

Spin Master Corp.

Condensed consolidated interim financial statements (unaudited)

**For the three and six months ended
June 30, 2026 and June 30, 2025**

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Condensed consolidated interim statements of financial position

(Unaudited, in US\$ millions)	Notes	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Assets				
Current assets				
Cash	9	48.5	128.0	104.6
Trade receivables, net	10	340.7	355.9	508.1
Other receivables	10	64.6	61.9	71.5
Inventories, net	11	187.3	225.0	149.7
Income tax receivable		31.3	46.0	19.3
Prepaid expenses and other assets	12	48.8	65.7	44.3
		721.2	882.5	897.5
Non-current assets				
Intangible assets		877.2	858.5	865.8
Goodwill		160.6	368.6	164.0
Right-of-use assets		167.2	147.3	174.3
Property, plant and equipment		88.7	63.7	92.0
Deferred income tax assets		175.9	168.3	175.7
Other assets	12	35.3	28.5	34.0
		1,504.9	1,634.9	1,505.8
Total assets		2,226.1	2,517.4	2,403.3
Liabilities				
Current liabilities				
Trade payables and accrued liabilities	13	393.5	375.7	436.0
Loans and borrowings	14	167.9	382.2	264.1
Provisions		25.9	21.6	22.9
Lease liabilities		36.4	22.4	33.6
Deferred revenue		37.2	35.2	31.5
		660.9	837.1	788.1
Non-current liabilities				
Deferred income tax liabilities		215.6	209.7	215.8
Lease liabilities		157.0	126.9	161.1
Provisions		7.2	11.0	14.7
		379.8	347.6	391.6
Total liabilities		1,040.7	1,184.7	1,179.7
Shareholders' equity				
Share capital	15	757.4	762.3	753.6
Retained earnings		423.6	544.7	442.2
Contributed surplus		29.0	34.1	35.2
Accumulated other comprehensive loss		(24.6)	(8.4)	(7.4)
Total shareholders' equity		1,185.4	1,332.7	1,223.6
Total liabilities and shareholders' equity		2,226.1	2,517.4	2,403.3

Approved by the Board of Directors on July 29, 2026.

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

Condensed consolidated interim statements of earnings and comprehensive earnings

(Unaudited, in US\$ millions, except per share)	Notes	Six Months Ended Jun 30,			
		Q2 2026	Q2 2025	2026	2025
Revenue	3	436.4	400.7	764.9	760.0
Cost of sales	6, 11	167.9	190.7	323.2	355.1
Gross Profit		268.5	210.0	441.7	404.9
Expenses					
Selling, general and administrative	6	206.5	221.0	401.2	416.3
Depreciation and amortization	6	16.0	16.9	32.9	34.0
Other expense, net	4	1.9	19.1	2.8	19.2
Foreign exchange (gain) loss, net	7	(1.6)	5.4	(6.6)	9.9
Operating Income (Loss)		45.7	(52.4)	11.4	(74.5)
Interest expense	5	8.1	9.9	16.6	20.2
Interest income	11	(1.7)	(0.8)	(2.2)	(1.5)
Income (Loss) before income tax expense (recovery)		39.3	(61.5)	(3.0)	(93.2)
Income tax expense (recovery)	8	9.6	(15.0)	(0.7)	(22.2)
Net Income (Loss)		29.7	(46.5)	(2.3)	(71.0)
Earnings per share					
Basic		0.30	(0.46)	(0.02)	(0.70)
Diluted		0.29	(0.46)	(0.02)	(0.70)
Weighted average number of shares (in millions)					
Basic		100.5	101.6	100.4	101.9
Diluted		103.6	104.5	103.0	104.5

(Unaudited, in US\$ millions)	Six Months Ended Jun 30,			
	Q2 2026	Q2 2025	2026	2025
Net Income (Loss)	29.7	(46.5)	(2.3)	(71.0)
Items that may be subsequently reclassified to Net Income (Loss)				
Foreign currency translation (loss) gain	(6.1)	27.0	(17.2)	40.4
Other comprehensive (loss) income	(6.1)	27.0	(17.2)	40.4
Total comprehensive income (loss)	23.6	(19.5)	(19.5)	(30.6)

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
Balance at January 1, 2025		765.6	640.1	45.5	(48.8)	1,402.4
Net Loss		—	(71.0)	—	—	(71.0)
Other comprehensive income		—	—	—	40.4	40.4
Share-based compensation	15	—	—	7.4	—	7.4
Dividends declared	15	—	(17.4)	—	—	(17.4)
Shares issued upon settlement of long-term incentive plan	15	18.8	—	(18.8)	—	—
Subordinate voting shares purchased and cancelled ¹	15	(22.1)	(10.6)	—	—	(32.7)
Change in obligation for automatic share purchase plan	15	—	3.6	—	—	3.6
Balance at June 30, 2025		762.3	544.7	34.1	(8.4)	1,332.7
Balance at January 1, 2026		753.6	442.2	35.2	(7.4)	1,223.6
Net Loss		—	(2.3)	—	—	(2.3)
Other comprehensive loss		—	—	—	(17.2)	(17.2)
Share-based compensation	15	—	—	11.8	—	11.8
Dividends declared	15	—	(17.3)	—	—	(17.3)
Shares issued upon settlement of long-term incentive plan	15	18.0	—	(18.0)	—	—
Subordinate voting shares purchased and cancelled ¹	15	(14.2)	(1.1)	—	—	(15.3)
Change in obligation for automatic share purchase plan	15	—	2.1	—	—	2.1
Balance at June 30, 2026		757.4	423.6	29.0	(24.6)	1,185.4

