

Spin Master Reports Q1 2026 Financial Results and Reiterates 2026 Full Year Outlook

Toronto, ON, April 30, 2026 - Spin Master Corp. ("Spin Master" or the "Company") (TSX: TOY; www.spinmaster.com), a leading global children's entertainment company, today announced its financial results for the three months ended March 31, 2026. The Company's full Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2026 is available under the Company's profile on SEDAR+ (www.sedarplus.com) and posted on the Company's web site at www.spinmaster.com. All financial information is presented in United States dollars ("\$", "dollars" and "US\$") and has been rounded to the nearest hundred thousand, except per share amounts and where otherwise indicated.

"We delivered a solid start to the year, a direct result of our disciplined execution against our core strategic priorities," said Christina Miller, CEO of Spin Master. "Our focus on product innovation, the expansion of evergreen properties like *Monster Jam*, and the stabilization of *Melissa & Doug* is yielding positive results. We are strategically managing our portfolio by investing in our creative capabilities, reimagining how fans engage with our brands in both the physical and digital worlds, and expanding our audiences – laying the groundwork for future growth."

"We delivered a significant increase in cash generation through disciplined cost and working capital management, which offset an anticipated decline in revenues due to the pull forward of import orders in the U.S. last year ahead of tariffs," said Jonathan Roiter, CFO. "In the current environment, we balanced our capital allocation to growth investments, dividends and share buybacks, as well as significant debt reduction."

Consolidated Financial Highlights for Q1 2026 as compared to the same period in 2025

- **Revenue** was \$328.5 million, a decrease of 8.6%. Constant Currency Revenue¹ was \$321.7 million, a decrease of 10.5%.
- **Operating Loss** was \$34.3 million, compared to \$22.1 million.
- **Adjusted Operating Loss¹** was \$23.8 million, compared to \$5.9 million.
- **Net Loss** was \$32.0 million or \$(0.32) per share compared to \$24.5 million or \$(0.24) per share.
- **Adjusted Net Loss¹** was \$24.1 million or \$(0.24) per share compared to \$12.0 million or \$(0.12) per share.
- **Adjusted EBITDA¹** was \$17.2 million, a decrease of \$4.4 million.
- **Adjusted EBITDA Margin¹** was 5.2% compared to 6.0%.
- Cash provided by operating activities was \$102.9 million compared to \$24.8 million.
- Free Cash Flow¹ was \$71.1 million compared to \$(10.8) million.
- Repurchased and cancelled 412,130 subordinate voting shares for \$5.7 million (C\$7.9 million) in Q1 2026 through the Company's Normal Course Issuer Bid (the "NCIB") program. Subsequent to March 31, 2026, the Company repurchased and cancelled 116,560 subordinate voting shares for \$1.5 million.
- Subsequent to March 31, 2026, the Company declared a quarterly dividend of C\$0.12 per outstanding subordinate voting share and multiple voting share, payable on July 10, 2026.

2026 Outlook

For the full year 2026, the Company continues to expect:

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

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

Consolidated Financial Results as compared to the same period in 2025

(US\$ millions, except per share information)	Q1 2026	Q1 2025	\$ Change
Consolidated Results			
Revenue	328.5	359.3	(30.8)
Operating Loss	(34.3)	(22.1)	(12.2)
Operating Margin ²	(10.4)%	(6.2)%	
Adjusted Operating Loss ^{1,3}	(23.8)	(5.9)	(17.9)
Adjusted Operating Margin ¹	(7.2)%	(1.6)%	
Net Loss	(32.0)	(24.5)	(7.5)
Adjusted Net Loss ^{1,3}	(24.1)	(12.0)	(12.1)
Adjusted EBITDA ^{1,3}	17.2	21.6	(4.4)
Adjusted EBITDA Margin ¹	5.2 %	6.0 %	
Earnings Per Share ("EPS")			
Basic EPS	\$(0.32)	\$(0.24)	
Diluted EPS	\$(0.32)	\$(0.24)	
Adjusted Basic EPS ¹	\$(0.24)	\$(0.12)	
Adjusted Diluted EPS ¹	\$(0.24)	\$(0.12)	
Weighted average number of shares (in millions)			
Basic	100.4	102.3	
Diluted	102.6	104.5	
Selected Cash Flow Data			
Cash provided by operating activities	102.9	24.8	78.1
Cash used in investing activities	(32.4)	(36.6)	4.2
Cash used in financing activities	(64.5)	(70.3)	5.8
Free Cash Flow ¹	71.1	(10.8)	81.9

