

June 10, 2019



Genius Brands International Issues Shareholder Letter

BEVERLY HILLS, Calif., June 10, 2019 (GLOBE NEWSWIRE) -- Genius Brands International, Inc. "Genius Brands" (NASDAQ: GNUS), the global brand management company that creates and licenses multimedia entertainment content for children, released a letter to shareholders from Chairman & CEO Andy Heyward. The complete letter follows:



AS MARVEL BREAKS RECORDS WITH STAN LEE, SO DOES GENIUS BRANDS!

Dear Shareholders:

Last month, *Stan Lee's Avengers: Endgame* broke Hollywood box office records with a \$1.2 billion opening weekend.

Last Wednesday, **Genius Brands** broke records as well, when we announced Stan Lee's last project, **Stan Lee's Superhero Kindergarten**, starring the voice and likeness of his friend and creative partner, iconic action hero, **Arnold Schwarzenegger**.

The global press exploded with hundreds of stories worldwide, heralding the excitement around this new series, which will join **Rainbow Rangers** (Nickelodeon) and **Llama Llama** (Netflix) as the third leg of Genius Brands current hits with hundreds of products coming into the marketplace this year.

The Hollywood Reporter and *Variety* did a "co-exclusive" release at 8:30 am EST, followed by an exclusive interview with *Business Insider* at 9:00 am EST and one immediately after with the important children's trade media bible, *Kidscreen*. At 9:30 am EST the story went live over the wire and was also picked up by numerous trade, business, and consumer press worldwide (*Links to several of the stories are below*).

This was significant for several reasons:

The **International Licensing Expo** just finished this week in Las Vegas. This industry event brings every studio from Walt Disney to Warner Bros., to exhibit their IP to sign new licenses, and introduce them to the retail community, including notably, the likes of Walmart, Target, and Amazon. Major toy companies, such as Hasbro and Mattel among others, attend as do the prominent kid's networks, including Nickelodeon, Cartoon Network, Disney Channel, and more. One of the 'hottest properties' on the floor this year was "**Stan Lee's Superhero Kindergarten.**"

What made it so hot?

1. After the stunning success of *Avengers: Endgame's* \$1.2 billion-dollar opening weekend, smashing records of *Avatar*, *Titanic*, *Star Wars*, and *Harry Potter*, it is clear that Stan Lee had a creative touch like nobody has ever had. With *Spider-Man*, *Iron Man*, *Incredible Hulk*, *X-Men*, *Black Panther*, *Thor*, *Captain America*, *Silver Surfer*, and *Guardians of the Galaxy*, among others, Stan Lee has created BILLION DOLLAR BRANDS, one after another, after another.
2. **Stan Lee's Superhero Kindergarten** was his *last* property. Sadly, Stan passed away this last year. There will be no more.
3. Stan Lee, the hero of so many, ironically, considered the great action star, **Arnold Schwarzenegger**, his hero. Together, several years back, Arnold and Stan dreamed up the seeds of **Stan Lee's Superhero Kindergarten**.
4. Fabien Nicieza, himself a comic book legend, one of Stan's collaborators and the creator of **Deadpool**, subsequently developed the property for us.
5. **Arnold, Arnold, Arnold!!!**
 - Arnold's voice and likeness will star in the series
 - Arnold will be a Co-Producer with Genius Brands and Stan Lee's POW!
 - Arnold, himself, will be a participant in the property
6. **Arnold's 40 million followers across social media and Stan Lee's 20 million followers across social media** become promotional engines and megaphones to launch the series and branded products. We are confident that the massive adult appeal around these two icons, will drive **massive parental co-viewing...** a consistently reliable bellwether of success.
7. STAN LEE, as he has done in all the Marvel movies and which the fans go nuts for, **will appear in a cameo in every episode of Superhero Kindergarten** (he will even be in every newsletter, press release and communique about **Superhero Kindergarten... this one included!**). Additionally, **ARNOLD SCHWARZENEGGER** will appear at the end of every episode with an animated tip on health, nutrition, and exercise.
8. Last, but not least, is the unique creative positioning of **Stan Lee's Superhero Kindergarten**, that has everyone abuzz. Unlike most superhero properties, which cater to an older audience, where powers come from things like being bitten by a radioactive spider, our characters derive their superpowers from the simple products that reside in every kindergarten classroom -- crayons, glue, wooden blocks, playdough, etc.

Whereas Arnold is the former superhero Captain Courage, who is teaching these special young kids to use their superpowers, it is relatable for the kids themselves, being empowering and aspirational, from the very items in their everyday lives making them strong and powerful.

Simply put, the reaction to *Stan Lee's Superhero Kindergarten*, has been greater than any property I have seen in my three-decade career producing thousands of animated programs, many of which themselves, have become billion-dollar brands and household names, including *Strawberry Shortcake*, *Care Bears*, *Real Ghostbusters*, *Hello Kitty*, *Where's Waldo*, *G.I. Joe*, *Sabrina the Teenage Witch*, *Super Mario Brothers*, and *Sonic the Hedgehog*, among others.

The timing of the excitement over *Stan Lee's Superhero Kindergarten* couldn't be better for Genius, the very first of over 450 product SKUs being released in the coming months from *Llama Lama* and *Rainbow Rangers*, appears this week.

Here is the important takeaway message from 30,000 feet:

- With each passing day, Genius Brands increases its Intellectual Property assets with impactful programs joining the catalog.
- No less importantly, with each passing day, we come closer to the consumer products licensed from our characters, and which earn royalty income, arriving in the retail marketplace.

Stay Tuned!

Sincerely,

Andy Heyward
Chairman & CEO
Genius Brands International, Inc.

P.S. See below a sampling of the EXTRAORDINARY coverage across multiple categories of media for the *Stan Lee's Superhero Kindergarten* announcement. (There was even a broadcaster that interviewed ME!)

