

Spin Master Reports Q3 2025 Financial Results

Toronto, ON, October 30, 2025 - 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 and nine months ended September 30, 2025. The Company's full Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2025 is available under the Company's profile on SEDAR+ (www.sedarplus.com) and posted on the Company's web site at www.spinmaster.com. All financial information is presented in United States dollars ("\$", "dollars" and "US\$") and has been rounded to the nearest hundred thousand, except per share amounts and where otherwise indicated.

"This quarter, our Toys, Entertainment, and Digital Games once again captured the imagination of kids and parents and we grew our Toy market share within our total addressable market," said Christina Miller, CEO of Spin Master. "We are well-positioned for the holiday season with a broad range of our award-winning toys and brands featured on retailers' top toy lists, a first-ever *PAW Patrol* Christmas special set to air on broadcast networks, platforms and in theaters globally this November, and a robust lineup of new features, content releases, and strategic partnerships across our Digital Games business. Across our creative centres, we continue to execute on our strategy to unlock value through cross-collaboration, engaging consumers and driving long-term, sustainable, and profitable growth."

"Toy Revenue declined in the quarter due to the uncertain macroeconomic environment as well as the shift in retailer buying behaviour driven by the impact of tariffs," said Jonathan Roiter, Spin Master's Chief Financial Officer. "These impacts were partially offset by another strong quarter for Digital Games, reflecting improved monetization of our platforms. Our balance sheet and cash conversion is strong and we're making important investments in key areas to drive both growth and higher returns in future years."

Consolidated Financial Highlights for Q3 2025 as compared to the same period in 2024

- **Q3 2025 Revenue** was \$734.7 million, a decrease of 17.0%, primarily driven by a decrease in Toy Revenue.
- **Q3 2025 Operating Income** was \$151.0 million, a decrease of 25.7%.
- **Q3 2025 Net Income** was \$106.8 million or \$1.03 per share (diluted) compared to \$140.1 million or \$1.36 per share (diluted). **Adjusted Net Income¹** was \$115.2 million or \$1.11 per share (diluted) compared to \$169.7 million or \$1.60 per share (diluted).
- **Q3 2025 Adjusted EBITDA¹** was \$195.5 million, a decrease of \$82.0 million. **Adjusted EBITDA Margin¹** was 26.6% compared to 31.3%.
- **Q3 2025 Cash provided by operating activities** was \$62.6 million compared to \$74.9 million.
- **Q3 2025 Free Cash Flow¹** was \$21.6 million compared to \$44.7 million.
- Repurchased and cancelled 482,362 subordinate voting shares for \$7.9 million (C\$11.0 million) in Q3 2025 through the Company's Normal Course Issuer Bid (the "NCIB") program. Subsequent to September 30, 2025, the Company repurchased and cancelled 174,878 subordinate voting shares for \$2.5 million.
- Subsequent to September 30, 2025, the Company declared a quarterly dividend of C\$0.12 per outstanding subordinate voting share and multiple voting share, payable on January 9, 2026.

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

Consolidated Financial Results as compared to the same period in 2024

(US\$ millions, except per share information)	Q3 2025	Q3 2024	\$ Change
Consolidated Results			
Revenue	734.7	885.7	(151.0)
Operating Income	151.0	203.2	(52.2)
Operating Margin ²	20.6 %	22.9 %	
Adjusted Operating Income ^{1,3}	162.4	243.4	(81.0)
Adjusted Operating Margin ¹	22.1 %	27.5 %	
Net Income	106.8	140.1	(33.3)
Adjusted Net Income ^{1,3}	115.2	169.7	(54.5)
Adjusted EBITDA ^{1,3}	195.5	277.5	(82.0)
Adjusted EBITDA Margin ¹	26.6 %	31.3 %	
Earnings Per Share ("EPS")			
Basic EPS	\$1.06	\$1.36	
Diluted EPS	\$1.03	\$1.32	
Adjusted Basic EPS ¹	\$1.14	\$1.65	
Adjusted Diluted EPS ¹	\$1.11	\$1.60	
Weighted average number of shares (in millions)			
Basic	100.7	103.0	
Diluted	103.7	105.9	
Selected Cash Flow Data			
Cash provided by operating activities	62.6	74.9	(12.3)
Cash used in investing activities	(42.7)	(30.2)	(12.5)
Cash used in financing activities	(19.2)	(88.5)	69.3
Free Cash Flow ¹	21.6	44.7	(23.1)

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

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

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

Q3 2025 Operating Income was \$151.0 million, a decrease of \$52.2 million from \$203.2 million, mainly driven by declines in Operating Income in the Toys segment of \$54.7 million and in the Entertainment segment of \$8.0 million, partially offset by an increase in the Digital Games segment of 10.8 million.