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

² Operating Margin is calculated as Operating Loss divided by Revenue.

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

Segmented Financial Results as compared to the same period in 2025

(US\$ millions)	Q1 2026					Q1 2025				
	Toys	Entertain-ment	Digital Games	Corporate & Other ¹	Total	Toys	Entertain-ment	Digital Games	Corporate & Other ¹	Total
Revenue	240.9	40.8	46.8	—	328.5	273.7	37.8	47.8	—	359.3
Operating (Loss) Income	(48.7)	13.2	4.9	(3.7)	(34.3)	(50.6)	25.9	8.2	(5.6)	(22.1)
Adjusted Operating (Loss) Income ²	(38.8)	14.3	6.5	(5.8)	(23.8)	(40.0)	26.1	9.5	(1.5)	(5.9)
Adjusted EBITDA ²	(19.0)	31.7	10.3	(5.8)	17.2	(20.5)	31.7	11.9	(1.5)	21.6

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

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

Toys Segment Results

The following table provides a summary of the Toys segment operating results, for the three months ended March 31, 2026 and 2025:

(US\$ millions)	Q1 2026	Q1 2025	\$ Change	% Change
Preschool, Infant & Toddler and Plush	125.3	142.4	(17.1)	(12.0)%
Activities, Games & Puzzles and Dolls & Interactive	79.2	72.5	6.7	9.2 %
Wheels & Action	48.3	66.4	(18.1)	(27.3)%
Outdoor	22.8	32.4	(9.6)	(29.6)%
Toy Gross Product Sales¹	275.6	313.7	(38.1)	(12.1)%
Sales Allowances ²	(37.0)	(40.4)	3.4	(8.4)%
<i>Sales Allowances % of Toy Gross Product Sales¹</i>	<i>13.4 %</i>	<i>12.9 %</i>		<i>0.5 %</i>
Toy Net Sales	238.6	273.3	(34.7)	(12.7)%
Toy - Other Revenue	2.3	0.4	1.9	475.0 %
Toy Revenue	240.9	273.7	(32.8)	(12.0)%
Toys Operating Loss	(48.7)	(50.6)	1.9	(3.8)%
Toys Operating Margin ³	(20.2)%	(18.5)%		(1.7)%
Toys Adjusted EBITDA ¹	(19.0)	(20.5)	1.5	(7.3)%
Toys Adjusted EBITDA Margin ¹	(7.9)%	(7.5)%		(0.4)%

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

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

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

- Toy Revenue declined by \$32.8 million to \$240.9 million due to lower Toy Gross Product Sales¹. Constant Currency Toy Gross Product Sales¹ was \$268.6 million, a decrease of 14.4%. Constant Current Toy Revenue was \$235.8 million, a decrease of 13.8%.
- Toy Gross Product Sales¹ decreased by \$38.1 million to \$275.6 million. The decrease is primarily due to the timing of customer orders, which were accelerated into the first quarter of the prior year in anticipation of United States tariff announcements.
- Sales Allowances decreased by \$3.4 million to \$37.0 million. As a percentage of Toy Gross Product Sales¹, Sales Allowances increased to 13.4% from 12.9% primarily driven by a change in geographic and customer mix.
- Toys Operating Loss was \$48.7 million compared to \$50.6 million. The change was primarily driven by lower administrative, product development, selling and marketing expenses, partially offset by a decrease in Toy Revenue. Toys Operating Margin was (20.2)% compared to (18.5)%.
- Toys Adjusted EBITDA¹ was \$(19.0) million compared to \$(20.5) million, primarily driven by lower administrative, product development and marketing expenses, partially offset by lower Toy Revenue. Toys Adjusted EBITDA Margin¹ was (7.9)% compared to (7.5)%, primarily driven by a decrease in Toy Revenue resulting in lower operating leverage, partially offset by improved freight rates.