¹ Includes premium and tax on shares repurchased and cancelled of \$1.0 million (2025 - \$10.1 million) and \$0.1 million (2025 - \$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	Six Months Ended Jun 30,	
		2026	2025
Operating activities			
Net Loss		(2.3)	(71.0)
Adjustments to reconcile net loss to cash provided by operating activities			
Income tax recovery	8	(0.7)	(22.2)
Interest expense	5	10.6	14.4
Interest income		(2.2)	(1.5)
Depreciation and amortization	6	76.9	60.7
Loss on disposal of non-current assets		0.7	0.9
Accretion expense	5	6.3	5.2
Amortization of facility fee costs	5	0.4	0.3
Investment loss, net	12	0.4	0.2
Impairment of non-current assets		—	18.7
Unrealized foreign exchange (gain) loss, net	7	(11.7)	0.5
Share-based compensation expense	15	11.8	7.4
Net changes in non-cash working capital	16	108.6	70.7
Net changes in non-cash provisions and other assets		(19.6)	(0.3)
Income taxes paid		(25.6)	(24.5)
Income taxes received		12.0	0.4
Interest paid		(7.1)	(10.5)
Interest received		2.2	1.5
Cash provided by operating activities		160.7	50.9
Investing activities			
Investment in property, plant and equipment		(17.5)	(21.7)
Investment in intangible assets		(52.9)	(55.2)
Portfolio investments	12	(0.6)	(2.0)
Minority interest investments	12	—	(0.8)
Cash used in investing activities		(71.0)	(79.7)
Financing activities			
Proceeds from loans and borrowings	14	70.6	25.0
Repayment of loans and borrowings	14	(167.0)	(30.0)
Payment of lease liabilities, net of lease incentives received		(16.1)	(20.4)
Dividends paid	15	(17.2)	(17.1)
Repurchase of subordinate voting shares	15	(15.0)	(32.0)
Payment of financing costs related to the facility	12, 14	(0.8)	—
Cash used in financing activities		(145.5)	(74.5)
Effect of foreign currency exchange rate changes on cash		(0.3)	(2.2)
Net decrease in cash during the period		(56.1)	(105.5)
Cash, beginning of period		104.6	233.5
Cash, end of period		48.5	128.0

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

1. Description of business

Spin Master Corp. is a Canadian public company domiciled in Canada. 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 21).

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, 2025.

Effective January 1, 2026, the Company adopted the IASB issued amendments to IFRS 9 and IFRS 7. The amendments relate to derecognition of financial liabilities when settling through an electronic payment system and assessment of contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features. The amendments also require additional disclosures for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income ("FVTOCI"). The adoption of this standard did not have any impact on these Condensed consolidated interim financial statements.

Effective January 1, 2026, the Company adopted the IASB issued IFRS Accounting Standards Annual Improvements - Volume 11, and accompanying guidance. The adoption of this standard did not have any impact on these Condensed consolidated interim financial statements.

In April 2024, the IASB issued IFRS 18, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss, requires disclosure of management-defined performance measures, and includes new requirements for the location, aggregation and disaggregation of financial information. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will apply retrospectively. The Company is currently assessing the impact of the standard on its Consolidated 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 July 29, 2026.

(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, 2025.

The Company has assessed significant accounting judgments and estimates in preparing the Company's Condensed consolidated interim financial statements for the three and six months ended June 30, 2026 and June 30, 2025. 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, 2025 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)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
Toy revenue	361.1	322.3	602.0	596.0
Entertainment revenue	31.2	32.1	72.0	69.9
Digital Games revenue	44.1	46.3	90.9	94.1
Revenue	436.4	400.7	764.9	760.0

For the three and six months ended June 30, 2026, the Company recognized revenue of \$6.9 million (2025 - \$7.0 million) and \$17.7 million (2025 - \$7.8 million), respectively, relating to amounts previously deferred.

4. Other expense, net

(US\$ millions)	Notes	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
				2026	2025
Acquisition related deferred incentive compensation		0.5	0.7	1.2	1.2
Acquisition related deferred consideration		0.7	0.5	0.8	0.1
Investment loss, net	12	—	0.1	0.4	0.3
Impairment on non-current assets		—	18.5	—	18.7
Other		0.7	(0.7)	0.4	(1.1)
Other expense, net		1.9	19.1	2.8	19.2

5. Interest expense

(US\$ millions)	Notes	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
				2026	2025
Interest on loans and borrowings		3.1	5.3	7.2	10.9
Interest on lease liabilities and accretion expense		3.2	2.6	6.3	5.2
Bank fees and financing charges		1.7	1.8	3.4	3.6
Amortization of facility fee costs		0.3	0.1	0.4	0.3
Change in fair value of interest rate swaps	20	(0.3)	0.1	(0.7)	0.2
Other		0.1	—	—	—
Interest expense		8.1	9.9	16.6	20.2

6. Expenses

Selling, general and administrative expenses

(US\$ millions)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
Administrative	105.7	113.5	213.6	215.8
Marketing	42.0	53.6	85.1	96.6
Selling	33.9	27.5	55.9	51.7
Distribution	13.3	15.3	26.8	30.5
Product development	11.6	11.1	19.8	21.7
Selling, general and administrative	206.5	221.0	401.2	416.3

6. Expenses (continued)

Depreciation and amortization

(US\$ millions)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
Included in cost of sales	18.1	14.5	44.0	26.7
Included in expenses	16.0	16.9	32.9	34.0
Depreciation and amortization	34.1	31.4	76.9	60.7

7. Foreign exchange

(US\$ millions)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
Unrealized foreign exchange (gain) loss, net	(3.8)	(3.8)	(11.7)	0.5
Realized foreign exchange loss, net	2.2	9.2	5.1	9.4
Foreign exchange (gain) loss, net	(1.6)	5.4	(6.6)	9.9

