WildBrain Ltd.

Unaudited Interim Condensed Consolidated
Financial Statements
March 31, 2021
(expressed in thousands of Canadian dollars)

May 11, 2021

Management’s Responsibility for Financial Reporting

The accompanying unaudited interim condensed consolidated financial statements of WildBrain Ltd. (the “Company”) are the responsibility of management and have been approved by the Board of Directors (the “Board”). The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the unaudited interim condensed consolidated financial statements. The Board carries out this responsibility through its Audit Committee. The Audit Committee reviews the Company’s unaudited interim condensed consolidated financial statements and recommends their approval by the Board.

The Audit Committee is appointed by the Board and all of its members are independent directors. It meets with the Company’s management and reviews internal control and financial reporting matters to ensure that management is properly discharging its responsibilities before submitting the unaudited interim condensed consolidated financial statements to the Board for approval.

The unaudited interim condensed consolidated financial statements have been prepared by management in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board. When alternative methods of accounting exist, management has chosen those it deems most appropriate in the circumstances. The unaudited interim condensed consolidated financial statements include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the unaudited interim condensed consolidated financial statements, management must make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

(signed) *"Eric Ellenbogen"*
Chief Executive Officer
New York, New York

(signed) *"Aaron Ames"*
Chief Financial Officer
Toronto, Ontario

WildBrain Ltd.
Unaudited Interim Condensed Consolidated Balance Sheet
As at March 31, 2021 and June 30, 2020

(expressed in thousands of Canadian dollars)

	March 31, 2021	June 30, 2020
	$	$
Assets		
Current assets		
Cash	68,387	67,889
Restricted cash	13,825	16,637
Amounts receivable (note 5)	190,519	200,217
Prepaid expenses and other	8,928	8,779
Investment in film and television programs (note 6)	146,410	140,548
	428,069	434,070
Long-term amounts receivable (note 5)	45,967	21,035
Acquired and library content (note 7)	104,580	109,076
Property and equipment	48,977	54,245
Intangible assets	440,880	472,531
Goodwill	53,483	55,344
	1,121,956	1,146,301
Liabilities		
Current liabilities		
Bank indebtedness (note 8)	—	10,000
Accounts payable and accrued liabilities	121,487	98,927
Deferred revenue	41,259	48,371
Interim production financing (note 8)	58,683	66,688
Current portion of lease liabilities	9,778	9,274
Current portion of long-term debt (note 8)	3,584	—
	234,791	233,260
Long-term debt (note 8)	482,762	502,006
Long-term lease liabilities	35,864	41,552
Derivative liabilities (note 14)	40,542	7,089
Other long-term liabilities	15,708	2,647
Deferred income taxes	13,686	18,261
	823,353	804,815
Shareholders' Equity		
Equity attributable to shareholders of the Company	59,327	81,351
Non-controlling interest	239,276	260,135
	298,603	341,486
	1,121,956	1,146,301

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

WildBrain Ltd.

Unaudited Interim Condensed Consolidated Statement of Income (Loss)

For the three and nine-month periods ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars, except for amounts per share)

	Three months ended		Nine months ended	
	March 31, 2021 $	**March 31, 2020 $**	**March 31, 2021 $**	**March 31, 2020 $**
Revenues (note 18)	102,198	98,341	339,922	332,732
Other income from litigation settlement (note 11)	—	—	4,372	—
Expenses (note 13)				
Direct production costs and expense of film and television produced	58,264	53,942	190,973	184,446
Amortization of acquired and library content (note 7)	2,851	3,030	8,311	8,998
Amortization of property and equipment and intangible assets	6,002	6,526	17,191	18,122
Write-down of investment in film and television programs, acquired and library content, property and equipment, intangible assets and goodwill (notes 6,7)	346	187,300	6,695	194,104
Selling, general and administrative	18,969	20,492	58,090	61,366
Share-based compensation (note 10)	786	1,172	4,359	3,790
Finance costs, net (note 12)	12,958	10,022	32,196	39,939
Change in fair value of embedded derivatives	23,501	(1,833)	32,799	(3,747)
Foreign exchange (gain) loss	(97)	25,921	(19,543)	24,311
Reorganization, development and other	1,926	2,444	6,257	15,780
	125,506	309,016	337,328	547,109
(Loss) income before income taxes	(23,308)	(210,675)	6,966	(214,377)
(Recovery of) provision for income taxes (note 9)				
Current	(66)	(1,541)	2,486	(958)
Deferred	(1,003)	5,677	(3,192)	2,881
	(1,069)	4,136	(706)	1,923
Net (loss) income for the period	(22,239)	(214,811)	7,672	(216,300)
Net income attributable to non-controlling interests	4,285	6,896	26,159	23,679
Net loss attributable to shareholders of the Company	(26,524)	(221,707)	(18,487)	(239,979)
Basic loss per common share (note 15)	(0.15)	(1.30)	(0.11)	(1.58)
Diluted loss per common share (note 15)	(0.15)	(1.30)	(0.11)	(1.58)

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

WildBrain Ltd.

Unaudited Interim Condensed Consolidated Statement of Comprehensive Loss

For the three and nine month periods ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars)

	Three months ended		Nine months ended	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
	$	**$**	**$**	**$**
Net (loss) income for the period	(22,239)	(214,811)	7,672	(216,300)
Other comprehensive (loss) income				
Items that may be subsequently reclassified to the statement of income (loss)				
Foreign currency translation adjustment	(5,182)	40,202	(27,650)	40,307
Comprehensive loss for the period	(27,421)	(174,609)	(19,978)	(175,993)

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

WildBrain Ltd.

