |
|---------------------------------------------------------------------------|---------------------------|-----------|
|                                                                           | 2025                      | 2024      |
| Subordinate voting shares repurchased for cancellation (number of shares) | 2,276,093                 | 2,063,723 |
| Consideration <sup>1</sup>                                                | 40.2                      | 47.3      |
| Reduction in share capital                                                | 28.2                      | 25.2      |
| Premium on repurchased and cancelled shares recorded in retained earnings | 12.0                      | 22.1      |

<sup>1</sup> \$0.3 million of the consideration was paid subsequent to September 30, 2025.

The following table provides a summary of dividends declared and paid in 2025 and 2024.

| Declaration Date | Record Date  | Payment Date | Dividend per Share (C\$) | Dividends declared and paid (in US\$ millions) <sup>1</sup> |
|------------------|--------------|--------------|--------------------------|-------------------------------------------------------------|
| Oct 29, 2025     | Dec 24, 2025 | Jan 9, 2026  | 0.12                     | —                                                           |
| Jul 30, 2025     | Sep 26, 2025 | Oct 10, 2025 | 0.12                     | 8.7                                                         |
| Apr 30, 2025     | Jun 27, 2025 | Jul 11, 2025 | 0.12                     | 8.9                                                         |
| Feb 24, 2025     | Mar 28, 2025 | Apr 11, 2025 | 0.12                     | 8.5                                                         |
| Oct 30, 2024     | Dec 27, 2024 | Jan 10, 2025 | 0.12                     | 9.1                                                         |
| Jul 30, 2024     | Sep 27, 2024 | Oct 11, 2024 | 0.12                     | 9.1                                                         |
| May 7, 2024      | Jun 28, 2024 | Jul 12, 2024 | 0.12                     | 9.1                                                         |
| Feb 28, 2024     | Mar 29, 2024 | Apr 12, 2024 | 0.06                     | 4.6                                                         |
| Nov 1, 2023      | Dec 29, 2023 | Jan 12, 2024 | 0.06                     | 4.6                                                         |

<sup>1</sup> Dividends declared on October 29, 2025 will be accrued on record date of December 24, 2025.

During the nine months ended September 30, 2025, dividends of \$25.9 million (2024 - \$18.3 million) were paid.

### (b) Share-based plans

The total expense recognized for employee services received during the nine months ended for September 30, 2025 and 2024 for equity-settled transactions is shown in the following table:

| (US\$ millions)                  | Nine Months Ended Sep 30, |      |
|----------------------------------|---------------------------|------|
|                                  | 2025                      | 2024 |
| Share-based compensation expense | 12.6                      | 22.4 |

Share-based compensation expense is recorded in administrative expenses in the Condensed consolidated interim statements of earnings and comprehensive income with a corresponding amount recorded in contributed surplus.

### Long-Term Incentive Plan ("LTIP")

As at September 30, 2025, the aggregate number of subordinate voting shares that may be issued pursuant to grants under the LTIP may not exceed 12,717,065 (September 30, 2024 - 9,669,599, December 31, 2024 - 9,669,599). As at September 30, 2025, 3,551,753 (September 30, 2024 - 1,680,486, December 31, 2024 - 1,664,257) subordinate voting shares remained reserved for issuance under the LTIP.

The Company settled vested LTIP grants through the issuance of shares. For the nine months ended September 30, 2025, \$20.4 million (2024 - \$9.8 million, net of \$12.0 million related to a reclassification between share capital and contributed surplus for historical LTIP settlements) was transferred from contributed surplus to share capital.

## 16. Share capital (*continued*)

### *Restricted Share Units ("RSU") and Performance Share Units ("PSU")*

Below is a summary of the activity related to RSUs outstanding as at September 30, 2025 and September 30, 2024.

| (number of units)                 | Sep 30,<br>2025  | Sep 30,<br>2024  |
|-----------------------------------|------------------|------------------|
| Outstanding, beginning of period  | 1,330,731        | 1,146,027        |
| Granted                           | 907,074          | 859,706          |
| Settled                           | (684,703)        | (553,667)        |
| Forfeited                         | (111,334)        | (66,657)         |
| <b>Outstanding, end of period</b> | <b>1,441,767</b> | <b>1,385,409</b> |

Below is a summary of the activity related to PSUs outstanding as at September 30, 2025 and September 30, 2024.

| (number of units)                 | Sep 30,<br>2025 | Sep 30,<br>2024 |
|-----------------------------------|-----------------|-----------------|
| Outstanding, beginning of period  | 763,664         | 722,624         |
| Granted                           | 439,471         | 484,079         |
| Settled                           | (100,719)       | (424,112)       |
| Cancelled/ Forfeited <sup>1</sup> | (192,794)       | (23,185)        |
| <b>Outstanding, end of period</b> | <b>909,621</b>  | <b>759,406</b>  |

<sup>1</sup> Cancelled PSUs includes awards granted which did not vest as the vesting condition was not satisfied.

### *Share Options ("Options")*

The Company did not issue any Options in 2025 and 2024. As at September 30, 2025, 476,224 (September 30, 2024 - 476,224, December 31, 2024 - 476,224) Options are outstanding with a weighted average exercise price of C\$34.78 (September 30, 2024 - C\$34.78, December 31, 2024 - C\$34.78).