8. Income tax

The Income tax expense (recovery) recognized in the Condensed consolidated interim statements of earnings and comprehensive earnings comprises of the following:

(US\$ millions)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
Current income tax expense (recovery)	7.8	(15.9)	(0.5)	(21.9)
Deferred income tax expense (recovery)	1.8	0.9	(0.2)	(0.3)
Income tax expense (recovery)	9.6	(15.0)	(0.7)	(22.2)

The income tax recovery is calculated as follows:

(US\$ millions)	Six Months Ended Jun 30,			
	2026		2025	
Loss before income tax recovery	(3.0)		(93.2)	
Income tax recovery at Canadian statutory tax rate of 26.5%	(0.8)	26.5 %	(24.7)	26.5 %
Effect of:				
Different tax rates of subsidiaries operating in other jurisdictions	0.1	(2.3) %	2.6	(2.8) %
Recognition of previously unrecognized tax losses and other deferred tax assets	—	— %	0.9	(1.0) %
Unused tax losses and tax attributes not recognized as deferred tax assets	—	— %	(0.2)	0.2 %
Other	—	— %	(0.8)	0.9 %
Income tax recovery	(0.7)	24.2 %	(22.2)	23.8 %

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 June 30, 2026, the Company held \$8.6 million of cash in a geographic region which is subject to certain limitations (June 30, 2025 - \$8.3 million, December 31, 2025 - \$8.5 million).

10. Trade and other receivables, net

Trade receivables

(US\$ millions)	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Trade receivables ¹	505.8	590.1	757.9
Provisions for sales allowances	(152.3)	(223.5)	(238.0)
Allowance for doubtful accounts	(12.8)	(10.7)	(11.8)
Trade receivables, net	340.7	355.9	508.1

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

Other receivables

(US\$ millions)	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Investment tax credits receivables	50.9	52.1	53.0
Sales tax receivables	6.7	6.5	7.9
Other	7.0	3.3	10.6
Other receivables	64.6	61.9	71.5

Trade receivable securitization program

During the three months ended June 30, 2026, the Company entered into an agreement to sell certain trade receivables on a non-recourse basis up to a limit of \$100.0 million to enhance liquidity and support operating cash flows. Under the agreement, receivables are sold at a discount, with the associated fees recognized in interest expense.

Upon the sale of the receivables, the Company receives cash proceeds but retains servicing responsibilities on behalf of the third-party financial institution. The Company does not retain credit risk or other significant exposure to the transferred receivables. As the Company transfers substantially all the risks and rewards of ownership upon the sale of the receivables, the program meets the derecognition requirements under IFRS 9, Financial Instruments. Consequently, these proceeds are classified as cash flows from operating activities in the Condensed consolidated interim statements of cash flows.

For the three and six months ended June 30, 2026, the Company received total cash proceeds from the sale of trade receivables of \$7.1 million equal to their carrying value, which were derecognized from the Condensed consolidated interim statements of financial position. As at June 30, 2026, the outstanding amount of trade receivable derecognized from the Condensed consolidated interim statements of financial position, but which the Company continued to service was \$5.8 million.

11. Inventories, net

(US\$ millions)	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Finished goods	181.9	220.3	147.5
Raw materials	5.5	4.7	2.2
Inventories, net	187.3	225.0	149.7

Inventories as at June 30, 2026 are net of \$10.5 million for the provision of inventories to net realizable value (June 30, 2025 - \$11.8 million, December 31, 2025 - \$10.3 million).

On February 20, 2026, the U.S. Supreme Court invalidated tariffs imposed under the International Emergency Economic Powers Act (the "IEEPA"). The Company submitted refund claims for eligible IEEPA tariffs paid, including associated interest. For the three and six months ended June 30, 2026, the Company received \$39.3 million of refunds, of which \$37.9 million was recorded as a reduction to cost of sales and \$1.4 million of interest was recorded to Interest income.

The cost of inventories recognized as an expense in cost of sales during the three and six months ended June 30, 2026 was \$131.2 million (2025 - \$157.1 million) and \$243.1 million (2025 - \$289.0 million), respectively.

12. Prepaid expenses and other assets

(US\$ millions)	Notes	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Prepaid expenses		26.4	28.9	26.6
Advances on royalties		20.5	31.8	16.5
Foreign exchange forward contracts	20	1.4	5.0	1.2
Interest rate swaps	20	0.5	—	—
Prepaid expenses and other assets		48.8	65.7	44.3

(US\$ millions)		Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Trade receivables - non-current portion		8.1	0.4	2.6
Portfolio investments	20	7.3	6.3	7.2
Minority interest investments	20	6.8	9.8	6.8
Investment tax credits - non-current portion		6.8	6.1	6.8
Investment in associate		3.1	3.4	3.2
Advances on royalties		3.1	2.5	3.2
Other receivables - non-current portion		—	—	4.2
Other non-current assets		0.1	—	—
Other assets, non-current		35.3	28.5	34.0

Minority interest investments

Minority interest investments classified as 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 six months ended June 30, 2026 and 2025, the Company did not invest in any new minority interest investments classified as fair value through profit and loss ("FVTPL").

The carrying value of the six minority interest investments held as at June 30, 2026 (June 30, 2025 - five investments, December 31, 2025 - six investments) was as follows:

(US\$ millions)	Carrying value at,		
	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Minority interest investments classified as FVTOCI	—	3.0	—
Minority interest investments classified as FVTPL	6.8	6.8	6.8
Minority interest investments	6.8	9.8	6.8

Investment in associate

For the three and six months ended June 30, 2026, the Company recognized \$nil and \$0.1 million of loss, respectively, from its associate (2025 - \$0.1 million and \$0.2 million, respectively) in Other expense, net in the Condensed consolidated interim statements of earnings and comprehensive earnings.