Q3 2025 Adjusted Operating Income¹ was \$162.4 million, a decrease of \$81.0 million from \$243.4 million, mainly driven by declines in Adjusted Operating Income¹ in the Toys segment of \$83.0 million and in the Entertainment segment of \$8.7 million, partially offset by an increase in Adjusted Operating Income¹ in Digital Games segment of \$10.0 million.

Q3 2025 Adjusted EBITDA¹ was \$195.5 million, a change of \$82.0 million from \$277.5 million. The decrease was primarily driven by the Toys segment, with lower Toy Revenue primarily due to global market uncertainties resulting in part from ongoing changes to tariff policies, including a continued slowdown in U.S. retailer orders, partially offset by the Digital Games segment driven by revenue generated from strategic partnerships, continued growth in subscriptions across *Piknik* and higher in-game purchases in *Toca Boca World* from continued user engagement.

Q3 2025 Adjusted EBITDA Margin¹ was 26.6% compared to 31.3%. The decrease was primarily driven by a decline in revenue resulting in lower operating leverage.

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

Segmented Financial Results as compared to the same period in 2024

(US\$ millions)	Q3 2025					Q3 2024				
	Toys	Entertain- ment	Digital Games	Corporate & Other ¹	Total	Toys	Entertain- ment	Digital Games	Corporate & Other ¹	Total
Revenue	650.4	32.8	51.5	—	734.7	810.9	37.1	37.7	—	885.7
Operating Income (Loss)	128.8	11.9	15.9	(5.6)	151.0	183.5	19.9	5.1	(5.3)	203.2
Adjusted Operating Income (Loss) ²	136.0	12.2	17.3	(3.1)	162.4	219.0	20.9	7.3	(3.8)	243.4
Adjusted EBITDA ²	156.4	21.8	20.4	(3.1)	195.5	242.2	30.0	9.1	(3.8)	277.5

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

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 September 30, 2025 and 2024:

(US\$ millions)	Q3 2025	Q3 2024	\$ Change	% Change
Preschool, Infant & Toddler and Plush	360.7	469.6	(108.9)	(23.2) %
Activities, Games & Puzzles and Dolls & Interactive	210.8	294.5	(83.7)	(28.4) %
Wheels & Action	168.2	152.9	15.3	10.0 %
Outdoor	3.0	5.7	(2.7)	(47.4) %
Toy Gross Product Sales¹	742.7	922.7	(180.0)	(19.5)%
Sales Allowances ²	(94.0)	(112.7)	18.7	(16.6) %
<i>Sales Allowances % of Toy Gross Product Sales¹</i>	<i>12.7 %</i>	<i>12.2 %</i>		<i>0.5 %</i>
Toy Net Sales	648.7	810.0	(161.3)	(19.9)%
Toy - Other Revenue	1.7	0.9	0.8	88.9 %
Toy Revenue	650.4	810.9	(160.5)	(19.8)%
Toys Operating Income	128.8	183.5	(54.7)	(29.8) %
Toys Operating Margin ³	19.8 %	22.6 %		(2.8) %
Toys Adjusted EBITDA ¹	156.4	242.2	(85.8)	(35.4) %
Toys Adjusted EBITDA Margin ¹	24.0 %	29.9 %		(5.9) %