### **Deferred Share Unit ("DSU") Plan**

Below is a summary of the activity related to the DSUs outstanding as at September 30, 2025 and September 30, 2024.

| (number of units)                 | Sep 30,<br>2025 | Sep 30,<br>2024 |
|-----------------------------------|-----------------|-----------------|
| Outstanding, beginning of period  | 277,038         | 256,680         |
| Granted                           | 84,146          | 61,745          |
| Settled                           | —               | (60,744)        |
| <b>Outstanding, end of period</b> | <b>361,184</b>  | <b>257,681</b>  |

The fair value of the DSUs is determined to be the share price on the grant date. Share based compensation expense of \$0.5 million (2024 - \$0.9 million) and \$1.4 million (2024 - \$1.4 million) was recorded for the three and nine months ended September 30, 2025, respectively.

For the three and nine months ended September 30, 2025, the Company recognized a mark to market gain of \$1.0 million (2024 - loss of \$0.4 million) and a gain of \$3.1 million (2024 - gain of \$0.8 million) on the DSU liability recorded, respectively.

The share based compensation and mark to market gain related to DSUs are reflected in administrative expenses in the Condensed consolidated interim statements of earnings and comprehensive income. A corresponding amount was recorded in accrued liabilities.

The total share based compensation expense for the three and nine months ended September 30, 2025, of \$4.2 million and \$9.5 million (2024 - \$8.9 million and \$22.4 million), respectively, includes the equity-settled RSU and PSU share based compensation and the mark to market gain of \$1.0 million (2024 - loss of \$0.4 million) on DSUs and gain of \$3.1 million (2024 - gain of \$0.8 million) respectively.

## 17. Net changes in non-cash working capital

| (US\$ millions)                                | Nine Months Ended Sep 30, |                |
|------------------------------------------------|---------------------------|----------------|
|                                                | 2025                      | 2024           |
| (Increase) decrease in assets:                 |                           |                |
| Trade receivables, net                         | (75.2)                    | (125.1)        |
| Other receivables                              | (6.4)                     | (5.4)          |
| Inventories, net <sup>1</sup>                  | (59.8)                    | (52.9)         |
| Prepaid expenses and other assets              | (8.2)                     | 0.5            |
|                                                | <b>(149.6)</b>            | <b>(182.9)</b> |
| Increase (decrease) in liabilities:            |                           |                |
| Trade payables and accrued liabilities         | 94.1                      | 81.3           |
| Deferred revenue                               | 9.2                       | 0.2            |
| Provisions                                     | (2.9)                     | (0.5)          |
|                                                | <b>100.4</b>              | <b>81.0</b>    |
| <b>Net changes in non-cash working capital</b> | <b>(49.2)</b>             | <b>(101.9)</b> |

<sup>1</sup> Excludes fair value adjustment to Melissa & Doug's inventory of \$66.3 million recorded as part of the acquisition on January 2, 2024 (Note 11).

## 18. Related party transactions

In the normal course of operations, the Company engaged media services of VaynerMedia LLC, a company owned by Gary Vaynerchuk, a member of the Company's Board of Directors, on terms equivalent to those that prevail in arm's length transactions.

For the three and nine months ended September 30, 2025, the related party transactions for the media company were included in marketing expenses in the Condensed consolidated interim statements of earnings and comprehensive income of the Company in the amount of \$2.0 million and \$2.2 million, respectively (2024 - \$nil).

## 19. Leases

For the three and nine months ended September 30, 2025, the Company recognized a right-of-use asset and corresponding lease liability of \$44.4 million upon commencement of a new office lease with a lease term ending on October 31, 2037.

## 20. Commitments for expenditures

As at September 30, 2025, the Company had minimum guarantees due to licensors of \$53.7 million (September 30, 2024 - \$50.9 million, December 31, 2024 - \$54.2 million).

## 21. Business acquisition

### Summary of prior year acquisition

#### Acquisition of MND Holdings I Corp

On January 2, 2024, the Company, through its subsidiaries, completed the acquisition of all issued and outstanding capital stock of MND Holdings I Corp ("Melissa & Doug"). Melissa & Doug is a leading brand in early childhood play with offerings of open-ended, creative, and developmental toys. Management performed an analysis under IFRS 3, Business Combinations ("IFRS 3") and has determined that the assets and processes acquired comprised a business and accounted for the transaction as a business combination using the acquisition method of accounting. The addition of Melissa & Doug complements the Company's existing offering by adding complementary early childhood products and further diversifies its portfolio across new channels and formats. This acquisition has been reported in the Toys segment within the Preschool, Infant & Toddler and Plush product category and included in the Melissa & Doug cash generating unit beginning from the date of acquisition.

On January 2, 2024, cash consideration paid was \$991.7 million, which includes \$36.2 million in cash acquired, resulting in net purchase consideration of \$955.5 million. During the year ended December 31, 2024, the purchase consideration was reduced by \$2.6 million for working capital adjustments, resulting in purchase consideration of \$989.1 million. The purchase consideration was allocated to the identifiable intangible assets based on their estimated fair values of \$536.2 million (related to brands and customer relationships), tangible assets of \$501.4 million and assumed liabilities of \$263.9

## 21. Business acquisition (*continued*)

million with the remaining \$215.4 million allocated to goodwill. The Company funded the acquisition with \$466.7 million cash and \$525.0 million of debt. The debt was sourced through a drawdown of \$300.0 million from the Facility and \$225.0 million from the Acquisition Facility (see Note 15).