Portfolio investments

For the three and six months ended June 30, 2026, the Company recognized \$nil and \$0.5 million of net unrealized loss, respectively, (2025 - \$0.1 million and \$0.1 million) in Other expense, net in the Condensed consolidated interim statements of earnings and comprehensive earnings. The Company recognized no realized loss in Other expense, net for the three and six months ended June 30, 2026 (2025 - \$nil).

13. 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.

(US\$ millions)	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Amounts due to the financial institution under the supplier financing program	38.1	30.7	29.8
Amounts for which suppliers have received payment from the financial institution	33.5	25.0	25.3

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

14. Loans and borrowings

(US\$ millions)	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Bank overdraft (i)	20.6	—	—
Unsecured debt (at amortized cost)			
Facility (i)	150.0	160.0	42.0
Acquisition Facility	—	225.0	225.0
	170.6	385.0	267.0
Less:			
Unamortized financing costs	(2.7)	(2.8)	(2.8)
Total unamortized financing costs	(2.7)	(2.8)	(2.8)
Current	167.9	382.2	264.1
Total loans and borrowings	167.9	382.2	264.1

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 May 26, 2026, the Company entered into an agreement to amend its existing Facility, which now matures on May 26, 2031. The amendment also introduced an additional three-year revolver tranche with a borrowing capacity of \$225.0 million that matures on May 26, 2029. This new tranche was used to settle the \$225.0 million non-revolving credit facility ("Acquisition Facility") that was originally entered into on November 20, 2023 to fund the acquisition of Melissa & Doug, which was cancelled on May 26, 2026. During the six months ended June 30, 2026, the Company drew \$50.0 million (2025 - \$25.0 million) and \$20.6 million (2025 - \$nil) on the Facility and bank overdraft, respectively, and repaid \$167.0 million (2025 - \$30.0 million) against the Facility.

Total financing costs of \$4.0 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 June 30, 2026, there was \$5.6 million (June 30, 2025 - \$4.7 million, December 31, 2025 - \$5.7 million) in letters of credit outstanding under the Facility.

For the six months ended June 30, 2026, the weighted average interest rates on the Facility and Acquisition Facility were 5.5% and 5.2%, respectively (2025 - 5.9% and 5.6%).

The Facility requires the Company to comply with certain financial covenants. As at June 30, 2026, June 30, 2025 and December 31, 2025, the Company was in compliance with such financial covenants.

14. Loans and borrowings *(continued)*

Bank overdraft facility

On May 27, 2026, the Company entered into a committed unsecured overdraft facility agreement (the "North American Facility") with a borrowing capacity of \$20.0 million. The North American Facility will be used, if needed, to fund working capital requirements in North America. As at June 30, 2026, the outstanding balance was \$nil.

The Company has an uncommitted overdraft facility agreement (the "European Facility") for €15.0 million (equivalent to \$17.1 million). The European Facility will be used, if needed, to fund working capital requirements in Europe. As at June 30, 2026, the outstanding balance was \$nil (December 31, 2025 - \$nil).

Bank facilities

On May 1, 2026, the Company cancelled the uncommitted revolving credit facility to finance television and film production.

15. Share capital

(a) *Authorized as at June 30, 2026 and June 30, 2025*

- 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.

	Six months ended		Six months ended	
	Jun 30, 2026		Jun 30, 2025	
	Shares (millions)	Amount (US\$ millions)	Shares (millions)	Amount (US\$ millions)
Multiple voting shares:				
Outstanding, beginning of period	68.5	350.5	68.5	350.5
Outstanding, end of period	68.5	350.5	68.5	350.5
Subordinate voting shares:				
Outstanding, beginning of period	32.0	403.1	33.9	415.1
Issuance	0.6	18.0	0.7	18.8
Purchased and cancelled	(1.0)	(14.2)	(1.8)	(22.1)
Outstanding, end of period	31.6	406.9	32.8	411.8
Shares issued and outstanding, end of period	100.1	757.4	101.3	762.3

15. Share capital (continued)

On March 4, 2025, the TSX accepted the Company's notice to launch a normal course issuer bid ("NCIB"). Under this NCIB, the Company was 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 ended 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. As at March 31, 2026, the Company repurchased an aggregate of 2,417,522 subordinate voting shares under this NCIB.

On March 5, 2026, 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, 2026, and will end on the earlier of March 6, 2027, and the completion of purchases under the NCIB, of up to 2,633,813 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 June 16, 2026, the Company gave instructions under an automatic share purchase plan pursuant to which a broker is authorized to purchase subordinate voting shares under the NCIB for a period from June 17, 2026 to July 30, 2026. As at June 30, 2026, an obligation for the outstanding repurchase commitments of \$3.2 million was recognized in trade payables and accrued liabilities (June 30, 2025 - \$3.5 million, December 31, 2025 - \$5.1 million). Subsequent to June 30, 2026, the Company repurchased and cancelled 95,681 subordinate voting shares for \$1.5 million.

Below is a summary of the Company's activities under NCIBs for the six months ended June 30, 2026 and 2025.

(US\$ millions, unless otherwise noted)	Six Months Ended Jun 30,	
	2026	2025
Subordinate voting shares repurchased for cancellation (number of shares)	1,109,488	1,793,731
Consideration	15.2	32.2
Reduction in share capital	14.2	22.1
Premium on repurchased and cancelled shares recorded in retained earnings	1.0	10.1

The following table provides a summary of dividends declared and accrued in 2026 and 2025.