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 \$160.5 million to \$650.4 million.
- Toy Gross Product Sales¹ decreased by \$180.0 million to \$742.7 million, primarily due to global market uncertainties resulting in part from ongoing changes to tariff policies, including a continued slowdown in U.S. retailer orders.
- Sales Allowances decreased by \$18.7 million to \$94.0 million. As a percentage of Toy Gross Product Sales¹, Sales Allowances increased to 12.7% from 12.2% driven by a change in customer mix.
- Toys Operating Income was \$128.8 million compared to \$183.5 million. The decrease in Toys Operating Income was driven by lower Toy sales volume.
- Toys Operating Margin was 19.8% compared to 22.6%.
- Toys Adjusted EBITDA¹ was \$156.4 million compared to \$242.2 million. The decrease in Toys Adjusted EBITDA¹ was driven by lower Toy Revenue.
- Toys Adjusted EBITDA Margin¹ was 24.0% compared to 29.9%. The decrease in Toys Adjusted EBITDA Margin¹ was due to a decline in Toy Revenue resulting in lower operating leverage.

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 September 30, 2025 and 2024:

(US\$ millions)	Q3 2025	Q3 2024	\$ Change	% Change
Entertainment Revenue	32.8	37.1	(4.3)	(11.6)%
Entertainment Operating Income	11.9	19.9	(8.0)	(40.2)%
Entertainment Operating Margin	36.3 %	53.6 %		(17.3)%
Entertainment Adjusted Operating Income ¹	12.2	20.9	(8.7)	(41.6)%
Entertainment Adjusted Operating Margin ¹	37.2 %	56.3 %		(19.1)%

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

- Entertainment Revenue declined by \$4.3 million to \$32.8 million, primarily driven by lower on-going distribution revenue from *PAW Patrol: The Mighty Movie* and licensing & merchandising revenue.
- Entertainment Operating Income declined by \$8.0 million to \$11.9 million.
- Entertainment Operating Margin decreased from 53.6% to 36.3%.
- Entertainment Adjusted Operating Income¹ declined by \$8.7 million to \$12.2 million.
- Entertainment Adjusted Operating Margin¹ decreased from 56.3% to 37.2%.
- The decrease in Entertainment Operating Income, Entertainment Operating Margin, Entertainment Adjusted Operating Income¹ and Entertainment Adjusted Operating Margin¹ was primarily due to lower Entertainment Revenue and increased investments in marketing.

Digital Games Segment Results

The following table provides a summary of Digital Games segment operating results, for the three months ended September 30, 2025 and 2024:

(US\$ millions)	Q3 2025	Q3 2024	\$ Change	% Change
Digital Games Revenue	51.5	37.7	13.8	36.6 %
Digital Games Operating Income	15.9	5.1	10.8	211.8 %
Digital Games Operating Margin	30.9 %	13.5 %		17.4 %
Digital Games Adjusted Operating Income ¹	17.3	7.3	10.0	137.0 %
Digital Games Adjusted Operating Margin ¹	33.6 %	19.4 %		14.2 %

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

- Digital Games Revenue increased by \$13.8 million to \$51.5 million, driven by revenue generated from strategic partnerships, continued growth in subscriptions across *Piknik* and higher in-game purchases in *Toca Boca World* from continued user engagement.
- Digital Games Operating Income increased by \$10.8 million to \$15.9 million.
- Digital Games Operating Margin increased from 13.5% to 30.9%.
- Digital Games Adjusted Operating Income¹ increased by \$10.0 million to \$17.3 million.
- Digital Games Adjusted Operating Margin¹ increased from 19.4% to 33.6%.
- The increase in Digital Games Operating Income, Digital Games Operating Margin, Digital Games Adjusted Operating Income¹ and Digital Games Adjusted Operating Margin¹ was primarily due to revenue generated from strategic partnerships.

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. On June 27, 2025, the Company entered into an agreement to amend its existing Facility, which now matures 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. On June 27, 2025, the Company entered into an agreement to amend its existing Acquisition Facility, which now matures on June 27, 2027.

During the nine months ended September 30, 2025, the Company drew \$25.0 million (2024 - \$300.0 million) and repaid \$30.0 million (2024 - \$115.0 million) against the Facility. As at September 30, 2025, there was \$160.0 million outstanding (December 31, 2024 - \$165.0 million) under the Facility and \$225.0 million outstanding (December 31, 2024 - \$225.0 million) under the Acquisition Facility. For the nine months ended September 30, 2025, the weighted average interest rates on the Facility and Acquisition Facility were 5.7% and 5.6%, respectively (2024 - 6.6% and 6.6%).