The purchase price allocation is based on management's best estimates of fair value. The tables below summarize the purchase price allocation of the purchase consideration of \$989.1 million:

### *Assets acquired and liabilities assumed at the date of acquisition*

| <b>(US\$ millions)</b>                                | <b>Fair value as at Jan 2, 2024</b> |
|-------------------------------------------------------|-------------------------------------|
| <b>Assets acquired</b>                                |                                     |
| Cash                                                  | 36.2                                |
| Restricted Cash                                       | 3.1                                 |
| Inventories, net                                      | 179.6                               |
| Prepaid expenses and other assets                     | 3.0                                 |
| Trade receivables, net                                | 104.7                               |
| Deferred income tax assets                            | 50.5                                |
| Intangible assets                                     | 536.2                               |
| Other assets                                          | 1.2                                 |
| Property, plant and equipment                         | 37.1                                |
| Right-of-use assets                                   | 86.0                                |
|                                                       | <b>1,037.6</b>                      |
| <b>Liabilities assumed</b>                            |                                     |
| Trade payables and accrued liabilities                | 39.6                                |
| Deferred income tax liabilities                       | 161.6                               |
| Lease liabilities                                     | 61.2                                |
| Income tax payable                                    | 0.7                                 |
| Provisions                                            | 0.8                                 |
|                                                       | <b>263.9</b>                        |
| <b>Fair value of identifiable net assets acquired</b> | <b>773.7</b>                        |

### *Goodwill arising on acquisition*

|                                                |              |
|------------------------------------------------|--------------|
| Purchase consideration                         | 989.1        |
| Fair value of identifiable net assets acquired | 773.7        |
| <b>Goodwill arising from transaction</b>       | <b>215.4</b> |

Goodwill arose on the acquisition as the consideration paid effectively included amounts for the benefit of expected revenue growth and future market development. These benefits are not recognized separately from goodwill as they do not meet the recognition criteria for identifiable intangible assets. As at the date of acquisition, \$215.4 million of goodwill is not expected to be deductible for income tax purposes.

### *Net cash outflow on acquisition*

|                                        |              |
|----------------------------------------|--------------|
| Cash consideration                     | 991.7        |
| Less: cash balance acquired            | 36.2         |
| <b>Net cash outflow on acquisition</b> | <b>955.5</b> |

## 22. Financial instruments and risk management

### *Foreign currency risk*

Due to the structure of the Company's international operations, foreign exchange risk arises from both transaction exposure, when cash flows in foreign currencies are affected by exchange rate fluctuations, and translation exposure, which occurs when non-US\$ denominated financial statements of the Company's subsidiaries are translated into the US\$ presentation currency.

## 22. Financial instruments and risk management (*continued*)

The Company enters into derivative financial instruments such as foreign exchange forward contracts to manage its foreign currency risk on cash flows denominated in currencies other than the US\$.

As at September 30, 2025, the Company was committed under outstanding foreign exchange contracts representing a total net sell commitment notional value of \$38.8 million (December 31, 2024 - net sell commitment of \$110.1 million). These foreign exchange contracts have maturity dates varying from October 2025 to December 2026. For the nine months ended September 30, 2025, net realized gains on the Company's matured foreign exchange contracts were \$1.6 million (2024 - realized gains of \$3.2 million) and are included in the Condensed consolidated interim statements of earnings and comprehensive income.

| As at Sep 30, 2025<br>(in millions) |     | Notional value: foreign<br>currency (Sell)/Buy | Notional value:<br>US\$ | Unrealized<br>(loss) gain: US\$ |
|-------------------------------------|-----|------------------------------------------------|-------------------------|---------------------------------|
| <b>Foreign exchange contracts</b>   |     |                                                |                         |                                 |
| Buy US\$                            | GBP | (16.1)                                         | (21.2)                  | (0.4)                           |
| Buy US\$                            | EUR | (80.4)                                         | (92.3)                  | (3.0)                           |
| Buy US\$                            | MXN | (531.8)                                        | (26.3)                  | (2.1)                           |
| Buy US\$                            | AUD | (9.9)                                          | (6.4)                   | (0.2)                           |
| Sell US\$                           | CAD | 254.6                                          | 185.0                   | (1.0)                           |
| <b>Total</b>                        |     |                                                | <b>38.8</b>             | <b>(6.7)</b>                    |
| As at Dec 31, 2024<br>(in millions) |     | Notional value: foreign<br>currency (Sell)/Buy | Notional value:<br>US\$ | Unrealized<br>(loss) gain: US\$ |
| <b>Foreign exchange contracts</b>   |     |                                                |                         |                                 |
| Buy US\$                            | GBP | (10.8)                                         | (13.9)                  | 0.4                             |
| Buy US\$                            | EUR | (37.9)                                         | (42.1)                  | 2.1                             |
| Buy US\$                            | MXN | (587.7)                                        | (30.9)                  | 3.6                             |
| Buy US\$                            | AUD | (8.9)                                          | (5.9)                   | 0.4                             |
| Sell US\$                           | CAD | 276.9                                          | 202.9                   | (8.7)                           |
| <b>Total</b>                        |     |                                                | <b>110.1</b>            | <b>(2.2)</b>                    |

### *Interest rate risk*

Interest rate risk is the risk that the Company's financial assets and liabilities will increase or decrease in value due to a change in interest rates. The Facility and the Acquisition Facility bear interest at variable rates. As a result, the Company is exposed to interest rate cash flow risk due to fluctuations in short term rates. The Company manages its interest rate risk by using variable to fixed interest rate swaps, where the Company pays the fixed interest rate.