Declaration Date	Record Date	Payment Date	Dividend per Share (C\$)	Dividends declared and accrued (in US\$ millions)
Jul 29, 2026	Sep 25, 2026	Oct 9, 2026	0.12	—
Apr 29, 2026	Jun 26, 2026	Jul 10, 2026	0.12	8.9
Mar 4, 2026	Mar 27, 2026	Apr 10, 2026	0.12	8.9
Oct 29, 2025	Dec 24, 2025	Jan 9, 2026	0.12	8.8
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

During the six months ended June 30, 2026, dividends of \$17.2 million (2025 - \$17.1 million) were paid.

(b) Share-based plans

The total expense recognized for employee services received during the six months ended for June 30, 2026 and 2025 for equity-settled transactions is shown in the following table:

(US\$ millions)	Six Months Ended Jun 30,	
	2026	2025
Share-based compensation expense	11.8	7.4

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

15. Share capital (continued)

LTIP

As at June 30, 2026, the aggregate number of subordinate voting shares that may be issued pursuant to grants under the LTIP may not exceed 12,717,065 (June 30, 2025 - 12,717,065, December 31, 2025 - 12,717,065). As at June 30, 2026, 2,660,669 (June 30, 2025 - 3,695,458, December 31, 2025 - 3,928,248) subordinate voting shares remained reserved for issuance under the LTIP.

The Company settled vested LTIP grants through the issuance of shares. For the six months ended June 30, 2026, \$18.0 million (2025 - \$18.8 million) was transferred from contributed surplus to share capital.

For the three and six months ended June 30, 2026, the total share-based compensation expense of \$4.0 million (2025 - \$5.1 million) and \$11.8 million (2025 - \$7.4 million), respectively, includes the equity-settled Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") share based compensation.

RSU and PSU

Below is a summary of the activity related to RSUs outstanding as at June 30, 2026 and June 30, 2025.

(number of units)	Jun 30, 2026	Jun 30, 2025
Outstanding, beginning of period	1,309,877	1,330,731
Granted	985,441	746,591
Settled	(577,074)	(641,293)
Forfeited	(58,808)	(75,654)
Outstanding, end of period	1,659,436	1,360,375

Below is a summary of the activity related to PSUs outstanding as at June 30, 2026 and June 30, 2025.

(number of units)	Jun 30, 2026	Jun 30, 2025
Outstanding, beginning of period	772,692	763,664
Granted	462,922	372,022
Settled	(120,362)	(90,880)
Cancelled/ Forfeited ¹	(137,279)	(141,666)
Outstanding, end of period	977,973	903,140

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

Options

The Company did not issue any Options in 2026 and 2025. As at June 30, 2026, 252,276 (June 30, 2025 - 476,224, December 31, 2025 - 431,345) Options are outstanding with a weighted average exercise price of C\$41.93 (June 30, 2025 - C\$34.78, December 31, 2025 - C\$34.05).

Deferred Share Unit ("DSU") Plan

Below is a summary of the activity related to the DSUs outstanding as at June 30, 2026 and June 30, 2025.

(number of units)	Jun 30, 2026	Jun 30, 2025
Outstanding, beginning of period	392,029	277,038
Granted	52,862	53,786
Settled	(170,581)	—
Outstanding, end of period	274,310	330,824

The fair value of the DSUs is determined to be the share price on the grant date. Share based compensation expense of \$0.2 million (2025 - \$0.4 million) and \$0.7 million (2025 - \$0.9 million) was recorded for the three and six months ended June 30, 2026, respectively.

15. Share capital (continued)

For the three and six months ended June 30, 2026, the Company recognized a mark to market loss of \$2.1 million (2025 - gain of \$0.2 million) and a loss of \$1.7 million (2025 - gain of \$2.1 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 earnings. A corresponding amount was recorded in accrued liabilities.

The total share based compensation expense for the three and six months ended June 30, 2026, of \$6.1 million and \$13.5 million (2025 - \$5.1 million and \$7.4 million), respectively, includes the equity-settled RSU and PSU share based compensation and the mark to market loss of \$2.1 million (2025 - gain of \$0.2 million) on DSUs and loss of \$1.7 million (2025 - gain of \$2.1 million) respectively.

16. Net changes in non-cash working capital

(US\$ millions)	Six Months Ended Jun 30,	
	2026	2025
(Increase) decrease in assets:		
Trade receivables, net	168.0	142.6
Other receivables	4.1	(3.6)
Inventories, net	(37.6)	(40.3)
Prepaid expenses and other assets	(4.4)	(15.3)
	130.1	83.4
Increase (decrease) in liabilities:		
Trade payables and accrued liabilities	(36.2)	(24.9)
Deferred revenue	5.8	13.2
Provisions	5.5	(1.0)
	(24.9)	(12.7)
Net changes in non-cash working capital	105.2	70.7

17. Related party transactions

In the normal course of operations, the Company engaged the services of a law firm, whose partners are also a member of the Company's Board of Directors and the Company's General Counsel, on terms equivalent to those that prevail in arm's length transactions.

In the prior year, the Company also engaged the services of a media company owned by 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 six months ended June 30, 2026 and 2025, related party transactions were included in administrative expenses and marketing expenses in the Condensed consolidated interim statements of earnings and comprehensive earnings of the Company as follows:

(US\$ millions)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
Included in administrative expenses	0.5	0.5	0.8	0.5
Included in marketing expenses	—	0.2	—	0.2
Total	0.5	0.7	0.8	0.7

As at June 30, 2026, amounts payable to the law firm and media company were \$0.4 million and \$nil (December 31, 2025 - \$0.4 million and \$0.3 million), respectively.

18. Commitments for expenditures

As at June 30, 2026, the Company had minimum guarantees due to licensors of \$177.6 million (June 30, 2025 - \$56.4 million, December 31, 2025 - \$47.7 million).