Unaudited Interim Condensed Consolidated Statement of Changes in Equity
For the nine-month periods ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars)

	Common shares $	Contributed surplus $	Accumulated other comprehensive income (loss) $	Deficit $	Non-controlling interest $	Total $
Balance- July 1, 2019	307,158	29,238	(19,982)	(73,381)	256,945	499,978
Net (loss) income for the period	—	—	—	(239,979)	23,679	(216,300)
Other comprehensive income (loss) for the period	—	—	18,407	—	21,900	40,307
Comprehensive income (loss) for the period	—	—	18,407	(239,979)	45,579	(175,993)
Common shares issued, net of issuance costs and deferred taxes	59,218	(588)	—	—	—	58,630
Reclassification of deferred share units to equity-settled	—	245	—	—	—	245
Share-based compensation (note 10)	—	3,791	—	—	—	3,791
Distributions to non-controlling interests	—	—	—	—	(29,611)	(29,611)
Balance - March 31, 2020	366,376	32,686	(1,575)	(313,360)	272,913	357,040
Balance - July 1, 2020	366,235	36,543	(12,080)	(309,347)	260,135	341,486
Net (loss) income for the period	—	—	—	(18,487)	26,159	7,672
Other comprehensive loss for the period	—	—	(6,745)	—	(20,905)	(27,650)
Comprehensive (loss) income for the period	—	—	(6,745)	(18,487)	5,254	(19,978)
Common shares issued on exercise of equity based incentives (note 10)	1,818	(1,678)	—	—	—	140
Common shares withheld related to net share settlement (note 10)	—	(405)	—	—	—	(405)
Common shares purchased held in trust (note 10)	(788)	(98)	—	—	—	(886)
Share-based compensation (note 10)	—	4,359	—	—	—	4,359
Distributions to non-controlling interests	—	—	—	—	(26,113)	(26,113)
Balance - March 31, 2021	367,265	38,721	(18,825)	(327,834)	239,276	298,603

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

WildBrain Ltd.
Unaudited Interim Condensed Consolidated Statement of Cash Flows
For the nine-month periods ended March 31, 2021 and 2020

(expressed in thousands of Canadian dollars)

	March 31, 2021 $	March 31, 2020 $
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	7,672	(216,300)
Charges (credits) not involving cash		
Amortization of property and equipment	9,234	10,342
Amortization of intangible assets	7,957	7,780
Amortization of acquired and library content	8,311	8,998
Accretion expense and amortization of deferred financing fees	7,955	6,319
Unrealized foreign exchange gain (loss)	(25,482)	22,650
Share-based compensation	4,359	3,791
Loss on modification of long-term debt and write-down of unamortized issue costs	3,496	8,265
Change in fair value of embedded derivatives	32,799	(3,747)
Interest income	(1,522)	(1,518)
Interest expense	22,267	26,873
Deferred tax (recovery) expense	(3,192)	2,881
Write-down of investment in film and television programs	6,316	6,895
Write-down of acquired and library content	379	193
Write-down of property and equipment	—	2,473
Write-down of goodwill	—	184,543
Net investment in film and television programs (note 17)	(9,916)	(4,952)
Net change in non-cash balances related to operations (note 17)	12,359	40,865
Cash provided by operating activities (note 3)	82,992	106,351
Financing activities		
Common shares issued on exercise of equity based incentives	140	60,513
Common shares withheld related to net share settlement	(405)	—
Common shares issuance costs	—	(1,883)
Common shares purchased held in trust	(886)	—
Distributions to non-controlling interests	(26,113)	(27,895)
(Repayment of) proceeds from bank indebtedness	(10,000)	10,000
Proceeds from (repayment of) long-term debt	18,662	(57,819)
Payment of debt issue costs	(11,351)	(2,934)
Interest paid	(24,235)	(28,066)
Repayment of obligations under finance leases	(7,026)	(7,714)
Repayment of interim production financing, net (note 17)	(8,005)	(24,898)
Cash used in financing activities (note 3)	(69,219)	(80,696)
Investing activities		
Acquisition of assets (note 4)	(8,918)	—
Acquisition of property and equipment	(2,076)	(3,854)
Acquisition of intangible assets	(2,686)	(1,976)
Cash used in investing activities	(13,680)	(5,830)
Effect of foreign exchange rate changes on cash	(2,407)	2,397
Net change in cash and restricted cash during the period	(2,314)	22,222
Cash and restricted cash - Beginning of the period	84,526	39,999
Cash and restricted cash - End of the period	82,212	62,221

Supplemental information (note 17)

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

1 Nature of business

WildBrain Ltd., formerly known as DHX Media Ltd. (the "Company" or "WildBrain"), was incorporated on February 12, 2004 under the laws of the Province of Nova Scotia, Canada, and continued on April 25, 2006 under the Canada Business Corporation Act. The Company is a public company whose common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol 'WILD' and were previously traded on the NASDAQ Global Trading Market ("NASDAQ") under the symbol 'DHXM'.

On December 24, 2019, the Company voluntarily delisted its common shares from NASDAQ and ceased trading on the U.S. stock exchange. Following the NASDAQ delisting, the Company filed the forms required to voluntarily deregister its shares in the U.S. and terminate its public reporting obligations with the Securities Exchange Commission.

The Company develops, produces and distributes films and television programs for domestic and international markets; licenses its brands in the domestic and international markets; broadcasts films and television programs in the domestic market; sells advertising on various ad-supported video-on-demand platforms; and manages copyrights, licensing and brands for third parties. The address of the Company's head office is 5657 Spring Garden Road, Unit 505, Halifax, Nova Scotia, B3J 3R4.

2 Basis of preparation

These unaudited interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, and follow the same accounting policies as those used in the Company's most recent audited annual consolidated financial statements. These unaudited interim condensed consolidated financial statements do not include all the disclosures included in the Company's audited annual consolidated financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements.

These unaudited interim condensed consolidated financial statements have been authorized for issuance by the Board of Directors on May 11, 2021.

3 Summary of significant accounting policies, judgments and estimation uncertainty

These unaudited interim condensed consolidated financial statements have been prepared using the same policies and methods as the annual consolidated financial statements of the Company for the year ended June 30, 2020, other than the change in accounting policy described below.

Significant accounting judgments and estimation uncertainty

The preparation of unaudited interim condensed consolidated financial statements under IFRS requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable. Actual results may differ materially from these estimates.