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

Entertainment Segment Results

The following table provides a summary of Entertainment segment operating results, for the three months ended March 31, 2026 and 2025:

(US\$ millions)	Q1 2026	Q1 2025	\$ Change	% Change
Entertainment Revenue	40.8	37.8	3.0	7.9 %
Entertainment Operating Income	13.2	25.9	(12.7)	(49.0)%
Entertainment Operating Margin	32.4 %	68.5 %		(36.1)%
Entertainment Adjusted Operating Income ¹	14.3	26.1	(11.8)	(45.2)%
Entertainment Adjusted Operating Margin ¹	35.0 %	69.0 %		(34.0)%

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

- Entertainment Revenue increased by \$3.0 million to \$40.8 million, driven by an increase in distribution revenue from the delivery of a new chapter of *Unicorn Academy* in the current year, partially offset by a decrease in ongoing distribution revenue primarily from the *PAW Patrol* series and *PAW Patrol: The Mighty Movie*.
- Entertainment Operating Income declined by \$12.7 million to \$13.2 million, primarily due to lower ongoing distribution revenue, the delivery of a new chapter of *Unicorn Academy* in the current year (distribution revenue less amortization of production costs) and an increase in marketing expense in support of the upcoming *PAW Patrol: The Dino Movie*. Entertainment Operating Margin decreased from 68.5% to 32.4%.
- Entertainment Adjusted Operating Income¹ declined by \$11.8 million to \$14.3 million. Entertainment Adjusted Operating Margin¹ decreased from 69.0% to 35.0%, primarily due to lower ongoing distribution revenue and the dilutive effect of the delivery of a new chapter of *Unicorn Academy* in the current year.

Digital Games Segment Results

The following table provides a summary of Digital Games segment operating results, for the three months ended March 31, 2026 and 2025:

(US\$ millions)	Q1 2026	Q1 2025	\$ Change	% Change
Digital Games Revenue	46.8	47.8	(1.0)	(2.1)%
Digital Games Operating Income	4.9	8.2	(3.3)	(40.2)%
Digital Games Operating Margin	10.5 %	17.2 %		(6.7)%
Digital Games Adjusted Operating Income ¹	6.5	9.5	(3.0)	(31.6)%
Digital Games Adjusted Operating Margin ¹	13.9 %	19.9 %		(6.0)%

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

- Digital Games Revenue declined by \$1.0 million to \$46.8 million, driven by lower in-game purchases in *Toca Boca World*, partially offset by revenue generated from strategic distribution partnerships.
- Digital Games Operating Income declined by \$3.3 million, primarily driven by increases in amortization expense related to *Toca Boca World* and *Piknik* and administrative expenses, partially offset by a decrease in marketing expenses. Digital Games Operating Margin decreased from 17.2% to 10.5%.
- Digital Games Adjusted Operating Income¹ declined by \$3.0 million to \$6.5 million, primarily driven by increases in amortization expense related to *Toca Boca World* and *Piknik* and administrative expenses, partially offset by a decrease in marketing expenses. Digital Games Adjusted Operating Margin¹ decreased from 19.9% to 13.9%.

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

Liquidity

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

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

As at March 31, 2026, there was no amount outstanding (December 31, 2025 - \$42.0 million) under the Facility and \$225.0 million outstanding (December 31, 2025 - \$225.0 million) under the Acquisition Facility. During the three months ended March 31, 2026, the Company repaid \$92.0 million (2025 - \$30.0 million) and drew \$50.0 million (2025 - \$nil) against the Facility. For the three months ended March 31, 2026, the weighted average interest rates on the Facility and Acquisition Facility were 5.6% and 5.2%, respectively (2025 - 5.6% and 5.6%).

