

June 18, 2020



Genius Brands Blog



Today, John Landis, one of the most successful movie directors of all time, joined Arnold Schwarzenegger on the production team of STAN LEE'S SUPERHERO KINDERGARTEN being produced for Genius Brands, *Kartoon Channel!* *I want all Genius Brands shareholders to understand the significance of this event.*

It would be hard to overstate the importance of a director of John Landis' stature, joining this team to make this program, and the impact we expect to the success of the program, the channel, and *ultimately to Genius Brands revenues and valuation.* Here is some context...

Stan Lee, John Landis, and Arnold Schwarzenegger, together, have been responsible for billions and billions of dollars of hit movies, consumer products, and in many cases, animated TV series. The titles are legendary from *The Avengers*, to *Spider-Man*, to *X-Men*, to *Black Panther*, *Captain America*, and *Iron Man*. From the *Terminator*, *Twins*, *Kindergarten Cop*, and *Batman and Robin*. From *Trading Places*, to *Animal House* to *Coming to America*, *Beverly Hills Cop 2*, *Three Amigos*, and *Blues Brothers*.

If there was ever a team of champions, that makes *highly profitable blockbuster entertainment*, this is it.

It's unusual for people from the world of 'Movies' to come to the world of 'Childrens TV'. The underlying IP must be very special, and have the possibility to *spin off* its own live action TV series and motion picture.

Enter: *Stan Lee's Superhero Kindergarten*.

Add to this, the writing being developed by Fabian Nicieza, who created *Deadpool*, Head Writer Steve Banks, who was Head Writer of *SpongeBob SquarePants*, and multi-E Emmy winning animation director, Mike Maliani.

Behind this team is Lloyd Mintz, who runs Genius Brands Consumer Products, prior to which he ran Consumer Products Licensing at Hasbro Toys, and while previously at Disney, he oversaw, *both Lion King and Toy Story* consumer product licensing.

This extraordinary team has come together under Genius Brands and our partner Alibaba, the largest and most profitable company in China to launch our series STAN LEE'S SUPERHERO KINDERGARTEN worldwide, and to debut in the U.S. on *Kartoon Channel!*.



All of this under the leadership of Margaret Loesch, the most successful programmer in childrens television history, herself, the former President of Marvel Entertainment, and Founder and CEO of FOX Kids, who, after putting on blockbuster childrens content like *Power Rangers* and *X-Men*, which was sold in 3 years time to the Walt Disney Company for \$5.5 Billion dollars. And for good measure, add David Neuman, former President of Walt Disney Television, our Chief Content Officer, of Kartoon Channel!

When we said, that Kartoon Channel! would be like a “Netflix for kids, but free”, ***we meant it!*** And we knew to get there, we would need hits. Hits come from ***hit makers***, and a team of hit makers like this, has never been assembled before for a children’s program. From *Creation*, to *Production*, to *Distribution*, to *Consumer Product Licensing* bringing the toys and products based on *Stan Lee's Superhero Kindergarten* to shelf, this is the absolute Gold Standard.

Years ago, shortly after the original ***Ghostbusters*** movie came out, I produced the animated

TV series '*The Real Ghostbusters*.' Led by the animation series NOT the film, a hugely successful line of toys and consumer products in every imaginable category was created and generated HUNDREDS of MILLIONS OF DOLLARS OF ROYALTIES. Subsequently, *Ghostbusters 2* sequel was launched. The live action movies and the animated series (which stayed on air for 7 years straight) fed off each other, *and led to greater profits than could have been imagined at the time by either one alone.*