During the third quarter of fiscal 2020, the outbreak of the coronavirus pandemic, identified as "COVID-19" and declared a global pandemic by the World Health Organization on March 11, 2020, resulted in federal and provincial governments enacting emergency measures to combat the spread of the virus. In response, many countries have required entities to limit or suspend business operations and implement travel restrictions and quarantine measures. These measures have disrupted the operating activities of many entities and have led to significant volatility in the global markets. These conditions continued to exist as at March 31, 2021. This has

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resulted in significant economic uncertainty, and the potential impact on the Company's future financial results is difficult to reliably measure. The Company has implemented monitoring procedures to actively manage the developing impacts from COVID-19, including but not limited to, the potential future effects on its assets, cash flow and liquidity, the impacts to the Company's operations and the value of assets and liabilities reported in these unaudited interim condensed consolidated financial statements. Additional information on the Company's credit, liquidity, and currency risks and the management of such risks can be found in note 14.

Standards issued but not yet effective

There are no new standards issued but not yet effective as at March 31, 2021 that have a material impact to the Company's unaudited interim condensed consolidated financial statements.

Change in accounting policy

In the first quarter of fiscal 2021, the Company changed its accounting policy for the presentation of cash interest paid in the unaudited interim condensed consolidated statement of cash flows. Specifically, cash interest paid that was previously included in operating cash flows has been reclassified to financing cash flows, as permitted by IAS 7, *Statement of cash flows*. Cash interest paid relates primarily to interest paid on the Company's long-term debt, bank indebtedness and lease liabilities, which were drawn on in prior periods to fund asset acquisitions including acquired and library content assets and right-of-use assets. Management believes this change more appropriately reflects the Company's financing activities during the period. The following reconciles each line item in the unaudited interim condensed consolidated statement of cash flows affected by this change in the comparative interim period:

	March 31, 2020
Cash provided by operating activities, as previously reported	78,285
Add back:	
Interest paid	28,066
Cash provided by operating activities	106,351
Cash used in financing activities, as previously reported	(52,630)
Less:	
Interest paid	(28,066)
Cash used in financing activities	(80,696)

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

4 Acquisition of assets

On November 12, 2020, the Company acquired 100% of the outstanding shares of an entity which held the Peanuts representation agreement for the Italian territory for cash consideration of €1,275 ($1,975), of which €500 was payable upon closing, and the remainder payable over a two-year period. The Company elected to perform the optional concentration test, and determined that substantially all of the fair value of assets acquired related to the Peanuts representation agreement. Therefore, the acquisition was determined not to be a business and the purchase price was allocated entirely to the Peanuts representation agreement intangible asset.

On December 4, 2020 and December 31, 2020, the Company purchased the rights, title and interest of certain children's properties for an aggregate purchase price of US$7,000 ($8,918). These assets were classified as acquired and library content in the unaudited interim condensed consolidated balance sheet.

5 Amounts receivable

	March 31, 2021 $	June 30, 2020 $
Trade receivables	129,784	134,266
Less: Loss allowance on trade receivables	(7,986)	(7,720)
Trade receivables, net of loss allowance	121,798	126,546
Sales tax receivable	711	433
Federal and provincial film tax credits and other government assistance	68,010	73,238
Short-term amounts receivable	190,519	200,217
Long-term amounts receivable	45,967	21,035
Total amounts receivable	236,486	221,252

The aging of trade receivables is as follows:

	March 31, 2021 $	June 30, 2020 $
Less than 60 days	105,701	103,841
Between 60 and 90 days	3,995	7,594
Over 90 days	20,088	22,831
	129,784	134,266

A continuity of loss allowance on trade receivables as follows:

	March 31, 2021 $	June 30, 2020 $
Opening balance	7,720	9,354
Loss allowance on trade receivables	2,403	3,254
Receivables written off in the period	(2,306)	(5,067)
Foreign exchange	169	179
Ending balance	7,986	7,720

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

6 Investment in film and television programs

	March 31, 2021 $	June 30, 2020 $
Development costs	3,368	2,761
Productions in progress		
Cost, net of government and third-party assistance	27,606	10,279
Productions completed and released		
Cost, net of government and third-party assistance	650,829	611,815
Accumulated expense	(502,087)	(462,176)
Accumulated write-down of investment in film and television programs	(51,444)	(45,128)
	97,298	104,511
Program and film rights - broadcasting		
Cost	162,188	158,951
Accumulated expense	(138,313)	(130,217)
Accumulated write-down of program and film rights	(5,737)	(5,737)
	18,138	22,997
	146,410	140,548

All program and film rights - broadcasting relate to WildBrain Television.

The continuity of investment in film and television programs is as follows:

	March 31, 2021 $	June 30, 2020 $
Net opening investment in film and television programs	140,548	148,561
Increase in development costs	607	1,202
Cost of productions (completed and released and productions in progress), net of assistance	54,079	44,969
Expense of investment in film and television programs	(39,911)	(44,970)
Write-down of investment in film and television programs	(6,316)	(7,833)
Increase of program and film rights - broadcasting	3,237	10,663
Expense of program and film rights - broadcasting	(8,096)	(13,096)
Write-down of program and film rights - broadcasting	—	(118)
Foreign exchange	2,262	1,170
	146,410	140,548

During the nine-month period ended March 31, 2021, interest of $581 (March 31, 2020 - $161) was capitalized to investment in film and television programs.

During the nine-month period ended March 31, 2021, the Company recorded $6,316 in the write-down of certain investments in film, television programs and broadcasting film rights (March 31, 2020 - $7,833). These write-downs are related to weaker than expected revenue performance and management's outlook for certain titles in the Company's library.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

7 Acquired and library content

	March 31, 2021 $	June 30, 2020 $
Net opening acquired and library content	109,076	118,247
Additions (note 4)	8,918	—
Write-down of acquired and library content	(379)	(193)
Amortization	(8,311)	(12,082)
Foreign exchange	(4,724)	3,104
	104,580	109,076

8 Credit facilities

	March 31, 2021 $	June 30, 2020 $
Bank indebtedness	—	10,000
Interim production financing	58,683	66,688
Term Facility, net of unamortized issue costs of $11,228 (June 30, 2020 - $4,520)	347,160	372,280
Convertible debentures, net of unamortized issue costs and conversion option of $17,292 (June 30, 2020 - $20,269)	122,708	119,731
Exchangeable debentures, net of unamortized issue costs and conversion option of $6,783 (June 30, 2020 - $6,642)	16,478	9,995
Total	545,029	578,694
Amount due within 12 months	(62,267)	(76,688)
Amount due beyond 12 months	482,762	502,006

a) Bank indebtedness ("Revolving Facility")