The interest rate swap is a derivative financial instrument. The Company's swap agreement is measured at fair value with gains and losses in fair value presented in interest expense in the Company's Condensed consolidated interim statements of earnings and comprehensive income.

The following interest rate swaps were outstanding as at September 30, 2025 and December 31, 2024:

| (US\$ millions) |                 | Sep 30, 2025   |                 | Dec 31, 2024    |                 |
|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|
| Effective date  | Contract expiry | Notional value | Unrealized loss | Notional Amount | Unrealized loss |
| Apr 01, 2024    | Sep 30, 2025    | —              | —               | 35.0            | (0.1)           |
| Apr 01, 2024    | Dec 31, 2025    | 35.0           | (0.1)           | 35.0            | (0.2)           |
| Sep 29, 2025    | Jun 27, 2027    | 35.0           | —               | —               | —               |
| <b>Total</b>    |                 | <b>70.0</b>    | <b>(0.1)</b>    | <b>70.0</b>     | <b>(0.3)</b>    |

### *Fair value measurements*

The following table presents the fair value of financial assets and financial liabilities. The carrying values of the Company's financial instruments approximate their fair values except for foreign exchange forward contracts, interest rate swaps, portfolio investments and minority interest investments, which are recorded at fair value.

## 22. Financial instruments and risk management *(continued)*

| (US\$ millions)                                     | Level | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|-----------------------------------------------------|-------|-----------------|-----------------|-----------------|
| <b>Financial assets</b>                             |       |                 |                 |                 |
| Cash                                                | 1     | 127.9           | 114.2           | 233.5           |
| Trade receivables, net                              | 1     | 574.0           | 643.5           | 499.4           |
| Other receivables                                   | 1     | 63.9            | 56.5            | 54.9            |
| Other assets:                                       |       |                 |                 |                 |
| Trade receivables - non-current portion             | 1     | 0.2             | 11.1            | 3.4             |
| Minority interest investments                       | 3     | 9.8             | 9.0             | 9.0             |
| Portfolio investments                               | 3     | 6.9             | 3.4             | 4.5             |
| Investment tax credits - non-current portion        | 1     | 6.3             | 5.2             | 5.6             |
| Foreign exchange forward contracts                  | 2     | —               | 5.8             | 6.5             |
| <b>Financial assets</b>                             |       | <b>789.0</b>    | <b>848.7</b>    | <b>816.8</b>    |
| <b>Financial liabilities</b>                        |       |                 |                 |                 |
| Trade payables and accrued liabilities <sup>1</sup> | 1     | 494.8           | 524.7           | 420.5           |
| Foreign exchange forward contracts                  | 2     | 6.7             | 2.9             | 8.7             |
| Interest rate swaps                                 | 2     | 0.1             | 1.0             | 0.3             |
| Loans and borrowings                                | 1     | 382.0           | 408.8           | 389.1           |
| <b>Financial liabilities</b>                        |       | <b>883.6</b>    | <b>937.4</b>    | <b>818.6</b>    |

<sup>1</sup> Excludes foreign exchange forward contracts and interest rate swaps recorded within accrued liabilities.

There were no transfers in either direction between levels for financial instruments remaining at the end of the reporting period in 2025 or 2024.

## 23. Segment information

Spin Master is a global children's entertainment company with a portfolio that includes children's products, brands, and entertainment content spanning toys, games, licensed products, film and television programming and digital games.

The Company has three reportable operating segments: Toys, Entertainment and Digital Games.

The Toys segment engages in the creation, design, manufacturing, licensing, and marketing of consumer products. Spin Master's Toys segment is organized into four product categories: (1) Preschool, Infant & Toddler and Plush; (2) Activities, Games & Puzzles and Dolls & Interactive; (3) Wheels & Action; and (4) Outdoor. Products in the Toys segment are sold in three geographic regions: (1) North America; (2) Europe; and (3) Rest of World.

The Entertainment segment engages in the creation, development, production and distribution of multi-platform content for children and families globally. The Entertainment segment also licenses its brands for use in non-toy consumer products, including apparel and other consumer goods, publishing and live entertainment.

The Digital Games segment engages in the creation of digital play experiences for players globally. The Digital Games segment develops, markets and delivers digital games, which are distributed via third-party platform providers and monetized through subscriptions or in-app purchases. The Digital Games segment also generates revenue through licensing of its brands and strategic partnerships.

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

The Chief Operating Decision Maker measures total segment performance based on Adjusted EBITDA<sup>1</sup>, as reported internally to management.

<sup>1</sup> 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.

## 23. Segment information (continued)

### Segment revenue and operating results

The Company's results from operations by reportable operating segment for the three months ended September 30, 2025 and September 30, 2024 are as follows:

| (US\$ millions)                                     | Q3 2025      |               |               |                   |              |
|-----------------------------------------------------|--------------|---------------|---------------|-------------------|--------------|
|                                                     | Toys         | Entertainment | Digital Games | Corporate & Other | Total        |
| <b>Revenue</b>                                      | <b>650.4</b> | <b>32.8</b>   | <b>51.5</b>   | <b>—</b>          | <b>734.7</b> |
| <b>Operating Income (Loss)</b>                      | <b>128.8</b> | <b>11.9</b>   | <b>15.9</b>   | <b>(5.6)</b>      | <b>151.0</b> |
| <b>Adjustments:</b>                                 |              |               |               |                   |              |
| Share based compensation                            | 3.7          | 0.4           | 0.6           | (0.5)             | 4.2          |
| Impairment of property, plant and equipment         | 2.1          | —             | —             | —                 | 2.1          |
| Amortization of intangible assets acquired          | 1.7          | —             | —             | —                 | 1.7          |
| Transaction and integration costs                   | 0.2          | —             | 0.2           | 0.8               | 1.2          |
| Investment loss, net                                | —            | —             | —             | 1.1               | 1.1          |
| Restructuring and other related costs               | 0.3          | —             | —             | 0.7               | 1.0          |
| Acquisition related deferred incentive compensation | 0.2          | —             | 0.5           | —                 | 0.7          |
| Foreign exchange loss                               | —            | —             | —             | 0.4               | 0.4          |
| Acquisition related deferred consideration          | (0.5)        | —             | —             | —                 | (0.5)        |
| Impairment of intangible assets                     | (0.5)        | —             | —             | —                 | (0.5)        |
| <b>Total Adjustments</b>                            | <b>7.2</b>   | <b>0.4</b>    | <b>1.3</b>    | <b>2.5</b>        | <b>11.4</b>  |
| Depreciation and amortization                       | 20.4         | 9.6           | 3.1           | —                 | 33.1         |
| <b>Adjusted EBITDA</b>                              | <b>156.4</b> | <b>21.8</b>   | <b>20.4</b>   | <b>(3.1)</b>      | <b>195.5</b> |
| Total Adjustments                                   | (7.2)        | (0.4)         | (1.3)         | (2.5)             | (11.4)       |
| Depreciation and amortization                       | (20.4)       | (9.6)         | (3.1)         | —                 | (33.1)       |
| Interest income                                     | —            | —             | —             | 0.4               | 0.4          |
| Interest expense                                    | —            | —             | —             | (11.1)            | (11.1)       |
| <b>Income (Loss) before income tax expense</b>      | <b>128.8</b> | <b>11.8</b>   | <b>16.0</b>   | <b>(16.3)</b>     | <b>140.3</b> |

<sup>1</sup> Share based compensation includes mark to market gain of \$1.0 million related to DSUs.

<sup>2</sup> Depreciation and amortization excludes \$1.7 million of amortization of intangible assets acquired with Melissa & Doug.

| (US\$ millions)                   | Q3 2025 |               |               |                   |       |
|-----------------------------------|---------|---------------|---------------|-------------------|-------|
|                                   | Toys    | Entertainment | Digital Games | Corporate & Other | Total |
| Capital expenditures <sup>1</sup> | 19.5    | 13.2          | 8.2           | —                 | 41.0  |

<sup>1</sup> Capital expenditures are generally comprised of the purchase of property, plant and equipment and intangible assets.

## 23. Segment information (continued)

(US\$ millions)

|                                                     | Q3 2024      |               |               |                   | Total        |
|-----------------------------------------------------|--------------|---------------|---------------|-------------------|--------------|
|                                                     | Toys         | Entertainment | Digital Games | Corporate & Other |              |
| <b>Revenue</b>                                      | <b>810.9</b> | <b>37.1</b>   | <b>37.7</b>   | <b>—</b>          | <b>885.7</b> |
| <b>Operating Income (Loss)</b>                      | <b>183.5</b> | <b>19.9</b>   | <b>5.1</b>    | <b>(5.3)</b>      | <b>203.2</b> |
| <b>Adjustments:</b>                                 |              |               |               |                   |              |
| Fair value adjustment for inventories acquired      | 21.5         | —             | —             | —                 | 21.5         |
| Share based compensation <sup>1</sup>               | 6.6          | 0.5           | 1.1           | 1.1               | 9.3          |
| Transaction and integration costs                   | 2.7          | —             | —             | 1.2               | 3.9          |
| Restructuring and other related costs               | 2.0          | 0.1           | 0.6           | —                 | 2.7          |
| Amortization of intangible assets acquired          | 1.8          | —             | —             | —                 | 1.8          |
| Acquisition related deferred incentive compensation | 0.4          | —             | 0.5           | —                 | 0.9          |
| Acquisition related deferred consideration          | 0.4          | —             | —             | —                 | 0.4          |
| Investment loss, net                                | —            | —             | —             | 0.4               | 0.4          |
| Legal settlement recovery                           | —            | 0.4           | —             | —                 | 0.4          |
| Impairment of property, plant and equipment         | 0.1          | —             | —             | —                 | 0.1          |
| Foreign exchange gain                               | —            | —             | —             | (1.2)             | (1.2)        |
| <b>Total Adjustments</b>                            | <b>35.5</b>  | <b>1.0</b>    | <b>2.2</b>    | <b>1.5</b>        | <b>40.2</b>  |
| Depreciation and amortization <sup>2</sup>          | 23.2         | 9.1           | 1.8           | —                 | 34.1         |
| <b>Adjusted EBITDA</b>                              | <b>242.2</b> | <b>30.0</b>   | <b>9.1</b>    | <b>(3.8)</b>      | <b>277.5</b> |
| Total Adjustments                                   | (35.5)       | (1.0)         | (2.2)         | (1.5)             | (40.2)       |
| Depreciation and amortization <sup>2</sup>          | (23.2)       | (9.1)         | (1.8)         | —                 | (34.1)       |
| Interest income                                     | —            | —             | —             | 1.0               | 1.0          |
| Interest expense                                    | —            | —             | —             | (14.4)            | (14.4)       |
| <b>Income (Loss) before income tax expense</b>      | <b>183.5</b> | <b>19.9</b>   | <b>5.1</b>    | <b>(18.7)</b>     | <b>189.8</b> |

<sup>1</sup> Share based compensation includes mark to market loss of \$0.4 million related to DSUs.