As at March 31, 2026, the Company had available liquidity of \$615.4 million, comprised of \$110.9 million in cash and \$504.5 million under the Company's committed credit facilities.

Cash Flows for Q1 2026 as compared to the same period in 2025

Cash flows provided by operating activities were \$102.9 million compared to \$24.8 million driven by changes in non-cash working capital and higher income taxes received, partially offset by change in non-cash provisions and other assets. Changes in non-cash working capital increased by \$114.9 million as compared to an increase of \$24.8 million.

Cash used in investing activities was \$32.4 million for the three months ended March 31, 2026 compared to \$36.6 million primarily as a result of lower capital expenditures related to investments in Entertainment content and moulds, dies and tools, partially offset by higher capital expenditures related to computer software.

Cash flows used in financing activities were \$64.5 million compared to \$70.3 million, driven by repayment of \$92.0 million towards the Facility (2025 - \$30.0 million), partially offset by \$50.0 million drawn from the Facility (2025 - \$nil), shares repurchased under the Company's NCIB for \$5.7 million (2025 - \$21.4 million) and lease payments of \$8.0 million (2025 - \$9.8 million).

Free Cash Flow¹ was \$71.1 million compared to \$(10.8) million, primarily due to changes in non-cash working capital.

Dividends

The Company's Board of Directors declared a dividend of C\$0.12 per outstanding subordinate voting share and multiple voting share, payable on July 10, 2026 to shareholders of record at the close of business on June 26, 2026. The dividend is designated to be an eligible dividend for purposes of section 89(1) of the Income Tax Act (Canada).

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

Forward-Looking Statements

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

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

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking information in this Press Release. Such risks and uncertainties include, without limitation, risks

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

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

Conference call

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

WEBCAST: <https://app.webinar.net/Q2OmZGQL6rE>

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

DIAL-IN: To join the conference call without operator assistance, you may register and enter your phone number at <https://emportal.ink/4b6l8iY> to receive an instant automated call back. You can also dial direct to be entered to the call by an Operator: 1-416-945-7677 or 1-888-699-1199.

About Spin Master

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

For further information

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Condensed consolidated interim statements of financial position

(In US\$ millions)	Mar 31, 2026	Mar 31, 2025	Dec 31, 2025
Assets			
Current assets			
Cash and cash equivalents	110.9	152.7	104.6
Trade receivables, net	278.2	312.2	508.1
Other receivables	67.8	61.8	71.5
Inventories, net	150.5	180.0	149.7
Income tax receivable	26.8	19.2	19.3
Prepaid expenses and other assets	44.4	51.3	44.3
	678.6	777.2	897.5
Non-current assets			
Intangible assets	866.8	857.3	865.8
Goodwill	160.6	368.2	164.0
Right-of-use assets	167.9	156.3	174.3
Property, plant and equipment	87.9	59.9	92.0
Deferred income tax assets	176.6	167.8	175.7
Other assets	39.2	28.1	34.0
	1,499.0	1,637.6	1,505.8
Total assets	2,177.6	2,414.8	2,403.3
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	301.2	263.2	436.0
Loans and borrowings	222.8	359.2	264.1
Provisions	22.0	26.7	22.9
Lease liabilities	34.2	22.3	33.6
Deferred revenue	37.0	27.8	31.5
	617.2	699.2	788.1
Non-current liabilities			
Deferred income tax liabilities	214.7	209.3	215.8
Lease liabilities	157.7	132.8	161.1
Provisions	11.0	10.0	14.7
	383.4	352.1	391.6
Total liabilities	1,000.6	1,051.3	1,179.7
Shareholders' equity			
Share capital	765.2	769.9	753.6
Retained earnings	404.1	599.7	442.2
Contributed surplus	26.2	29.4	35.2
Accumulated other comprehensive loss	(18.5)	(35.5)	(7.4)
Total shareholders' equity	1,177.0	1,363.5	1,223.6
Total liabilities and shareholders' equity	2,177.6	2,414.8	2,403.3