STAN LEE'S SUPERHERO KINDERGARTEN NEWS!

Hollywood Reporter

[Arnold Schwarzenegger Lending Voice to 'Stan Lee's Superhero Kindergarten'](#)

Variety

[Arnold Schwarzenegger to Star in Animated Series 'Stan Lee's Superhero Kindergarten'](#)

Business Insider

[Arnold Schwarzenegger on starring in Stan Lee's final project and if he's sore from that dropkick that went viral](#)

Entertainment Weekly

[Stan Lee's final project is a kids cartoon starring Arnold Schwarzenegger](#)

Los Angeles Times

[Arnold Schwarzenegger will star in Stan Lee's final project, animated series 'Superhero Kindergarten'](#)

Proactive Investors

(Video interview with Andy)

[Genius Brands to launch Stan Lee's "Superhero Kindergarten" featuring Arnold Schwarzenegger](#)

Kidscreen

[Schwarzenegger powers up a new preschool series](#)

Deadline

[Stan Lee's Last Project: Arnold Schwarzenegger Will Star In 'Superhero Kindergarten' Series](#)

The Wrap

[Arnold Schwarzenegger to Star in 'Superhero Kindergarten' Series From Stan Lee](#)

IndieWire

[Stan Lee's Final Project Is an Animated Superhero Show for Kids Starring Arnold Schwarzenegger](#)

License Global

[GENIUS BRANDS LAUNCHES STAN LEE SERIES STARRING ARNOLD SCHWARZENEGGER](#)

TV Kids

[Arnold Schwarzenegger Stars in Genius Brands & Stan Lee's 'Superhero Kindergarten'](#)

Toy Book

[SCHWARZENEGGER HEADS TO 'STAN LEE'S SUPERHERO KINDERGARTEN' FOR GENIUS BRANDS](#)

Animation Xpress

[Genius Brands announces Stan Lee's 'Superhero Kindergarten' starring Arnold Schwarzenegger](#)

Pop Insider

[SCHWARZENEGGER BOARDS THE BUS TO 'STAN LEE'S SUPERHERO KINDERGARTEN'](#)

Toys + Family Entertainment Media

[Schwarzenegger to Star in 'Stan Lee's Superhero Kindergarten'](#)

Prensario Internacional

[Genius Brands producirá Stan Lee's Superhero Kindergarten junto a Arnold Schwarzenegger](#)

IMDB

[Stan Lee's Last Project: Arnold Schwarzenegger Will Star In 'Superhero Kindergarten' Series](#)

Animation Magazine

[Arnold Schwarzenegger Stars in Genius Brands & Stan Lee's 'Superhero Kindergarten'](#)

C21Media

[Schwarzenegger boards last Lee creation](#)

Rapid TV News

[Genius brings Stan Lee series to life with Arnold Schwarzenegger](#)

Daily Mail

[Arnold Schwarzenegger will headline animated series called Stan Lee's Superhero Kindergarten](#)

Screen Rant

[Arnold Schwarzenegger Starring In Stan Lee's Superhero Kindergarten](#)

Screen Crush

[Stan Lee's final project will be an animated series starring Arnold Schwarzenegger](#)

BBC

[Arnold Schwarzenegger to make superhero show](#)

UPI

[Arnold Schwarzenegger joins Stan Lee's 'Superhero Kindergarten'](#)

Business Standard

[Schwarzenegger in Stan Lee's 'Superhero Kindergarten'](#)

The Los Angeles Wire

[Arnold Schwarzenegger To Star In 'Stan Lee's Kindergarten Superhero' – Deadline](#)

CNET

[Arnold Schwarzenegger to star in Stan Lee cartoon Superhero Kindergarten](#)

About Genius Brands International

Headquartered in Beverly Hills, Genius Brands International, Inc. (NASDAQ:GNUS) is a leading global kids media company developing, producing, marketing and licensing branded children's entertainment properties and consumer products for media and retail distribution. The Company's "content with a purpose" brand portfolio, which is led by award-winning creators and producers, includes preschool properties *Rainbow Rangers* for Nick Jr. and *Llama Llama* for Netflix; award-winning toddler brand, *Baby Genius*; adventure comedy STEM series, *Thomas Edison's Secret Lab*; and financial literacy and entrepreneurship series, *Warren Buffett's Secret Millionaires Club*. The Company's content catalog also includes the animated series, *Stan Lee's Cosmic Crusaders*, created with Stan Lee's Pow! Entertainment. Seeing the need to provide kids and parents with a safe viewing environment that offers premium enriching and engaging programming, Genius Brands launched the Genius Brands Network – comprised of *Kid Genius Cartoon Channel* and *Baby Genius TV*, as well as an exclusive *Kid Genius Cartoons Plus* subscription channel on Amazon Prime. The Network channels are available in approximately 80 million U.S. households via a variety of distribution platforms, such as OTT, set-top box, internet, and mobile. Through licensing agreements with

category leading partners, characters from the Company's properties also appear on a wide range of consumer products for retail. For additional information, please visit www.gnusbrands.com.

Forward-Looking Statements:

Certain statements in this notice constitute "forward-looking statements" within the meaning of the federal securities laws. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "project," "plan," "intend" or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. While the Company believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward-looking statements are based upon current estimates and assumptions and are subject to various risks and uncertainties, including without limitation those set forth in the Company's filings with the Securities and Exchange Commission (the "SEC"), not limited to Risk Factors relating to its patent business contained therein. Thus, actual results could be materially different. The Company expressly disclaims any obligation to update or alter statements whether as a result of new information, future events or otherwise, except as required by law.

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A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/95e9c7e5-e1d2-456b-8527-92c61a717c1d>



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