19. Business acquisition

Summary of prior year acquisition

Acquisition of Lylli AB

On October 8, 2025, the Company completed the acquisition of 100% of the shares of Lylli AB, a Sweden-based digital reading and storytelling company. Management performed an analysis under IFRS 3, Business Combinations ("IFRS 3") and has determined that the assets and processes acquired comprised a business and therefore, accounted for the transaction as a business combination using the acquisition method of accounting. The acquired business has been reported in the Digital Games segment and included in the Digital Games cash generating unit beginning from the date of acquisition.

The purchase consideration of \$12.7 million is comprised of cash consideration. As of March 31, 2026, the purchase consideration was reduced by \$3.3 million, reflecting an adjustment to the fair value of the contingent consideration and goodwill.

The total purchase consideration of \$12.7 million has been allocated as follows: \$4.8 million to intangible assets with the remainder of \$7.9 million allocated to goodwill.

The preliminary purchase price allocation is based on management's best estimates of fair value. The actual allocation to certain identifiable net assets could vary as the purchase price allocation is finalized. The Company has one year from the date of acquisition to finalize the fair value of intangible assets, deferred income tax assets and goodwill. The tables below summarize the purchase price allocation of the purchase consideration of \$12.7 million:

Assets acquired at the date of acquisition

(US\$ millions)	Fair value as at Oct 8, 2025
Assets acquired	
Intangible assets	4.8
Fair value of identifiable net assets acquired	4.8

Goodwill arising on acquisition

Purchase consideration	12.7
Fair value of identifiable net assets acquired	4.8
Goodwill arising from transaction	7.9

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, \$7.9 million of goodwill is not expected to be deductible for income tax purposes.

Net cash outflow on acquisition

Cash consideration	12.7
Net cash outflow on acquisition	12.7

20. 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.

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\$.

20. Financial instruments and risk management *(continued)*

As at June 30, 2026, the Company was committed under outstanding foreign exchange contracts representing a total net sell commitment notional value of \$62.9 million (December 31, 2025 - net sell commitment of \$78.7 million). These foreign exchange contracts have maturity dates varying from July 2026 to December 2027. For the six months ended June 30, 2026, net realized gains on the Company's matured foreign exchange contracts were \$3.6 million (2025 - realized gains of \$1.1 million) and are included in the Condensed consolidated interim statements of earnings and comprehensive earnings.

As at Jun 30, 2026 (in millions)		Notional value: foreign currency (Sell)/Buy	Notional value: US\$	Unrealized (loss) gain: US\$
Foreign exchange contracts				
Buy US\$	GBP	(3.9)	(5.2)	0.1
Buy US\$	EUR	(31.1)	(36.5)	1.3
Buy US\$	MXN	(413.9)	(21.8)	(1.4)
Buy US\$	AUD	(2.3)	(1.5)	(0.1)
Sell US\$	CAD	178.0	127.9	(3.3)
Total			62.9	(3.4)
As at Dec 31, 2025 (in millions)		Notional value: foreign currency (Sell)/Buy	Notional value: US\$	Unrealized (loss) gain: US\$
Foreign exchange contracts				
Buy US\$	GBP	(6.2)	(8.2)	—
Buy US\$	EUR	(55.1)	(65.8)	(0.8)
Buy US\$	MXN	(476.0)	(23.6)	(2.3)
Buy US\$	AUD	(3.6)	(2.3)	(0.1)
Sell US\$	CAD	245.6	178.6	1.2
Total			78.7	(2.0)

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 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 earnings.

The following interest rate swaps were outstanding as at June 30, 2026 and December 31, 2025:

(US\$ millions)		Jun 30, 2026		Dec 31, 2025	
Effective date	Contract expiry	Notional value	Unrealized gain	Notional Amount	Unrealized loss
Sep 29, 2025	Jun 27, 2027	35.0	0.2	35.0	(0.1)
Dec 31, 2025	Dec 31, 2027	15.0	0.1	15.0	—
Dec 31, 2025	Dec 31, 2028	10.0	0.1	10.0	—
Dec 31, 2025	Dec 31, 2029	10.0	0.1	10.0	—
Total		70.0	0.5	70.0	(0.1)

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.

20. Financial instruments and risk management *(continued)*

(US\$ millions)	Level	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Financial assets				
Cash	1	48.5	128.0	104.6
Trade receivables, net	1	340.7	355.9	508.1
Other receivables	1	64.6	61.9	71.5
Other assets:				
Trade receivables - non-current portion	1	8.1	0.4	2.6
Other receivables - non-current portion	1	—	—	4.2
Minority interest investments	3	6.8	9.8	6.8
Portfolio investments	3	7.3	6.3	7.2
Investment tax credits - non-current portion	1	6.8	6.1	6.8
Foreign exchange forward contracts	2	1.4	5.0	1.2
Interest rate swaps	2	0.5	—	—
Financial assets		484.7	573.4	713.0
Financial liabilities				
Trade payables and accrued liabilities ¹	1	388.7	370.2	432.7
Foreign exchange forward contracts	2	4.8	5.3	3.2
Interest rate swaps	2	—	0.2	0.1
Loans and borrowings	1	167.9	382.2	264.1
Financial liabilities		561.4	757.9	700.1

¹ Excludes foreign exchange forward contracts and interest rate swaps recorded within accrued liabilities.

There were no transfers between levels for financial instruments remaining at the end of the reporting period in 2026 or 2025.

21. 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 distribution partnerships.

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

The Chief Operating Decision Maker measures total segment performance based on Adjusted EBITDA¹, as reported internally to management.

¹ 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.