<sup>2</sup> Depreciation and amortization excludes \$1.8 million of amortization of intangible assets acquired with Melissa & Doug.

(US\$ millions)

|                                   | Q3 2024 |               |               |                   | Total |
|-----------------------------------|---------|---------------|---------------|-------------------|-------|
|                                   | Toys    | Entertainment | Digital Games | Corporate & Other |       |
| Capital expenditures <sup>1</sup> | 9.6     | 12.9          | 7.7           | —                 | 30.2  |

<sup>1</sup> Capital expenditures are generally comprised of the purchase of property, plant and equipment and intangible assets.

## 23. Segment information (continued)

The Company's results from operations by reportable operating segment for the nine months ended September 30, 2025 and September 30, 2024 are as follows:

| (US\$ millions)                                     |                | Nine Months Ended Sep 30, 2025 |               |                   |                |
|-----------------------------------------------------|----------------|--------------------------------|---------------|-------------------|----------------|
|                                                     | Toys           | Entertainment                  | Digital Games | Corporate & Other | Total          |
| <b>Revenue</b>                                      | <b>1,246.4</b> | <b>102.7</b>                   | <b>145.6</b>  | <b>—</b>          | <b>1,494.7</b> |
| <b>Operating (Loss) Income</b>                      | <b>38.5</b>    | <b>53.5</b>                    | <b>8.6</b>    | <b>(24.1)</b>     | <b>76.5</b>    |
| <b>Adjustments:</b>                                 |                |                                |               |                   |                |
| Impairment of intangible assets                     | —              | 0.9                            | 17.1          | —                 | 18.0           |
| Transaction and integration costs                   | 9.4            | —                              | 3.1           | 3.9               | 16.4           |
| Restructuring and other related costs               | 10.8           | 0.8                            | 2.2           | 0.7               | 14.5           |
| Foreign exchange loss                               | —              | —                              | —             | 10.3              | 10.3           |
| Share based compensation <sup>1</sup>               | 9.1            | 0.9                            | 1.7           | (2.3)             | 9.4            |
| Amortization of intangible assets acquired          | 5.3            | —                              | —             | —                 | 5.3            |
| Impairment of property, plant and equipment         | 2.3            | —                              | —             | —                 | 2.3            |
| Acquisition related deferred incentive compensation | 0.7            | —                              | 1.2           | —                 | 1.9            |
| Investment loss, net                                | —              | —                              | —             | 1.4               | 1.4            |
| Acquisition related deferred consideration          | (0.9)          | —                              | 0.5           | —                 | (0.4)          |
| <b>Total Adjustments</b>                            | <b>36.7</b>    | <b>2.6</b>                     | <b>25.8</b>   | <b>14.0</b>       | <b>79.1</b>    |
| Depreciation and amortization <sup>2</sup>          | 60.0           | 21.8                           | 8.4           | —                 | 90.2           |
| <b>Adjusted EBITDA</b>                              | <b>135.2</b>   | <b>77.8</b>                    | <b>42.9</b>   | <b>(10.1)</b>     | <b>245.8</b>   |
| Total Adjustments                                   | (36.7)         | (2.6)                          | (25.8)        | (14.0)            | (79.1)         |
| Depreciation and amortization <sup>2</sup>          | (60.0)         | (21.8)                         | (8.4)         | —                 | (90.2)         |
| Interest income                                     | —              | —                              | —             | 1.9               | 1.9            |
| Interest expense                                    | —              | —                              | —             | (31.3)            | (31.3)         |
| <b>(Loss) Income before income tax recovery</b>     | <b>38.5</b>    | <b>53.4</b>                    | <b>8.7</b>    | <b>(53.5)</b>     | <b>47.1</b>    |

<sup>1</sup> Share based compensation includes mark to market gain of \$3.1 million related to DSUs.

<sup>2</sup> Depreciation and amortization excludes \$5.3 million of amortization of intangible assets acquired with Melissa & Doug.

| (US\$ millions)                   |      | Nine Months Ended Sep 30, 2025 |               |                   |       |
|-----------------------------------|------|--------------------------------|---------------|-------------------|-------|
|                                   | Toys | Entertainment                  | Digital Games | Corporate & Other | Total |
| Capital expenditures <sup>1</sup> | 51.0 | 42.3                           | 24.5          | —                 | 117.9 |

<sup>1</sup> Capital expenditures are generally comprised of the purchase of property, plant and equipment and intangible assets.