As at September 30, 2025, the Company had available liquidity of \$472.2 million, comprised of \$127.9 million in cash and \$344.3 million under the Company's credit facilities.

Cash Flows for Q3 2025 as compared to the same period in 2024

Cash flows provided by operating activities were \$62.6 million compared to \$74.9 million driven by lower Net Income, adjusted for non-cash items, partially offset by the change in non-cash working capital and lower income taxes paid. Change in non-cash working capital increased by \$119.9 million as compared to an increase of \$183.8 million, due to changes in trade receivables, partially offset by changes in trade payables and accrued liabilities.

Cash flows used in financing activities were \$19.2 million compared to \$88.5 million, driven by shares repurchased under the Company's NCIB for \$7.9 million (2024 - \$21.1 million), lease payments of \$2.5 million (2024 - \$11.4 million) and no repayment towards the Facility (2024 - \$50.0 million).

Free Cash Flow¹ was \$21.6 million compared to \$44.7 million, primarily due to higher investment in leasehold improvements, computer software, intellectual property and office equipment, partially offset by lower investment in Entertainment content development.

Capitalization

The Company's Board of Directors declared a dividend of C\$0.12 per outstanding subordinate voting share and multiple voting share, payable on January 9, 2026 to shareholders of record at the close of business on December 24, 2025. The dividend is designated to be an eligible dividend for purposes of section 89(1) of the Income Tax Act (Canada).

The weighted average basic and diluted shares outstanding as at September 30, 2025 were 101.7 million and 104.3 million, compared to 103.6 million and 106.1 million in the prior year, respectively.

Subsequent Event

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

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 timing, quantity and funding of any purchases of subordinate voting shares under the NCIB and the automatic share purchase plan, and the expected facilities through which any such purchases may be made.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this Press Release, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to any factors and assumptions set forth above in this Press Release, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: the Company will be able to successfully integrate the acquisition; the Company will be able to successfully expand its portfolio across new channels and formats, and internationally; achieve other expected benefits through this acquisition; 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 realization of the expected strategic, financial and other benefits of the proposed transaction in the timeframe anticipated; 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; implementation of certain information technology systems and other typical acquisition related cost savings; 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; seasonality; ability of factories to manufacture products, including labour size and allocation, tooling, raw material and component availability, ability to shift between product mix, and customer acceptance of delayed delivery dates; the steps taken will create long term shareholder value; the expanded use of advanced technology, robotics and innovation the Company applies to its products will have a level of success consistent with its past experiences; the Company will continue to successfully secure, maintain and renew broader licenses from third parties for premiere children's properties consistent with past practices, and the success of the licenses; the expansion of sales and marketing offices in new markets will increase the sales of products in that territory; the Company will be able to successfully identify and integrate strategic acquisition and minority investment opportunities; the Company will be able to maintain its distribution capabilities; the Company will be able to leverage its global platform to grow sales from acquired brands; the Company will be able to recognize and capitalize on opportunities earlier than its competitors; the Company will be able to continue to build and maintain strong, collaborative relationships; the Company will maintain its status as a preferred collaborator; the culture and business structure of the Company will support its growth; the current business strategies of the Company will continue to be desirable on an international platform; the Company will be able to expand its portfolio of owned branded IP and successfully license it to third parties; use of advanced technology and robotics in the Company's products will expand; the Company will be able to continue to develop and distribute entertainment content in the form of movies, TV shows and short form content; the Company will be able to continue to design, develop and launch mobile digital games to be distributed globally via app stores; access of entertainment content on mobile platforms will expand; fragmentation of the market will continue to create acquisition opportunities; the Company will be able to maintain its relationships with its employees, suppliers, retailers and license partners; the Company will continue to attract qualified personnel to support its development requirements; the Company's key personnel will continue to be involved in the Company products, mobile digital games and entertainment properties will be launched as scheduled; and the availability of cash for dividends and that the risk factors noted in this Press Release, collectively, do not have a material impact on the Company.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking information in this Press Release. Such risks and uncertainties include, without limitation, risks outlined in the "Global Tariffs Uncertainty and 2025 Outlook" section of the most recent interim MD&A; the potential failure to realize anticipated benefits from the acquisition of Melissa & Doug; 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 or subsequent, most recent interim 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 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, Executive Vice President & Chief Financial Officer, will host a conference call to discuss the financial results on Thursday, October 30, 2025 at 9:30 a.m. (ET).