21. Segment information *(continued)*

Segment revenue and operating results

The Company's results from operations by reportable operating segment for the three months ended June 30, 2026 and June 30, 2025 are as follows:

(US\$ millions)	Q2 2026				
	Toys	Entertainment	Digital Games	Corporate & Other	Total
Revenue	361.1	31.2	44.1	—	436.4
Operating Income (Loss)	34.3	15.5	6.2	(10.3)	45.7
Adjustments:					
Share based compensation ¹	2.3	0.2	0.4	3.2	6.1
Restructuring and other related costs	2.4	0.1	0.5	—	3.0
Amortization of intangible assets acquired	1.7	—	—	—	1.7
Transaction and integration costs	0.4	—	—	0.5	0.9
Acquisition related deferred consideration	0.7	—	—	—	0.7
Acquisition related deferred incentive compensation	0.1	—	0.5	—	0.6
Foreign exchange gain	—	—	—	(1.6)	(1.6)
Tariff Refund	(37.9)	—	—	—	(37.9)
Total Adjustments	(30.3)	0.3	1.4	2.1	(26.5)
Depreciation and amortization ²	20.0	8.6	3.8	—	32.4
Adjusted EBITDA	24.0	24.4	11.4	(8.2)	51.6
Total Adjustments	30.3	(0.3)	(1.4)	(2.1)	26.5
Depreciation and amortization ²	(20.0)	(8.6)	(3.8)	—	(32.4)
Interest income	—	—	—	1.7	1.7
Interest expense	—	—	—	(8.1)	(8.1)
Income (Loss) before income tax recovery	34.3	15.5	6.2	(16.7)	39.3

¹ Share based compensation includes mark to market loss of \$2.1 million related to DSUs.

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

(US\$ millions)	Q2 2026				
	Toys	Entertainment	Digital Games	Corporate & Other	Total
Capital expenditures ¹	17.3	13.1	8.2	—	38.6

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

21. Segment information (*continued*)

(US\$ millions)

	Q2 2025				Total
	Toys	Entertainment	Digital Games	Corporate & Other	
Revenue	322.3	32.1	46.3	—	400.7
Operating (Loss) Income	(39.7)	15.7	(15.5)	(12.9)	(52.4)
Adjustments:					
Impairment of intangible assets	0.5	0.9	17.1	—	18.5
Restructuring and other related costs	9.3	0.8	2.0	—	12.1
Transaction and integration costs	2.9	—	2.9	1.7	7.5
Foreign exchange loss	—	—	—	5.4	5.4
Share based compensation ¹	3.7	0.3	0.7	0.1	4.8
Amortization of intangible assets acquired	1.8	—	—	—	1.8
Acquisition related deferred incentive compensation	0.2	—	0.5	—	0.7
Acquisition related deferred consideration	0.5	—	—	—	0.5
Investment loss, net	—	—	—	0.2	0.2
Total Adjustments	18.9	2.0	23.2	7.4	51.5
Depreciation and amortization ²	20.1	6.6	2.9	—	29.6
Adjusted EBITDA	(0.7)	24.3	10.6	(5.5)	28.7
Total Adjustments	(18.9)	(2.0)	(23.2)	(7.4)	(51.5)
Depreciation and amortization ²	(20.1)	(6.6)	(2.9)	—	(29.6)
Interest income	—	—	—	0.8	0.8
Interest recovery	—	—	—	(9.9)	(9.9)
Loss before income tax recovery	(39.7)	15.7	(15.5)	(22.0)	(61.5)

¹ Share based compensation includes mark to market gain of \$0.2 million related to DSUs.

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

(US\$ millions)

	Q2 2025				Total
	Toys	Entertainment	Digital Games	Corporate & Other	
Capital expenditures ¹	17.6	15.1	8.6	—	41.3

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

21. Segment information *(continued)*

The Company's results from operations by reportable operating segment for the six months ended June 30, 2026 and June 30, 2025 are as follows:

(US\$ millions)	Six Months Ended Jun 30, 2026				
	Toys	Entertainment	Digital Games	Corporate & Other	Total
Revenue	602.0	72.0	90.9	—	764.9
Operating (Loss) Income	(14.4)	28.7	11.1	(14.0)	11.4
Adjustments:					
Share based compensation ¹	6.6	0.7	1.1	5.1	13.5
Restructuring and other related costs	4.7	0.7	0.9	—	6.3
Amortization of intangible assets acquired	3.5	—	—	—	3.5
Transaction and integration costs	1.7	—	—	1.1	2.8
Acquisition related deferred incentive compensation	0.2	—	1.0	—	1.2
Acquisition related deferred consideration	0.8	—	—	—	0.8
Investment loss, net	—	—	—	0.4	0.4
Foreign exchange gain	—	—	—	(6.6)	(6.6)
Tariff Refund	(37.9)	—	—	—	(37.9)
Total Adjustments	(20.4)	1.4	3.0	—	(16.0)
Depreciation and amortization ²	39.8	26.0	7.6	—	73.4
Adjusted EBITDA	5.0	56.1	21.7	(14.0)	68.8
Total Adjustments	20.4	(1.4)	(3.0)	—	16.0
Depreciation and amortization ²	(39.8)	(26.0)	(7.6)	—	(73.4)
Interest income	—	—	—	2.2	2.2
Interest expense	—	—	—	(16.6)	(16.6)
Loss before income tax recovery	(14.4)	28.7	11.1	(28.4)	(3.0)

¹ Share based compensation includes mark to market loss of \$1.7 million related to DSUs.

² Depreciation and amortization excludes \$3.5 million of amortization of intangible assets acquired with Melissa & Doug.