## 23. Segment information (continued)

| (US\$ millions)                                     |                | Nine Months Ended Sep 30, 2024 |               |                   |                |
|-----------------------------------------------------|----------------|--------------------------------|---------------|-------------------|----------------|
|                                                     | Toys           | Entertainment                  | Digital Games | Corporate & Other | Total          |
| <b>Revenue</b>                                      | <b>1,378.2</b> | <b>117.3</b>                   | <b>118.4</b>  | <b>—</b>          | <b>1,613.9</b> |
| <b>Operating (Loss) Income</b>                      | <b>57.8</b>    | <b>66.3</b>                    | <b>22.6</b>   | <b>(28.3)</b>     | <b>118.4</b>   |
| <b>Adjustments:</b>                                 |                |                                |               |                   |                |
| Fair value adjustment for inventories acquired      | 66.3           | —                              | —             | —                 | 66.3           |
| Transaction and integration costs                   | 13.2           | —                              | —             | 13.7              | 26.9           |
| Share based compensation <sup>1</sup>               | 16.3           | 1.3                            | 2.8           | 1.2               | 21.6           |
| Restructuring and other related costs               | 4.9            | 0.2                            | 1.1           | —                 | 6.2            |
| Amortization of intangible assets acquired          | 5.3            | —                              | —             | —                 | 5.3            |
| Acquisition related deferred incentive compensation | 1.6            | —                              | 1.9           | —                 | 3.5            |
| Foreign exchange loss                               | —              | —                              | —             | 3.2               | 3.2            |
| Impairment of intangible assets                     | —              | 1.8                            | —             | —                 | 1.8            |
| Investment loss, net                                | —              | —                              | —             | 0.8               | 0.8            |
| Impairment of property, plant and equipment         | 0.4            | —                              | —             | —                 | 0.4            |
| Legal settlement expense (recovery)                 | —              | 0.4                            | —             | (0.6)             | (0.2)          |
| Acquisition related deferred consideration          | (1.7)          | —                              | —             | —                 | (1.7)          |
| <b>Total Adjustments</b>                            | <b>106.3</b>   | <b>3.7</b>                     | <b>5.8</b>    | <b>18.3</b>       | <b>134.1</b>   |
| Depreciation and amortization <sup>1</sup>          | 66.5           | 24.8                           | 5.9           | —                 | 97.2           |
| <b>Adjusted EBITDA</b>                              | <b>230.6</b>   | <b>94.8</b>                    | <b>34.3</b>   | <b>(10.0)</b>     | <b>349.7</b>   |
| Total Adjustments                                   | (106.3)        | (3.7)                          | (5.8)         | (18.3)            | (134.1)        |
| Depreciation and amortization <sup>1</sup>          | (66.5)         | (24.8)                         | (5.9)         | —                 | (97.2)         |
| Interest income                                     | —              | —                              | —             | 3.4               | 3.4            |
| Interest expense                                    | —              | —                              | —             | (39.4)            | (39.4)         |
| <b>(Loss) Income before income tax recovery</b>     | <b>57.8</b>    | <b>66.3</b>                    | <b>22.6</b>   | <b>(64.3)</b>     | <b>82.4</b>    |

<sup>1</sup> Share based compensation includes mark to market gain of \$0.8 million related to DSUs.

<sup>2</sup> Depreciation and amortization excludes \$5.3 million of amortization of intangible assets acquired with Melissa & Doug.

| (US\$ millions)      |      | Nine Months Ended Sep 30, 2024 |               |                   |       |
|----------------------|------|--------------------------------|---------------|-------------------|-------|
|                      | Toys | Entertainment                  | Digital Games | Corporate & Other | Total |
| Capital expenditures | 30.9 | 29.8                           | 24.4          | —                 | 85.1  |

<sup>1</sup> Capital expenditures are generally comprised of the purchase of property, plant and equipment and intangible assets.

## 23. Segment information (continued)

### Revenue from major product categories

Spin Master's Toys segment is organized into four major product categories as follows:

- i. Preschool, Infant & Toddler and Plush
- ii. Activities, Games & Puzzles and Dolls & Interactive
- iii. Wheels & Action
- iv. Outdoor

The Company's revenues based on its major product categories are as follows:

| (US\$ millions)                                     | Q3 2025      | Q3 2024      | Nine Months Ended Sep 30, |                |
|-----------------------------------------------------|--------------|--------------|---------------------------|----------------|
|                                                     |              |              | 2025                      | 2024           |
| Preschool, Infant & Toddler and Plush               | 360.7        | 469.6        | 688.1                     | 757.4          |
| Activities, Games & Puzzles and Dolls & Interactive | 210.8        | 294.5        | 371.6                     | 504.3          |
| Wheels & Action                                     | 168.2        | 152.9        | 323.4                     | 269.3          |
| Outdoor                                             | 3.0          | 5.7          | 44.3                      | 40.5           |
| <b>Toy Gross Product Sales<sup>1</sup></b>          | <b>742.7</b> | <b>922.7</b> | <b>1,427.4</b>            | <b>1,571.5</b> |
| Sales Allowances                                    | (94.0)       | (112.7)      | (183.3)                   | (196.6)        |
| <b>Toy Net Sales</b>                                | <b>648.7</b> | <b>810.0</b> | <b>1,244.1</b>            | <b>1,374.9</b> |
| Toy - Other Revenue                                 | 1.7          | 0.9          | 2.3                       | 3.3            |
| <b>Toy Revenue</b>                                  | <b>650.4</b> | <b>810.9</b> | <b>1,246.4</b>            | <b>1,378.2</b> |
| Entertainment Revenue                               | 32.8         | 37.1         | 102.7                     | 117.3          |
| Digital Games Revenue                               | 51.5         | 37.7         | 145.6                     | 118.4          |
| <b>Revenue</b>                                      | <b>734.7</b> | <b>885.7</b> | <b>1,494.7</b>            | <b>1,613.9</b> |

<sup>1</sup> Toy Gross Product Sales represent sales of the Company's products to customers, excluding sales allowances.