Condensed consolidated interim statements of cash flows

(Unaudited, in US\$ millions)	Three Months Ended Mar 31,	
	2026	2025
Operating activities		
Net Loss	(32.0)	(24.5)
Adjustments to reconcile net loss to cash provided by operating activities		
Income tax recovery	(10.3)	(7.2)
Interest expense	5.8	7.5
Interest income	(0.5)	(0.7)
Depreciation and amortization	42.8	29.3
Loss on disposal of non-current assets	0.3	0.6
Accretion expense	3.1	2.6
Amortization of facility fee costs	0.1	0.2
Investment loss, net	0.4	—
Impairment of non-current assets	—	0.2
Unrealized foreign exchange (gain) loss, net	(7.9)	4.3
Share-based compensation expense	7.8	2.3
Net changes in non-cash working capital	114.9	24.8
Net changes in non-cash provisions and other assets	(19.1)	4.1
Income taxes paid	(10.8)	(13.4)
Income taxes received	11.8	0.1
Interest paid	(4.0)	(6.3)
Interest received	0.5	0.9
Cash provided by operating activities	102.9	24.8
Investing activities		
Investment in property, plant and equipment	(5.5)	(8.7)
Investment in intangible assets	(26.3)	(26.9)
Portfolio investments	(0.6)	(1.0)
Cash used in investing activities	(32.4)	(36.6)
Financing activities		
Proceeds from loans and borrowings	50.0	—
Repayment of loans and borrowings	(92.0)	(30.0)
Payment of lease liabilities, net of lease incentives received	(8.0)	(9.8)
Dividends paid	(8.8)	(9.1)
Repurchase of subordinate voting shares	(5.7)	(21.4)
Cash used in financing activities	(64.5)	(70.3)
Effect of foreign currency exchange rate changes on cash	0.3	1.3
Net increase (decrease) in cash during the period	6.3	(80.8)
Cash, beginning of period	104.6	233.5
Cash, end of period	110.9	152.7

Non-GAAP Financial Measures and Ratios

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

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

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

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

- Adjusted EBITDA Margin
- Toys Adjusted EBITDA Margin
- Toys Adjusted Operating Margin
- Entertainment Adjusted Operating Margin
- Digital Games Adjusted Operating Margin
- Adjusted Operating Margin
- Adjusted Basic EPS
- Adjusted Diluted EPS
- Sales Allowances as a percentage of Toy Gross Product Sales
- Percentage change in Constant Currency Toy Gross Product Sales
- Percentage change in Constant Currency Toy - Other Revenue
- Percentage change in Constant Currency Toy Revenue
- Percentage change in Constant Currency Digital Games Revenue
- Percentage change in Constant Currency Revenue
- Percentage change in Constant Currency Entertainment Revenue

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

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

Non-GAAP Financial Measures

Toy Gross Product Sales represent Toy Revenue, excluding the impact of Sales Allowances. As Sales Allowances are generally not associated with individual products, the Company uses Toy Gross Product Sales to provide meaningful comparisons across product categories and geographical results to highlight trends in Spin Master's business. For a reconciliation of Toy Gross Product Sales to Revenue, the closest IFRS measure, refer to the revenue tables for the three months and three months ended March 31, 2026, as compared to the same period in 2025 in this Press Release.

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

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

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

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

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

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

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

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

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

Free Cash Flow is calculated as cash flows provided by/used in operating activities reduced by cash flows used in investing activities and adding back cash used for business acquisitions, advance paid for business acquisitions, asset acquisitions, portfolio investments, minority interest investments, proceeds from sale of manufacturing operations and net of investment distribution income. Management uses the Free Cash Flow metric to analyze the cash flows being generated by the Company's

business after accounting for operational and capital expenditures. It measures the Company's ability to generate discretionary cash, which can be used to pay dividends, repurchase shares, repay loans and borrowings, and fund business acquisitions. Refer to the "Reconciliation of Non-GAAP Financial Measures" section for a reconciliation of this metric to Cash provided by operating activities, the closest IFRS measure.