On March 26, 2021, the Company entered into a new five-year, US$30 million Revolving Facility with an interest rate of LIBOR plus 4.00%. The Revolving Facility does not carry a financial maintenance covenant, except when amounts are drawn and outstanding. The new Revolving Facility matures on the earlier of March 26, 2026 or three months prior to the maturity of the Company's convertible debentures dated September 30, 2024, except where converted. As at March 31, 2021, $nil (June 30, 2020 - $10,000) was drawn on the Revolving Facility.

b) Interim production financing

	March 31, 2021 $	June 30, 2020 $
Interim production credit facilities	58,683	66,688

The Company has interim production credit facilities with various financial institutions and other entities, bearing interest at bank prime plus 0.5% - 1.0%, LIBOR plus 2.50% or base rate of 5.75% plus 0.5%. Assignment and direction of specific production financing, licensing contracts receivable and film tax credits receivable have been pledged as security. As at March 31, 2021, the Canadian dollar bank prime rate was 2.45% (June 30, 2020 - 2.45%).

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

c) Term facility

On March 26, 2021, the Company completed the refinancing of its term facility with a new seven-year US$285 million senior secured term loan facility (the "Term Loan") maturing March 26, 2028. The term facility has no financial maintenance covenant and bears interest at a rate of LIBOR plus 4.25%. The net proceeds of the Term Loan were used to repay the previous US$276.5 million term facility maturing in December 2023. As a result of the refinancing, the Company recorded a loss on modification of long-term debt and write-down of unamortized issue costs of $3,496. Commencing on the fiscal quarter ending June 30, 2021, the Term Loan requires quarterly repayment equal to 0.25% of the initial principal amount. As at March 31, 2021, the Company's Term Loan had a principal balance of US$285,000, or $358,388 (June 30, 2020 - US$276,491, or $376,800).

The LIBOR rate is scheduled to be discontinued at the end of calendar year 2021. As part of the refinancing of the Term Loan and Revolving Facility completed March 26, 2021, alternative replacement rates for LIBOR were included in the agreement based on the secured overnight financing rate (SOFR), which is a benchmark interest rate for U.S. dollar denominated loans.

d) Senior unsecured convertible debentures ("Convertible Debentures")

As at March 31, 2021, the Convertible Debentures had a principal balance of $140,000 (June 30, 2020 - $140,000), bearing interest at an annual rate of 5.875% and paid semi-annually on March 31 and September 30 of each year. The Convertible Debentures are convertible into Common Voting Shares or Variable Voting Shares of the Company at a price of $7.729 per share, subject to certain customary adjustments. The Convertible Debentures mature on September 30, 2024.

The Convertible Debentures have a cash conversion option whereby the Company can elect to make a cash payment in lieu of issuing Common Voting Shares or Variable Voting Shares upon exercise of the conversion option feature by the holder of the Convertible Debentures. As a result, the Convertible Debentures were deemed to have no equity component at initial recognition and the estimated fair value of the embedded derivatives is recorded as a financial liability and included with the debt component on the Company's unaudited interim condensed consolidated balance sheet. Changes in the estimated fair value of the embedded derivatives are recorded through the Company's unaudited interim condensed consolidated statement of income (loss). As at March 31, 2021, the estimated fair value of the embedded derivatives was $8,643 (June 30, 2020 - $1,980).

e) Exchangeable debentures

As at March 31, 2021, the Company's exchangeable debentures had a principal balance of US$18,497 or $23,260 (June 30, 2020 - US$12,208 or $16,637) bearing interest at an annual rate of 7.5% payable at maturity and are exchangeable for Variable Voting Shares of the Company at a conversion price of US$1.072855 per share. The exchangeable debentures mature on June 24, 2023 and are non-recourse to the Company.

The exchangeable debentures were issued to certain funds managed by Fine Capital Partners, L.P., a related party of the Company. The exchangeable debentures were issued by a newly-formed single purpose subsidiary of the Company, which is excluded from the security granted to the lenders under the Company's Senior Secured Credit Agreement. As a result, it is also excluded from the calculation of the net leverage ratio covenant, where applicable. Proceeds from the exchangeable debentures are earmarked for investments in growth initiatives to drive the Company's content and brand strategy, and therefore have been classified as restricted cash in the unaudited interim condensed consolidated balance sheet.

On March 4, 2021, the Company issued the remaining US$6,289, or $7,908 on the exchangeable debenture. The conversion option represents an embedded derivative with a fixed USD conversion price for Variable Voting Shares of the Company, which are denominated in Canadian dollars. As a result, and consistent with the

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

treatment of the first tranche of the debentures issued in June 2020, the exchangeable debentures were deemed to have no equity component at initial recognition and the estimated fair value of the embedded derivatives was recorded as a derivative liability.

The initial value of the embedded derivative on the second tranche was determined to be US$8,699, of which US$1,980 has been included as part of the exchangeable debenture instrument on initial recognition. The remaining US$6,719 has been recognized as a change in fair value of embedded derivatives within the unaudited interim condensed consolidated statement of income (loss).

During the three and nine-month periods ended March 31, 2021, a change in fair value of the embedded derivative of $18,389 and $26,136 was recorded (March 31, 2020 - $nil and $nil), and the estimated fair value of the embedded derivative as at March 31, 2021 was $32,074 (June 30, 2020 - $4,670).

During the nine-month period ended March 31, 2021, the Company purchased the rights, title and interest of certain children's properties for an aggregate purchase price of US$7,000 (note 4) using proceeds from the exchangeable debentures. These assets are held in the newly-formed entity and serve as security against the exchangeable debentures.

9 Income taxes

For the three and nine-month periods ended March 31, 2021, income tax recovery was $1,069 and $706 (March 31, 2020 - expense of $4,136 and $1,923). The income tax (recovery) expense in each period reflects the mix of taxing jurisdictions in which pre-tax income and losses were recognized. The income attributable to non-controlling interests is taxed outside the Company. Further items impacting the effective tax rate include the different statutory tax rates in the taxing jurisdictions, non-deductible items and the continued derecognition of certain deferred tax assets in Canada.