The call-in numbers for participants are (416) 945-7677 or 1 (888) 699-1199 . A live webcast of the call will be accessible via Spin Master's website at: <http://www.spinmaster.com/events.php>. Following the call, both an audio recording and transcript of the call will be archived on the same website page for 12 months.

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 70 million active users monthly in open-ended, creative and safe play. With 29 offices spanning nearly 20 countries, Spin Master employs more than 2,500 team members globally.

For further information

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Condensed consolidated interim statements of financial position

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

Condensed consolidated interim statements of earnings and comprehensive income

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

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

Condensed consolidated interim statements of cash flows

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

Non-GAAP Financial Measures and Ratios

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

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

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

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

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

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

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

Non-GAAP Financial Measures

Toy Gross Product Sales represent Toy Revenue, excluding the impact of Sales Allowances. As Sales Allowances are generally not associated with individual products, the Company uses Toy Gross Product Sales to provide meaningful comparisons across product categories and geographical results to highlight trends in Spin Master's business. For a reconciliation of Toy Gross Product Sales to Revenue, the closest IFRS measure, refer to the revenue tables for the three months and nine months ended September 30, 2025, as compared to the same period in 2024 in this Press Release.

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

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

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

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

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

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

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

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

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

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

Free Cash Flow is calculated as cash flows provided by/used in operating activities reduced by cash flows used in investing activities and adding back cash used for business acquisitions, advance paid for business acquisitions, asset acquisitions, portfolio investments, minority interest investments, proceeds from sale of manufacturing operations and net of investment distribution income. Management uses the Free Cash Flow metric to analyze the cash flows being generated by the Company's business. Refer to the "Reconciliation of Non-GAAP Financial Measures" section for a reconciliation of this metric to Cash provided by operating activities, the closest IFRS measure.

Non-GAAP Financial Ratios

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

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

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

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

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

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

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

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

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of Operating Income to Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, and cash used in operating activities and investing activities to Free Cash Flow for the three months ended September 30, 2025 and 2024:

(in US\$ millions)	Q3 2025	Q3 2024	\$ Change	% Change
Operating Income	151.0	203.2	(52.2)	(25.7)%
Adjustments:				
Share based compensation ¹	4.2	9.3	(5.1)	(54.8) %
Impairment of property, plant and equipment ²	2.1	0.1	2.0	n.m
Amortization of intangible assets acquired ³	1.7	1.8	(0.1)	(5.6) %
Transaction and integration costs ⁴	1.2	3.9	(2.7)	(69.2) %
Investment loss, net ⁵	1.1	0.4	0.7	175.0 %
Restructuring and other related costs ⁶	1.0	2.7	(1.7)	(63.0) %
Acquisition related deferred incentive compensation ⁷	0.7	0.9	(0.2)	(22.2) %
Foreign exchange loss (gain) ⁸	0.4	(1.2)	1.6	(133.3) %
Legal settlement expense	—	0.4	(0.4)	(100.0) %
Fair value adjustment for inventories acquired ⁹	—	21.5	(21.5)	(100.0) %
Acquisition related deferred consideration ¹⁰	(0.5)	0.4	(0.9)	(225.0) %
Impairment of intangible assets	(0.5)	—	(0.5)	n.m
Adjusted Operating Income	162.4	243.4	(81.0)	(33.3)%
Depreciation and amortization ¹¹	33.1	34.1	(1.0)	(2.9) %
Adjusted EBITDA	195.5	277.5	(82.0)	(29.5)%
Income tax expense	(33.5)	(49.7)	16.2	(32.6) %
Interest expense	(10.7)	(13.4)	2.7	(20.1) %
Depreciation and amortization ¹¹	(33.1)	(34.1)	1.0	(2.9) %
Tax effect of normalization adjustments ¹²	(3.0)	(10.6)	7.6	(71.7) %
Adjusted Net Income	115.2	169.7	(54.5)	(32.1)%
Cash provided by operating activities	62.6	74.9	(12.3)	(16.4) %
Cash used in investing activities	(42.7)	(30.2)	(12.5)	41.4 %
Add:				
Cash used in business acquisitions, asset acquisitions, portfolio investments, investment in associate and minority interest investments, net of investment distribution income	1.7	—	1.7	n.m
Free Cash Flow	21.6	44.7	(23.1)	(51.7)%