Constant Currency Toy Gross Product Sales, Constant Currency Sales Allowances, Constant Currency Toy - Other Revenue, Constant Currency Toy Revenue, Constant Currency Entertainment Revenue, Constant Currency Digital Games Revenue, and Constant Currency Revenue represent Toy Gross Product Sales, Sales Allowances, Toy - Other Revenue, Toy Revenue, Entertainment Revenue, Digital Games Revenue, and Revenue presented excluding the impact from changes in foreign currency exchange rates, respectively. The current period and prior period results for entities reporting in currencies other than the US\$ are translated using consistent exchange rates, rather than using the actual exchange rate in effect during the respective periods. The difference between the current period and prior period results using the consistent exchange rates reflects the changes in the underlying performance results, excluding the impact from fluctuations in foreign currency exchange rates. Management uses Constant Currency Toy Gross Product Sales, Constant Currency Sales Allowances, Constant Currency Toy - Other Revenue, Constant Currency Toy Revenue, Constant Currency Entertainment Revenue, Constant Currency Digital Games Revenue, and Constant Currency Revenue to measure the underlying financial performance of the business on a consistent basis over time. Refer to the "Reconciliation of Non-GAAP Financial Measures" section for a reconciliation of these metrics to Revenue, the closest IFRS measure.

Non-GAAP Financial Ratios

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

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

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

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

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

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

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

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

Percentage change in Constant Currency Toy Gross Product Sales is calculated by dividing the change in Toy Gross Product Sales excluding the impact from changes in foreign currency exchange rates by the Toy Gross Product Sales of the comparative period. Management uses Percentage change in Constant Currency Toy Gross Product Sales to measure the underlying financial performance of the business on a consistent basis over time excluding the impact from changes in foreign currency exchange rates.

Percentage change in Constant Currency Sales Allowances is calculated by dividing the change in Sales Allowances excluding the impact from changes in foreign currency exchange rates by the Sales Allowances of the comparative period. Management uses Percentage change in Constant Currency Sales Allowances to measure the underlying financial performance of the business on a consistent basis over time excluding the impact from changes in foreign currency exchange rates.

Percentage change in Constant Currency Toy - Other Revenue is calculated by dividing the change in Toy - Other Revenue excluding the impact from changes in foreign currency exchange rates by the Toy - Other Revenue of the comparative period. Management uses Percentage change in Constant Currency Toy - Other Revenue to measure the underlying financial performance of the business on a consistent basis over time excluding the impact from changes in foreign currency exchange rates.

Percentage change in Constant Currency Toy Revenue is calculated by dividing the change in Toy Revenue excluding the impact from changes in foreign currency exchange rates by the Toy Revenue of the comparative period. Management uses Percentage change in Constant Currency Toy Revenue to measure the underlying financial performance of the business on a consistent basis over time excluding the impact from changes in foreign currency exchange rates.

Percentage change in Constant Currency Entertainment Revenue is calculated by dividing the change in Entertainment Revenue excluding the impact from changes in foreign currency exchange rates by the Entertainment Revenue of the comparative period. Management uses Percentage change in Constant Currency Entertainment Revenue to measure the underlying financial performance of the business on a consistent basis over time excluding the impact from changes in foreign currency exchange rates.

Percentage change in Constant Currency Digital Games Revenue is calculated by dividing the change in Digital Games Revenue excluding the impact from changes in foreign currency exchange rates by the Digital Games Revenue of the comparative period. Management uses Percentage change in Constant Currency Digital Games Revenue to measure the underlying financial performance of the business on a consistent basis over time excluding the impact from changes in foreign currency exchange rates.