10 Share capital and contributed surplus

Preferred Variable Voting Shares ("PVVS")

On March 19, 2021, 500,000,000 PVVS were transferred to the Company's President, Josh Scherba ("Scherba"), in accordance with the terms of a shareholders agreement among the Company and holder of the PVVS (the “PVVS Shareholder Agreement”).

On the date of such transfer, Scherba entered into the PVVS Shareholder Agreement with the Company, pursuant to which Scherba: (i) agreed not to transfer the PVVS, in whole or in part, except with the prior written approval of the Board; (ii) granted to the Company the unilateral right to compel the transfer of the PVVS, at any time and from time to time, in whole or in part, to a person designated by the Board; and (iii) granted to the Company a power of attorney to effect any transfers contemplated by the PVVS Shareholder Agreement. The Board will not approve or compel a transfer without first obtaining the approval of the TSX and the PVVS Shareholder Agreement cannot be amended, waived or terminated unless approved by the TSX.

The PVVS were issued in order to ensure that the Company complies with Canadian ownership and control requirements under the Broadcasting Act (Canada). The additional PVVS will have no impact on voting or economic rights of shareholders.

The votes attached to the PVVS as a class are automatically adjusted so that they, together with the votes attached to the common shares that are owned by Canadians, equal 55% of the votes attached to all shares in the capital of the Company. The votes attached to the PVVS as a class are, in aggregate, not less than 1% of the votes attached to all shares in the capital of the Company. The PVVS are not listed on any stock exchange.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

Common shares

The common shares of the Company are inclusive of Common Voting Shares, Variable Voting Shares and Non-Voting Shares. As at March 31, 2021, the Company had 22,656,658 Common Voting Shares and 149,127,793 Variable Voting Shares issued and outstanding (June 30, 2020 - 27,887,163 and 143,044,611, respectively).

Omnibus equity incentive plan ("Omnibus Plan")

On December 17, 2019, the shareholders of the Company approved the adoption of the Omnibus Plan, a single umbrella plan that provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, restricted share units and performance share units. The Omnibus Plan provides the aggregate maximum number of equity-awards issuable not to exceed 8.5% of the Company's total issued and outstanding Common and Variable Voting Shares. As at March 31, 2021, the total amount reserved for issuance under the Omnibus Plan was 14,601,678 (June 30, 2020 - 14,540,580).

Options

During the three and nine-month periods ended March 31, 2021 and 2020, the Company recognized a share-based compensation expense of $95 and $318 for the vesting of options (March 31, 2020 - $230 and $1,182, respectively), with a corresponding adjustment to contributed surplus.

During the nine-month period ended March 31, 2021, there were no options granted, 112,500 options forfeited, 150,000 options expired, and 62,500 options exercised.

Performance share unit plan

During the three and nine-month periods ended March 31, 2021 and 2020, the Company recognized share-based compensation expense on the current year awards of $29 and $92 (March 31, 2020 - $33 and$23, respectively) with a corresponding adjustment to contributed surplus.

During the nine-month period ended March 31, 2021, there were 50,000 PSUs forfeited.

Restricted share unit plan ("RSUs")

During the three and nine-month periods ended March 31, 2021 and 2020, the Company recognized share-based compensation expense of $499 and $2,419 (March 31, 2020 - $597 and $2,075, respectively) with a corresponding adjustment to contributed surplus.

During the nine-month period ended March 31, 2021, there were 502,144 RSUs granted, 201,688 RSUs forfeited and 1,417,913 RSUs exercised.

Deferred share unit plan ("DSUs")

During the three and nine-month periods ended March 31, 2021 and 2020, the Company recognized share-based compensation expense of $121 and $1,419 (March 31, 2020 - $230 and $1,585, respectively) with a corresponding adjustment to contributed surplus, and included $130 for services rendered but DSUs not yet granted.

During the nine-month period ended March 31, 2021, there were 1,256,008 DSUs granted and 117,386 DSUs exercised.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

Long term incentives plan ("LTIP")

During the three and nine-month periods ended March 31, 2021 and 2020, the Company recognized share-based compensation expense of $39 and $103 (March 31, 2020 - $80 and $518, respectively) with a corresponding adjustment to contributed surplus.

Employee stock purchase plan

During the three and nine-month periods ended March 31, 2021 and 2020, the Company recognized share-based compensation expense of $3 and $8 (March 31, 2020 - $3 and $20, respectively) with a corresponding adjustment to contributed surplus.

11 Other income from litigation settlement

During the second quarter of fiscal 2021, the Company reached a settlement agreement related to a litigation with former employees of the Company. The settlement agreement included $4,372 in award damages, which has been classified as other income in the unaudited interim condensed consolidated statement of income (loss). The settlement also contemplates the reimbursement of a portion of legal costs incurred in relation to the litigation, which will be recognized when received or realization is virtually certain.

12 Finance costs, net

Net finance costs comprised the following:

	Three months ended		Nine months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	$	$	$	$
Finance costs				
Interest income	(529)	(403)	(1,522)	(1,518)
Interest expense on bank indebtedness	45	19	254	43
Interest on long-term debt	7,044	7,727	21,404	24,760
Interest on completed and released productions	159	755	609	2,070
Amortization of deferred financing fees	623	544	1,856	2,375
Loss on modification of long-term debt and write-down of unamortized issue costs	3,496	—	3,496	8,265
Accretion on Convertible Debentures, exchangeable debentures, lease liabilities and other	2,121	1,380	6,099	3,944
	12,959	10,022	32,196	39,939

Interest income is comprised of accretion on long-term amounts receivable and cash interest earned on bank deposits and tax credit receivables.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

13 Expenses by nature and employee benefit expense

The following sets out the expenses by nature and employee benefits expense:

	Three months ended		Nine months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	$	$	$	$
Direct production and new media costs	44,876	38,874	142,966	144,245
Expense of film and television programs	11,058	11,625	39,911	29,971
Expense of film and broadcast rights for broadcasting	2,330	3,443	8,096	10,229
Amortization of property and equipment and intangible assets	6,002	6,526	17,191	18,122
Amortization of acquired and library content	2,851	3,030	8,311	8,998
Write-down of investment in film and television programs and acquired and library content	346	187,300	6,695	194,104
Office and administrative	4,692	4,615	13,022	13,642
Investor relations and marketing	547	632	1,388	2,395
Professional and regulatory	2,158	1,999	6,085	6,385
Reorganization, development and other, excluding employee benefits	1,546	1,241	4,220	6,150
Finance costs, net	12,958	10,022	32,196	39,939
Change in fair value of embedded derivatives	23,501	(1,833)	32,799	(3,747)
Foreign exchange (gain)/loss	(97)	25,921	(19,543)	24,311
	112,768	293,395	293,337	494,744
Employee benefits expense:				
Salaries and employee benefits	11,572	13,245	37,595	38,944
Share-based compensation (note 10)	786	1,173	4,359	3,791
Termination and other benefits	380	1,203	2,037	9,630
	12,738	15,621	43,991	52,365
	125,506	309,016	337,328	547,109

During the three-month period ended March 31, 2021 and 2020, included in reorganization, development and other costs were corporate rebranding charges of $660, legal fees associated with a dispute with former employees of $201, systems upgrade and process enhancement initiatives of $39, and other costs of $646 (March 31, 2020 - legal fees associated with a dispute with former employees of $998, rebranding costs of $985, offset by systems upgrade and process enhancement initiatives recovery of $387 and other recoveries of $355).

During the nine-month period ended March 31, 2021 and 2020, included in reorganization, development and other costs were corporate rebranding charges of $660, legal fees associated with a dispute with former employees of $1,702, systems upgrade and process enhancement initiatives of $225, and other costs of $1,633 (March 31, 2020 - legal fees associated with a dispute with former employees of $2,303, systems upgrade and process enhancement initiatives of $1,095, rebranding costs of $2,732, and other fees of $20).

During the three and nine-month periods ended March 31, 2021 and 2020, included in salaries and employee benefits expenses were various government wage subsidies of $2,213 and $4,662, respectively (March 31, 2020 - $nil for both periods).

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

14 Management of financial risks and financial instruments

The financial risks arising from the Company’s operations include credit risk, interest rate risk, liquidity risk, currency risk and market risk. These risks arise from the normal course of operations. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

During the three and nine-month periods ended March 31, 2021, the outbreak of the COVID-19 pandemic continued to cause significant disruption to businesses globally and market volatility, resulting in an economic slowdown.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or counter-party to a financial asset or liability fails to meet its contractual obligations, and arises primarily from the Company's cash (including restricted cash) and credit exposure to customers through its outstanding trade receivables.

The maximum exposure to credit risk for cash (including restricted cash) and trade receivables (excluding government and film tax credit receivables) approximates the amounts recorded on the unaudited interim condensed consolidated balance sheet of $257,963 (June 30, 2020 - $239,827). The Company manages credit risk on cash and cash equivalents by ensuring that the counter-parties are banks, governments and government agencies with high credit ratings.

The balance of trade amounts receivable is mainly with Canadian broadcasters and large international distribution companies. Management manages credit risk by performing a credit assessment on new customers and regularly reviewing aged accounts receivable. To determine the loss allowance for trade receivables, management assessed the lifetime expected credit losses of customers by categorizing these customers into different risk profile groups and applying provision percentages based on historical loss rates and management's experience and judgment. The loss allowance for trade receivables represents approximately 6.2% of current trade receivables, which management believes is adequate. Further, long-term receivable arrangements are only granted to large international linear and digital broadcasting companies with good payment history.

COVID-19 has increased the credit risk in the Company's trade receivables. To manage this risk, the Company has increased its collection efforts with customers, risk-adjusted certain customers when determining a loss allowance, and in some limited cases provided customers with payment plans on past due amounts. Certain customers of the consumer-products segment, in particular Peanuts, are licensees who have been impacted by the closure of retailers during the pandemic and the Company is closely monitoring these receivables. Given that the majority of the Company's customers are large Canadian and international broadcasters, or large international distribution companies, there has not been evidence of significant deterioration in the credit quality of our customers and trade receivables to date.

The Company is unable to predict or anticipate the full extent or duration of impact due to COVID-19 at this time. Based on collections subsequent to the current quarter, and discussions with customers, the Company believes that the loss provision is adequate as at March 31, 2021.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

b) Interest rate risk

The Company's interest rate risk primarily relates to its interim production financing, Revolving Facility, Term Facility, and cash which are subject to interest rate benchmarks that fluctuate such as prime rate, LIBOR rate, bankers acceptance rates and other applicable interest rate benchmarks.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity by maintaining sufficient unused capacity within its term facility, regularly preparing cash flow forecasts, continuously monitoring actual and projected cash flows, and matching the maturity profile of financial assets and liabilities.

The following table summarizes the Company's financial liabilities and their contractual maturities:

	Total $	Less than 1 year $	1 to 3 years $	3 to 5 years $	After 5 years $
Accounts payable and accrued liabilities	121,487	121,487	—	—	—
Interim production financing	58,683	58,683	—	—	—
Other long-term liabilities	15,708	—	13,417	2,291	—
Convertible Debentures	168,799	8,225	16,450	144,124	—
Exchangeable debentures	28,671	—	28,671	—	—
Term facility	461,412	18,759	37,060	36,451	369,142
Finance lease obligations	51,131	11,851	19,628	13,592	6,060
	905,891	219,005	115,226	196,458	375,202

Contractual payments in the table above include fixed rate interest payments but exclude variable rate interest payments and are not discounted.

The Company operates a diverse range of business lines, including production studio services, linear and digital content distribution, consumer products licensing, consumer products representation and television broadcasting. While the operating results may experience variability from period to period, the operating cash flows are generally predictable based on the Company's production and content pipeline, contract renewals, royalty agreements, associated minimum guarantees and television subscriber fees.

As at March 31, 2021, the Company had cash balances of $68,387 and amounts receivable of $236,486. Based on the Company's cash balances and available credit facilities, expected collection of trade and other receivables and forecasted operating results, management believes it will be able to fulfill its financial obligations as they become due. The extent to which COVID-19 impacts the Company's liquidity and availability of credit will depend on future developments that are highly uncertain, and the Company will continue to monitor this closely.

d) Currency risk

The Company has global operations which require holding cash and working capital balances, generating revenue and incurring costs in foreign currencies. These activities result in exposure to fluctuations in foreign currency exchange rates. The Company periodically enters into foreign exchange forward contracts to manage its foreign exchange risk across its portfolio of currencies, which are primarily denominated in Canadian dollars, US dollars and GBP.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

Fair value of financial instruments

Financial instruments recorded at fair value on the unaudited interim condensed consolidated balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Valuation based on quoted prices observed in active markets for identical assets and liabilities.