### Geographical information

Revenue by geographical area is based on the location of the customers and non-current assets are based on geographic location of the entity which holds the assets. The North American geographic area is comprised of the United States and Canada. The European geographic area is comprised of the United Kingdom, France, Italy, the Netherlands, Germany, Austria, Switzerland, Belgium, Luxembourg, Slovakia, Hungary, Romania, Czech Republic, Poland, Turkey, Greece, Portugal and Spain. The Rest of World is comprised of Hong Kong, China, Vietnam, India, Australia, New Zealand, Japan and Mexico, and all other areas of the world serviced by the Company's third party distribution network. Entertainment and Digital Games revenue are tracked on a global basis and are presented as such in the table below.

The Company's revenues are derived from the following geographical areas:

| (US\$ millions)                | Q3 2025      | Q3 2024      | Nine Months Ended Sep 30, |                |
|--------------------------------|--------------|--------------|---------------------------|----------------|
|                                |              |              | 2025                      | 2024           |
| North America <sup>1</sup>     | 463.0        | 604.7        | 890.4                     | 999.2          |
| Europe                         | 203.9        | 225.1        | 373.7                     | 388.7          |
| Rest of World <sup>1</sup>     | 75.8         | 92.9         | 163.3                     | 183.6          |
| <b>Toy Gross Product Sales</b> | <b>742.7</b> | <b>922.7</b> | <b>1,427.4</b>            | <b>1,571.5</b> |
| Sales Allowances               | (94.0)       | (112.7)      | (183.3)                   | (196.6)        |
| <b>Toy Net Sales</b>           | <b>648.7</b> | <b>810.0</b> | <b>1,244.1</b>            | <b>1,374.9</b> |
| Toy - Other Revenue            | 1.7          | 0.9          | 2.3                       | 3.3            |
| <b>Toy Revenue</b>             | <b>650.4</b> | <b>810.9</b> | <b>1,246.4</b>            | <b>1,378.2</b> |
| Entertainment Revenue          | 32.8         | 37.1         | 102.7                     | 117.3          |
| Digital Games Revenue          | 51.5         | 37.7         | 145.6                     | 118.4          |
| <b>Revenue</b>                 | <b>734.7</b> | <b>885.7</b> | <b>1,494.7</b>            | <b>1,613.9</b> |

<sup>1</sup> Includes a reclassification between North America and Rest of World in the prior year comparatives for \$75.7 million and \$81.4 million for the three and nine months ended September 30, 2024, respectively.

## 23. Segment information *(continued)*

Toy Gross Product Sales for North America include amounts attributable to the United States of \$424.9 million (2024 - \$572.5 million) and \$820.1 million (2024 - \$942.6 million) and Canada of \$38.1 million (2024 - \$32.2 million) and \$70.3 million (2024 - \$56.6 million) for the three and nine months ended September 30, 2025, respectively.

Non-current assets by major geographic region are detailed as follows:

| (US\$ millions)                 | Sep 30,<br>2025 | Sep 30,<br>2024 | Dec 31,<br>2024 |
|---------------------------------|-----------------|-----------------|-----------------|
| <b>Non-current assets</b>       |                 |                 |                 |
| North America                   | 1,380.0         | 1,316.8         | 1,327.6         |
| Europe                          | 103.7           | 110.2           | 107.2           |
| Rest of World                   | 32.4            | 29.3            | 28.9            |
| <b>Non-current assets</b>       | <b>1,516.1</b>  | <b>1,456.3</b>  | <b>1,463.7</b>  |
| Other                           | 160.4           | 183.7           | 148.5           |
| <b>Total non-current assets</b> | <b>1,676.5</b>  | <b>1,640.0</b>  | <b>1,612.2</b>  |

Other includes non-current assets not directly attributable to a specific geographic area.

Non-current assets for North America include assets attributable to Canada of \$209.4 million as at September 30, 2025 (September 30, 2024 - \$175.2 million, December 31, 2024 - \$176.7 million).

### *Major customers*

Sales to the Company's three largest customers accounted for 58.9% (2024 - 59.6%) and 55.0% (2024 - 54.9%) of Toy gross product sales for the three and nine months ended September 30, 2025, respectively. The Toys segment sells products to each of the Company's three largest customers. Other than the top three customers, which have remained the same as compared to the comparative period, no other single customer contributed 10% or more to Toy Gross Product Sales for the three and nine months ended September 30, 2025 and 2024.

| (US\$ millions)                | Q3 2025      | Q3 2024      | Nine Months Ended Sep 30, |              |
|--------------------------------|--------------|--------------|---------------------------|--------------|
|                                |              |              | 2025                      | 2024         |
| <b>Toy Gross Product Sales</b> |              |              |                           |              |
| Customer 1                     | 159.2        | 185.7        | 295.7                     | 318.3        |
| Customer 2                     | 169.5        | 247.7        | 293.8                     | 332.5        |
| Customer 3                     | 108.9        | 116.2        | 195.9                     | 212.4        |
| <b>Total</b>                   | <b>437.6</b> | <b>549.6</b> | <b>785.4</b>              | <b>863.2</b> |

## 24. Subsequent events

### *Acquisition of a Sweden-based digital reading and storytelling company*

On October 8, 2025, the Company completed the acquisition of 100% of the shares of a Sweden-based digital reading and storytelling company for a preliminary total consideration of \$20.0 million. The acquisition will be reported in the Digital Games segment.

Given the proximity of the transaction to the reporting date, the Company is in the process of determining the fair values of the assets acquired and liabilities assumed. The estimated purchase allocation will be disclosed in the Company's annual 2025 consolidated financial statements.