Percentage change in Constant Currency Revenue is calculated by dividing the change in Revenue excluding the impact from changes in foreign currency exchange rates by the Revenue of the comparative period. Management uses Percentage change in Constant Currency Revenue to measure the underlying financial performance of the business on a consistent basis over time excluding the impact from changes in foreign currency exchange rates.

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of Operating Loss to Adjusted Operating Loss, Adjusted EBITDA, Adjusted Net Loss, and cash used in operating activities and investing activities to Free Cash Flow for the three months ended March 31, 2026 and 2025:

(in US\$ millions)	Q1 2026	Q1 2025	\$ Change	% Change
Operating Loss	(34.3)	(22.1)	(12.2)	55.2 %
Adjustments:				
Share based compensation ¹	7.4	0.4	7.0	n.m
Restructuring and other related costs ²	3.3	1.4	1.9	135.7 %
Transaction and integration costs ³	1.9	7.7	(5.8)	(75.3) %
Amortization of intangible assets acquired ⁴	1.8	1.8	—	— %
Acquisition related deferred incentive compensation ⁵	0.6	0.5	0.1	20.0 %
Investment loss, net ⁶	0.4	0.1	0.3	300.0 %
Acquisition related deferred consideration ⁷	0.1	(0.4)	0.5	(125.0) %
Impairment of property, plant and equipment ⁸	—	0.2	(0.2)	(100.0) %
Foreign exchange (gain) loss ⁹	(5.0)	4.5	(9.5)	(211.1) %
Adjusted Operating Loss	(23.8)	(5.9)	(17.9)	303.4 %
Depreciation and amortization ¹⁰	41.0	27.5	13.5	49.1 %
Adjusted EBITDA	17.2	21.6	(4.4)	(20.4) %
Income tax recovery	10.3	7.2	3.1	43.1 %
Interest expense	(8.0)	(9.6)	1.6	(16.7) %
Depreciation and amortization ¹⁰	(41.0)	(27.5)	(13.5)	49.1 %
Tax effect of normalization adjustments ¹¹	(2.6)	(3.7)	1.1	(29.7) %
Adjusted Net Loss	(24.1)	(12.0)	(12.1)	100.8 %
Cash provided by operating activities	102.9	24.8	78.1	314.9 %
Cash used in investing activities	(32.4)	(36.6)	4.2	(11.5) %
Add:				
Cash used in business acquisitions, asset acquisitions, portfolio investments, investment in associate and minority interest investments, net of investment distribution income	0.6	1.0	(0.4)	(40.0) %
Free Cash Flow	71.1	(10.8)	81.9	n.m

¹ Related to non-cash expenses associated with long-term incentive plan and includes mark to market gain of deferred share units ("DSUs").

² Restructuring and other related costs related to the reduction in the Company's global workforce.

³ Transaction and integration costs incurred relating to acquisitions.

⁴ Relates to the amortization of intangible assets acquired with Melissa & Doug.

⁵ Deferred incentive compensation associated with acquisitions.

⁶ Investment loss (income), net includes unrealized and realized (gain)/loss on portfolio investments and minority interest investments and share of (income)/loss from an investment in associate.

⁷ Expense (recovery) associated with contingent consideration for acquisitions.

⁸ Impairment of property, plant and equipment in the prior year related to tooling.

⁹ Includes foreign exchange losses (gains) generated by the translation and settlement of monetary assets/liabilities denominated in a currency other than the functional currency of the applicable entity and losses (gains) related to the Company's hedging programs.

¹⁰ Depreciation and amortization for the calculation of Adjusted EBITDA excludes \$1.8 million of amortization of intangible assets acquired with Melissa & Doug.

¹¹ Tax effect of adjustments (Footnotes 1-9). Adjustments are tax effected at the effective tax rate of the given period.