Level 2 - Valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Valuation techniques with significant unobservable market inputs.

A financial instrument is classified to the lowest of the hierarchy for which a significant input has been considered in measuring fair value.

Fair value estimates are made at a specific point in time based on relevant market information. These are estimates and involve uncertainties and matters of significant judgment and cannot be determined with precision. Changes in assumptions and estimates could significantly affect fair values.

Financial assets and liabilities measured at fair value

	As at			
	March 31, 2021		June 30, 2020	
	Fair value hierarchy	Fair value[1]	Fair value hierarchy	Fair value[1]
		$		$
Embedded derivatives[2]	Level 2	(40,717)	Level 2	(6,650)
Foreign currency forwards[3]	Level 2	175	Level 2	(439)

[1] Derivative financial instruments are initially measured at fair value on the trade date. Subsequent valuations are based on observable inputs to the valuation model.

[2] Includes embedded derivatives for Convertible Debentures and exchangeable debenture, measured using valuation models.

[3] The fair value of foreign currency contracts is determined using prevailing exchange rates.

As at March 31, 2021, the Company held forward contract options with the following notional value and average contractual exchange rates:

US dollars exchange for GBP	
Less than one year	US $2,008 to $4,943
Weighted average rate	1.3300
US dollars exchange for CAD	
Less than one year	US $24,000 to $36,000
Weighted average rate	1.2800

The Company does not apply hedge accounting and the forward contract options are measured at fair value at each reporting date. The estimated fair value as at March 31, 2021 was an asset of $175 (June 30, 2020 - liability of $439), which has been included in derivative liabilities in the unaudited interim condensed consolidated balance sheet.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

Financial assets and liabilities not measured at fair value

The carrying amount of all financial instruments presented in the unaudited interim condensed consolidated financial statements approximate their fair values, except for the Convertible Debentures as follows:

	As at					
	March 31, 2021			June 30, 2020		
	Fair value hierarchy	Fair value liability	Carrying value	Fair value hierarchy	Fair value liability	Carrying value
		$	$		$	$
Convertible Debentures[(1)]	Level 1	131,600	121,691	Level 1	98,000	119,731

[(1)] The fair value of the Convertible Debentures is based on market quotes as these are actively traded on the open exchange.

15 Earnings or loss per common share

a) Basic

Basic earnings or loss per common share is calculated by dividing the net income (loss) attributable to shareholders of the Company by the weighted average number of common shares outstanding during the period.

	Three months ended		Nine months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	$	$	$	$
Net loss attributable to shareholders of the Company	(26,524)	(221,707)	(18,487)	(239,979)
Weighted average number of common shares outstanding (in 000's)	171,354	171,012	171,042	152,013
Basic loss per common share	(0.15)	(1.30)	(0.11)	(1.58)

b) Diluted

During the three and nine-month periods ended March 31, 2021 and 2020, the diluted weighted average number of common shares outstanding is the same as the basic weighted average number of common shares outstanding, as the Company had a net loss and the exercise of any potentially dilutive instruments would be anti-dilutive.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

16 Capital disclosures

The Company's objectives when managing capital are to provide an adequate return to shareholders, safeguard its assets, maintain a competitive cost structure and continue as a going concern in order to pursue the development, production, distribution and licensing of its film and television properties and broadcast operations. The balance of the Company's cash is being used to maximize ongoing development and reduce leverage.

The Company's capital as at March 31, 2021 and June 30, 2020 is summarized in the table below:

	March 31, 2021	June 30, 2020
	$	$
Total bank indebtedness and long-term debt, excluding interim production financing	486,346	512,006
Less: Cash and restricted cash	(82,212)	(84,526)
Net debt	404,134	427,480
Total shareholders' equity	298,603	341,486
	702,737	768,966

To facilitate the management of its capital structure, the Company prepares annual expenditure operating budgets that are updated as necessary depending on various factors including industry conditions and operating cash flows. These budgets are regularly reviewed by the Board of Directors.

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

17 Consolidated statement of cash flows - supplementary information

Net change in non-cash balances related to operations

	March 31, 2021 $	March 31, 2020 $
Decrease in amounts receivable	11,004	45,017
Increase in prepaid expenses and other	(149)	(1,285)
Increase in long-term amounts receivable	(24,932)	(342)
Increase in accounts payable and accrued liabilities	34,462	18,853
Increase (decrease) in deferred revenue	(7,112)	(19,202)
Tangible benefit obligation payments	(914)	(2,176)
	12,359	40,865

	March 31, 2021 $	March 31, 2020 $
Taxes paid	(2,324)	(5,676)
Taxes refunded	2,517	8,830
Proceeds from interim production financing	39,098	25,878
Repayment of interim production financing	(47,103)	(50,776)

Net change in film and television programs

	March 31, 2021 $	March 31, 2020 $
Increase in development	(607)	(1,049)
(Increase) decrease in productions in progress	(17,327)	5,829
Increase in productions completed and released	(36,752)	(41,546)
Expense of film and television programs	39,911	29,971
Increase in program and film rights - broadcasting	(3,237)	(8,386)
Expense of film and broadcast rights - broadcasting	8,096	10,229
	(9,916)	(4,952)

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

Reconciliation between the opening and closing balances on the unaudited interim condensed consolidated balance sheet arising from financing activities:

	Term facility	Senior unsecured convertible debentures	Lease liabilities	Exchangeable debentures	Total
	$	$	$	$	$
Balance - June 30, 2020	372,280	119,731	50,826	9,995	552,832
Proceeds (Repayments)	10,714	—	(7,026)	7,948	11,636
Payment of debt issue costs	(11,266)	—	—	—	(11,266)
Total financing cash flow activities	(552)	—	(7,026)	7,948	370
Amortization of deferred financing costs	1,021	670	—	165	1,856
Lease liabilities additions	—	—	2,131	—	2,131
Interest paid on lease liabilities	—	—	(1,983)	—	(1,983)
Accretion expense	254	2,307	1,983	1,809	6,353
Foreign exchange	(29,339)	—	(289)	(3,439)	(33,067)
Loss on modification of long-term debt and write-down of unamortized issue costs	3,496	—	—	—	3,496
Total other activities	(24,568)	2,977	1,842	(1,465)	(21,214)
Balance - March 31, 2021	347,160	122,708	45,642	16,478	531,988