(US\$ millions)	Six Months Ended Jun 30, 2026				
	Toys	Entertainment	Digital Games	Corporate & Other	Total
Capital expenditures ¹	28.5	27.1	14.8	—	70.4

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

21. Segment information (continued)

(US\$ millions)		Six Months Ended Jun 30, 2025			
	Toys	Entertainment	Digital Games	Corporate & Other	Total
Revenue	596.0	69.9	94.1	—	760.0
Operating (Loss) Income	(90.3)	41.6	(7.3)	(18.5)	(74.5)
Adjustments:					
Impairment of intangible assets	0.5	0.9	17.1	—	18.5
Transaction and integration costs	9.2	—	2.9	3.1	15.2
Restructuring and other related costs	10.5	0.8	2.2	—	13.5
Foreign exchange loss	—	—	—	9.9	9.9
Share based compensation ¹	5.4	0.5	1.1	(1.8)	5.2
Amortization of intangible assets acquired	3.6	—	—	—	3.6
Acquisition related deferred incentive compensation	0.5	—	0.7	—	1.2
Investment loss, net	—	—	—	0.3	0.3
Impairment of property, plant and equipment	0.2	—	—	—	0.2
Acquisition related deferred consideration	(0.4)	—	0.5	—	0.1
Total Adjustments	29.5	2.2	24.5	11.5	67.7
Depreciation and amortization ¹	39.6	12.2	5.3	—	57.1
Adjusted EBITDA	(21.2)	56.0	22.5	(7.0)	50.3
Total Adjustments	(29.5)	(2.2)	(24.5)	(11.5)	(67.7)
Depreciation and amortization ¹	(39.6)	(12.2)	(5.3)	—	(57.1)
Interest income	—	—	—	1.5	1.5
Interest expense	—	—	—	(20.2)	(20.2)
Loss before income tax recovery	(90.3)	41.6	(7.3)	(37.2)	(93.2)

¹ Share based compensation includes mark to market gain of \$2.1 million related to DSUs.

² Depreciation and amortization excludes \$3.6 million of amortization of intangible assets acquired with Melissa & Doug.

(US\$ millions)		Six Months Ended Jun 30, 2025			
	Toys	Entertainment	Digital Games	Corporate & Other	Total
Capital expenditures	31.5	29.1	16.3	—	76.9

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

21. 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)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
Preschool, Infant & Toddler and Plush	209.6	185.0	334.9	327.4
Activities, Games & Puzzles and Dolls & Interactive	106.1	88.3	185.3	160.8
Wheels & Action	86.1	88.8	134.4	155.2
Outdoor	11.9	8.9	34.7	41.3
Toy Gross Product Sales¹	413.7	371.0	689.3	684.7
Sales Allowances	(53.0)	(48.9)	(90.0)	(89.3)
Toy Net Sales	360.7	322.1	599.3	595.4
Toy - Other Revenue	0.4	0.2	2.7	0.6
Toy Revenue	361.1	322.3	602.0	596.0
Entertainment Revenue	31.2	32.1	72.0	69.9
Digital Games Revenue	44.1	46.3	90.9	94.1
Revenue	436.4	400.7	764.9	760.0

¹ 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, Spain, and the Nordic region. The Rest of World is comprised of Hong Kong, China, Vietnam, India, Australia, New Zealand, Japan, 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)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
North America ¹	267.4	219.0	437.4	427.4
Europe ²	92.8	102.4	164.2	176.8
Rest of World ^{1,2}	53.5	49.6	87.7	80.5
Toy Gross Product Sales	413.7	371.0	689.3	684.7
Sales Allowances	(53.0)	(48.9)	(90.0)	(89.3)
Toy Net Sales	360.7	322.1	599.3	595.4
Toy - Other Revenue	0.4	0.2	2.7	0.6
Toy Revenue	361.1	322.3	602.0	596.0
Entertainment Revenue	31.2	32.1	72.0	69.9
Digital Games Revenue	44.1	46.3	90.9	94.1
Revenue	436.4	400.7	764.9	760.0

¹ Includes a reclassification between North America and Rest of World in the prior year comparatives for \$2.3 million for the three months ended June 30, 2025.

² Includes a reclassification between Europe and Rest of World in the prior year comparatives for \$5.3 million and \$7.0 million for the three and six months ended June 30, 2025, respectively.

21. Segment information *(continued)*

Toy Gross Product Sales for North America include amounts attributable to the United States of \$253.9 million (2025 - \$196.3 million) and \$414.6 million (2025 - \$395.2 million) and Canada of \$13.5 million (2025 - \$22.7 million) and \$22.8 million (2025 - \$32.2 million) for the three and six months ended June 30, 2026, respectively.

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

(US\$ millions)	Jun 30, 2026	Jun 30, 2025	Dec 31, 2025
Non-current assets			
North America	1,155.9	1,316.6	1,162.5
Europe	107.3	120.7	102.5
Rest of World	35.8	35.3	34.3
Non-current assets	1,299.0	1,472.6	1,299.3
Other	205.9	162.3	206.5
Total non-current assets	1,504.9	1,634.9	1,505.8

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 \$244.1 million as at June 30, 2026 (June 30, 2025 - \$201.5 million, December 31, 2025 - \$228.6 million).

Major customers

Sales to the Company's three largest customers accounted for 54.8% (2025 - 44.6%) and 53.7% (2025 - 50.8%) of Toy gross product sales for the three and six months ended June 30, 2026, 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 six months ended June 30, 2026 and 2025.

(US\$ millions)	Q2 2026	Q2 2025	Six Months Ended Jun 30,	
			2026	2025
Toy Gross Product Sales				
Customer 1	86.9	58.9	155.6	136.5
Customer 2	82.1	67.4	123.6	124.3
Customer 3	57.6	39.2	90.8	87.0
Total	226.6	165.5	370.0	347.8