Segment Results

The Company's results from operations by reportable segment for the three months ended March 31, 2026 and 2025 are as follows:

(US\$ millions)	Q1 2026					Q1 2025				
	Toys	Entertain- ment	Digital Games	Corporate & Other ¹	Total	Toys	Entertain- ment	Digital Games	Corporate & Other ¹	Total
Revenue	240.9	40.8	46.8	—	328.5	273.7	37.8	47.8	—	359.3
Operating (Loss) Income	(48.7)	13.2	4.9	(3.7)	(34.3)	(50.6)	25.9	8.2	(5.6)	(22.1)
Adjusting items:										
Share based compensation	4.3	0.5	0.7	1.9	7.4	1.7	0.2	0.4	(1.9)	0.4
Restructuring and other related costs	2.3	0.6	0.4	—	3.3	1.2	—	0.2	—	1.4
Transaction and integration costs	1.3	—	—	0.6	1.9	6.3	—	—	1.4	7.7
Amortization of intangible assets acquired	1.8	—	—	—	1.8	1.8	—	—	—	1.8
Acquisition related deferred incentive compensation	0.1	—	0.5	—	0.6	0.3	—	0.2	—	0.5
Investment loss, net	—	—	—	0.4	0.4	—	—	—	0.1	0.1
Acquisition related deferred consideration	0.1	—	—	—	0.1	(0.9)	—	0.5	—	(0.4)
Impairment of property, plant and equipment	—	—	—	—	—	0.2	—	—	—	0.2
Foreign exchange (gain) loss	—	—	—	(5.0)	(5.0)	—	—	—	4.5	4.5
Adjusted Operating (Loss) Income	(38.8)	14.3	6.5	(5.8)	(23.8)	(40.0)	26.1	9.5	(1.5)	(5.9)
Adjusted Operating Margin	(16.1)%	35.0%	13.9%	n.m.	(7.2)%	(14.6)%	69.0%	19.9%	n.m.	(1.6)%
Depreciation and amortization ²	19.8	17.4	3.8	—	41.0	19.5	5.6	2.4	—	27.5
Adjusted EBITDA	(19.0)	31.7	10.3	(5.8)	17.2	(20.5)	31.7	11.9	(1.5)	21.6
Adjusted EBITDA Margin	(7.9)%	77.7%	22.0%	n.m.	5.2%	(7.5)%	83.9%	24.9%	n.m.	6.0%

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

² Depreciation and amortization for the calculation of Adjusted EBITDA excludes \$1.8 million (Q1 2025 - \$1.8 million) of amortization of intangible assets acquired with Melissa & Doug.

The following tables present the composition of Percentage change in Constant Currency Toy Gross Product Sales, Percentage change in Constant Currency Sales Allowances, Percentage change in Constant Currency Entertainment Revenue, Percentage change in Constant Currency Digital Games Revenue, and Percentage change in Constant Currency Revenue for the three months ended March 31, 2026 and 2025:

(US\$ millions)	Q1 2026	Q1 2025	\$ Change			% Change	
			As reported	Impact of foreign exchange	In Constant Currency	As reported	In Constant Currency
Toy Gross Product Sales	275.6	313.7	(38.1)	(7.0)	(45.1)	(12.1)%	(14.4)%
Sales Allowances	(37.0)	(40.4)	3.4	1.9	5.3	(8.4)%	(13.1)%
Toy Net Sales	238.6	273.3	(34.7)	(5.1)	(39.8)	(12.7)%	(14.6)%
Toy - Other Revenue	2.3	0.4	1.9	—	1.9	n.m.	n.m.
Toy Revenue	240.9	273.7	(32.8)	(5.1)	(37.9)	(12.0)%	(13.8)%
Entertainment Revenue	40.8	37.8	3.0	(0.1)	2.9	7.9%	7.7%
Digital Games Revenue	46.8	47.8	(1.0)	(1.6)	(2.6)	(2.1)%	(5.4)%
Revenue	328.5	359.3	(30.8)	(6.8)	(37.6)	(8.6)%	(10.5)%