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

² Impairment of property, plant and equipment related to tooling.

³ Relates to the amortization of intangible assets acquired with Melissa & Doug.

⁴ Transaction and integration costs incurred relating to acquisitions.

⁵ 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.

⁶ Restructuring and other related costs related to the reduction in the Company's global workforce.

⁷ Deferred incentive compensation associated with acquisitions.

⁸ 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.

⁹ Relates to fair value adjustment to Melissa & Doug inventory recorded as part of the acquisition on January 2, 2024.

¹⁰ Expense (recovery) associated with contingent consideration for acquisitions.

¹¹ Depreciation and amortization for the calculation of Adjusted EBITDA excludes \$1.7 million of amortization of intangible assets acquired with Melissa & Doug.

¹² Tax effect of adjustments (Footnotes 1-10). 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 September 30, 2025 and 2024 are as follows:

(US\$ millions)	Q3 2025					Q3 2024				
	Toys	Entertain- ment	Digital Games	Corporate & Other ¹	Total	Toys	Entertain- ment	Digital Games	Corporate & Other ¹	Total
Revenue	650.4	32.8	51.5	—	734.7	810.9	37.1	37.7	—	885.7
Operating Income (Loss)	128.8	11.9	15.9	(5.6)	151.0	183.5	19.9	5.1	(5.3)	203.2
Adjusting items:										
Share based compensation	3.7	0.4	0.6	(0.5)	4.2	6.6	0.5	1.1	1.1	9.3
Impairment of property, plant and equipment	2.1	—	—	—	2.1	0.1	—	—	—	0.1
Amortization of intangible assets acquired	1.7	—	—	—	1.7	1.8	—	—	—	1.8
Transaction and integration costs	0.2	—	0.2	0.8	1.2	2.7	—	—	1.2	3.9
Investment loss, net	—	—	—	1.1	1.1	—	—	—	0.4	0.4
Restructuring and other related costs	0.3	—	—	0.7	1.0	2.0	0.1	0.6	—	2.7
Acquisition related deferred incentive compensation	0.2	—	0.5	—	0.7	0.4	—	0.5	—	0.9
Foreign exchange loss (gain)	—	—	—	0.4	0.4	—	—	—	(1.2)	(1.2)
Legal settlement expense	—	—	—	—	—	—	0.4	—	—	0.4
Fair value adjustment for inventories acquired	—	—	—	—	—	21.5	—	—	—	21.5
Acquisition related deferred consideration	(0.5)	—	—	—	(0.5)	0.4	—	—	—	0.4
Impairment of intangible assets	(0.5)	—	—	—	(0.5)	—	—	—	—	—
Adjusted Operating Income (Loss)	136.0	12.2	17.3	(3.1)	162.4	219.0	20.9	7.3	(3.8)	243.4
Adjusted Operating Margin	20.9%	37.2%	33.6%	n.m.	22.1%	27.0%	56.3%	19.4%	n.m.	27.5%
Depreciation and amortization ²	20.4	9.6	3.1	—	33.1	23.2	9.1	1.8	—	34.1
Adjusted EBITDA	156.4	21.8	20.4	(3.1)	195.5	242.2	30.0	9.1	(3.8)	277.5
Adjusted EBITDA Margin	24.0%	66.5%	39.6%	n.m.	26.6%	29.9%	80.9%	24.1%	n.m.	31.3%

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

² Depreciation and amortization for the calculation of Adjusted EBITDA excludes \$1.7 million (Q3 2024 - \$1.8 million) of amortization of intangible assets acquired with Melissa & Doug.