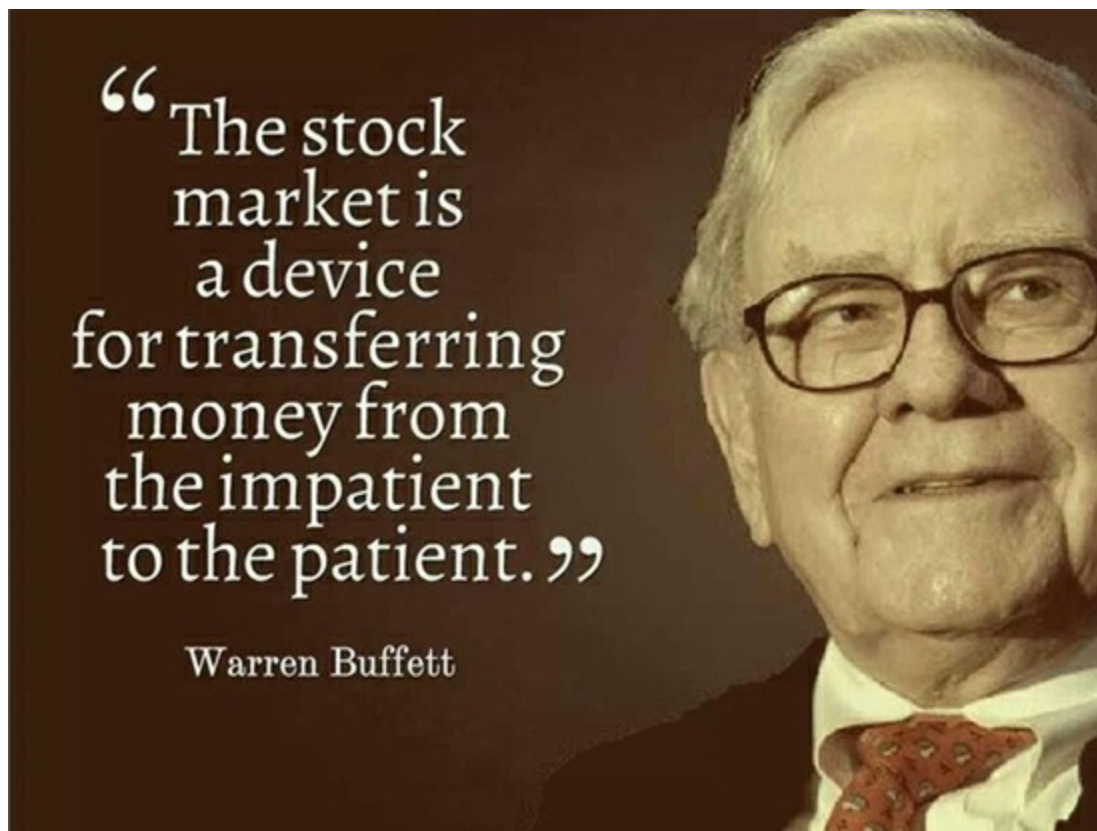


It is this kind of synergistic success, we are working towards with *Stan Lee's Superhero Kindergarten* and the team that has been constituted to get us there.

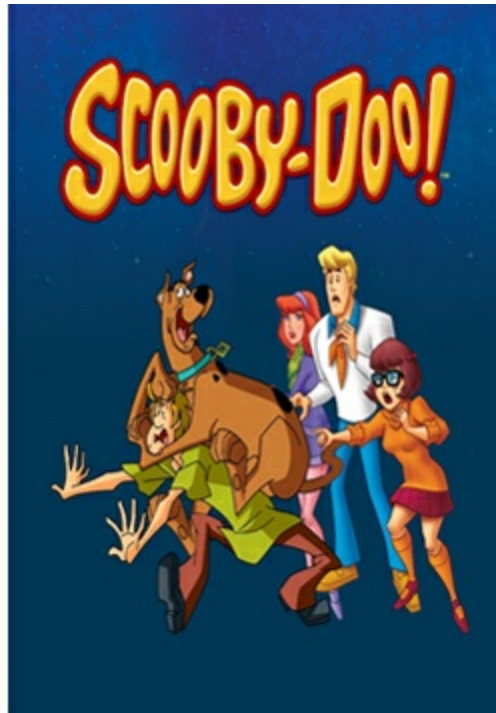
I have worked with Warren Buffett for 25 years. First producing the animated movie that opens the annual Berkshire Hathaway shareholder meeting. Later in producing the *Secret Millionaires Club* (to run now on Cartoon Channel!) a kids show teaching lessons of financial literacy starring Warren and a bunch of kids in animation having adventures in business.



As I learned from Warren Buffet a long time ago, **business takes patience**. *There are no shortcuts to building value, and anyone who expects that will be disappointed.* “The single most important attribute for successful investing is patience”.....

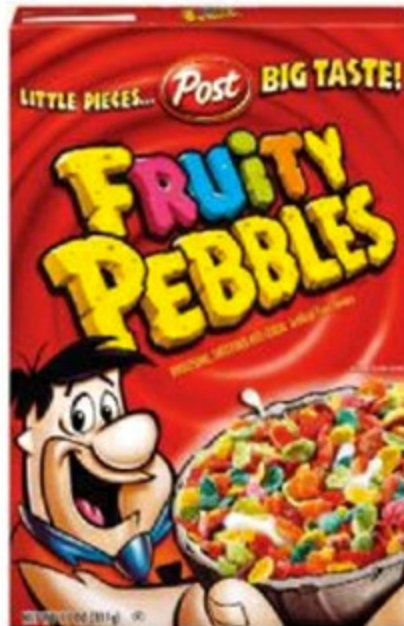


Two of my favorite examples of patience in our business, are *THE FLINTSTONES* and *SCOOBY-DOO*, shows that I worked on as a young writer when I first started at Hanna-Barbera.



I cite them because they began in the 70s and yet they have continued to PROSPER year in and year out...and, more than ever, today.

Today, the shows run on TV worldwide. They have regular feature films made that are continuously successful, and the consumer products are like 'oil wells' that never cease pumping cash. If you go to the supermarket or the drug store, you will continue to see their cereals, vitamins, and products of all kinds.



One of the beauties of our business is the timeless nature of our products. Good cartoons will live on and on and on, and there are endless examples.

My favorite is **Tom & Jerry**. Made in 1939, by Joe Barbera and Bill Hanna when they were young animators working for MGM. Little could they imagine that *EIGHTY YEARS LATER*, kids would be discovering it fresh every single day.



The hits we are building today, will become the classics of tomorrow I was part of the team at Hanna-Barbera that created 'Scooby Snacks', and I have a painting on my kitchen wall of them.



It reminds me every day that if we do our job well, the animated products and channel we create now, will live and prosper years in the future. This is how value is created, and if there is one lesson, I have learned over the years from Warren, and to share with our investors today, it is to be **patient**.

We are building a huge **value machine** in childrens entertainment, with our programs and now our channel. Across the board, we are getting the smartest and most proven talents in

our industry.

Our message of safe, positive, inclusive, **FREE**, programming for children is a prideful one, and is our 'North Star' that will keep us delivering the very best entertainment for our youth, on the very best platform.

There will be bumps and missteps. But we will be correcting them and moving forward, and I can promise that value will continue to be created for our shareholders. Those with patience will be rewarded.

A handwritten signature in black ink, appearing to read 'Andy', with a long, sweeping tail that extends downwards and to the right.

Andy Heyward
Chairman & CEO
Genius Brands International, Inc.

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