	Term facility	Senior unsecured convertible debentures	Lease liabilities	Total
	$	$	$	$
Balance - June 30, 2019	407,031	116,095	6,187	529,313
Repayments	(57,819)	—	(7,714)	(65,533)
Total financing cash flow activities	(57,819)	—	(7,714)	(65,533)
Initial recognition of lease liabilities due to adoption of IFRS 16	—	—	34,167	34,167
Amortization of deferred financing costs	1,703	672	—	2,375
Loss on modification of long-term debt and write-down of unamortized issue costs	8,265	—	—	8,265
Lease liabilities additions	—	—	12,053	12,053
Payment of debt amendment fees	(2,934)	—	—	(2,934)
Interest paid on lease liabilities	—	—	(1,750)	(1,750)
Accretion expense	—	2,021	1,750	3,771
Foreign exchange	31,167	—	1,182	32,349
Total other activities	38,201	2,693	47,402	88,296
Balance - March 31, 2020	387,413	118,788	45,875	552,076

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

18 Revenues and segmented information

The Company operates production entities and offices throughout Canada, the United States and Europe.

In the first quarter of fiscal 2021, as a result of changes in the current market environment for content and the Company's integrated approach to managing and monetizing its content and intellectual property ("IP"), and certain changes in the Company's organization structure, including the establishment of a Content Investment Group (the "CIG"), the Company reassessed its operating segments and determined it would be appropriate to revise the number of reportable operating segments to two, being 1) Content; and 2) Canadian Television Broadcasting. The Content operating segment includes all operating activities which relate to the monetization of IP including production, distribution and consumer-product royalties and representation. In evaluating performance, the Chief Operating Decision Maker, defined as the Company's CEO, CFO and President, rely on recommendations by the CIG to assess and allocate resources. The change in segment presentation has been applied retrospectively to the comparative period.

During the three and nine-month periods ended March 31, 2021 and 2020, revenues from one customer of the Company's Content segment represent approximately $9,656 and $68,917 of total revenues respectively.

	Three months ended March 31, 2021		
	Content	**Television**	**Consolidated**
	$	**$**	**$**
Revenues	91,009	11,189	102,198
Direct production costs and expense of film and television produced and selling, general and administrative	67,103	4,992	72,095
Segment profit	23,906	6,197	30,103
Other income from litigation settlement			—
Corporate selling, general and administrative			5,924
Amortization of property and equipment and intangible assets			6,002
Amortization of acquired and library content			2,851
Write-down of investment in film and television programs			346
Finance costs, net			12,958
Change in fair value of embedded derivatives			23,501
Foreign exchange gain			(97)
Reorganization, development and other			1,926
Loss before income taxes			(23,308)

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

	Three months ended March 31, 2020		
	Content	**Television**	**Consolidated**
	$	**$**	**$**
Revenues	86,801	11,540	98,341
Direct production costs and expense of film and television produced and selling, general and administrative	65,228	5,962	71,190
Segment profit	21,573	5,578	27,151
Corporate selling, general and administrative			4,416
Amortization of property and equipment and intangible assets			6,526
Amortization of acquired and library content			3,030
Write-down of investment in film and television programs, acquired and library content, property and equipment, intangible assets and goodwill			187,300
Finance costs, net			10,022
Change in fair value of embedded derivatives			(1,833)
Foreign exchange loss			25,921
Reorganization, development and other			2,444
Loss before income taxes			(210,675)

	Nine months ended March 31, 2021		
	Content	**Television**	**Consolidated**
	$	**$**	**$**
Revenues	305,545	34,377	339,922
Direct production costs and expense of film and television produced and selling, general and administrative	221,250	16,262	237,512
Segment profit	84,295	18,115	102,410
Other income from litigation settlement			(4,372)
Corporate selling, general and administrative			15,910
Amortization of property and equipment and intangible assets			17,191
Amortization of acquired and library content			8,311
Write-down of investment in film and television programs			6,695
Finance costs, net			32,196
Change in fair value of embedded derivatives			32,799
Foreign exchange gain			(19,543)
Reorganization, development and other			6,257
Income before income taxes			6,966

(expressed in thousands of Canadian dollars unless otherwise noted, except for amounts per share)

	Nine months ended March 31, 2020		
	Content	Television	Consolidated
	$	$	$
Revenues	296,754	35,978	332,732
Direct production costs and expense of film and television produced, and selling, general and administrative	214,411	18,994	233,405
Segment profit	82,343	16,984	99,327
Corporate selling, general and administrative			16,197
Amortization of property and equipment and intangible assets			18,122
Amortization of acquired and library content			8,998
Write-down of investment in film and television programs, acquired and library content, property and equipment, intangible assets and goodwill			194,104
Finance costs, net			39,939
Change in fair value of embedded derivatives			(3,747)
Foreign exchange loss			24,311
Reorganization, development and other			15,780
Loss before income taxes			(214,377)

The following table presents the Company's disaggregated revenues recognized from contracts with customers:

	Three months ended		Nine months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	$	$	$	$
Content				
Content Production and Distribution	35,642	36,393	140,510	105,573
WildBrain Spark	9,644	9,471	34,053	55,808
Consumer Products	45,723	40,937	130,982	135,373
	91,009	86,801	305,545	296,754
Television				
Canadian Television Broadcasting	11,189	11,540	34,377	35,978
	102,198	98,341	339,922	332,732

19 Reclassification of comparatives

In the unaudited interim condensed consolidated statements of income (loss), the Company reclassified certain amounts to conform with the current period presentation. These reclassifications had no effect on the reported results of operations. Specifically, share-based compensation was previously included in selling, general and administrative. In the current period reporting, share-based compensation has been separately presented to provide improved transparency. During the three and nine-month periods ended March 31, 2020, $1,172 and $3,790 have been reclassified from selling, general and administrative to share-based compensation.