

May 17, 2022



Genius Brands Announces 35% Increase in Revenue for the First Quarter of 2022

Genius Brands and WOW! Achieve Pro Forma⁽¹⁾ 53% Increase in Combined Revenue of \$19.4 Million⁽²⁾

Kartoon Channel! Ad-Supported and Subscription-Based Streaming Services Experienced Significant Growth in Revenue, Users, and Content Offerings

Shaq's Garage in Production and on Schedule for Delivery in the Fall 2022

BEVERLY HILLS, Calif., May 17, 2022 (GLOBE NEWSWIRE) -- [Genius Brands International, Inc.](#) ("Genius Brands") (NASDAQ: GNUS), a global brand management company that creates, produces, broadcasts, and licenses entertainment content for children, reported financial results and provided a business update for the first quarter ended March 31, 2022.

The Company has now achieved 10 consecutive quarters of year-over-year revenue growth. Revenues increased 35% in the first quarter of 2022, compared to the same period last year. On April 6 2022, the Company completed its planned acquisition of WOW! Unlimited Media (WOW!), the Canadian animation sub-contract producer of animated programming including *Coco Melon*, *Barbie's Dream House*, and *Madagascar, a Little Wild*, as well as operator of the Frederator Channel. The Frederator Channel is YouTube's largest animation-focused Multi Channel Network with over 1 billion views per month. As a result of the acquisition closing on April 7, 2022, WOW!'s results were not included in the Company's first quarter 2022 results. Revenues for the combined companies on a pro forma⁽¹⁾ basis, increased 53% to \$19.4 million⁽²⁾ in the first quarter of 2022, compared to \$12.7 million⁽²⁾ for the same period last year. On a standalone basis, WOW! achieved approximately \$1 million⁽²⁾ of net income and approximately \$2 million⁽²⁾ of EBITDA for the first quarter of 2022 (see reconciliation to net income below).

Having completed the WOW! acquisition, the Company is now focused on maximizing operating synergies and expects to benefit from significant economies of scale to drive profitability. Meanwhile, the Company has maintained a solid balance sheet with a substantial cash position to internally fund growth.

The Company also recorded a \$5.4 million gain during the quarter on its investment in Your Family Entertainment (YFE), the German children's media and broadcast company. The Company is integrating YFE with Kartoon Channel! to expand the combined content offering

under the Kartoon Channel! Worldwide brand.

During the first quarter of 2022, the Company additionally:

- Launched Kartoon Channel! onto The Roku Channel, reaching an estimated 80 million people in the US alone. Kartoon Channel! is now carried on most major platforms;
- Expanded the global footprint of Kartoon Channel! Worldwide across Latin America, the Middle East & North Africa, which is now available in over 67 countries;
- Began the initial rollout of the Company's commercial free SVOD service Kartoon Channel! Kidaverse following the acquisition of Canadian SVOD streamer Ameba TV; and
- Increased viewership for Stan Lee's Superhero Kindergarten, which launched in China with Alibaba on their kids Youku platform.

The Company is executing on its strategy to establish Genius Brands as the foremost producer, broadcaster, and licensor of high-quality children's entertainment and children's consumer products. Unlike Disney+ and Netflix, both of which have historically been pure subscription services Genius maintains and is building both ad supported AND subscription supported services. Additionally, both Kartoon Channel! and Kartoon Channel! Kidaverse are available through one app, which offers BOTH Video-on-Demand AND linear FAST programmed products, with a continuously growing viewer and subscriber base. Kartoon Channel! continues to be the top user rated streaming service in its class in the Apple app store.

Complete financial results are available in the Company's Form 10-Q, which has been filed with the Securities and Exchange Commission, and is available on the Company's website: <https://ir.gnusbrands.com/sec-filings>

(1) Had the acquisition occurred on January 1, 2022

(2) Based on unaudited financial results of WOW! Unlimited Media for the quarter ended March 31, 2022; conversion of CAD to USD based on the exchange rate as of May 13, 2022; WOW! financial statements based on IFRS, which may not correlate to US GAAP.

About Genius Brands International

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 IP portfolio of family-friendly content features the Stan Lee brand, Stan Lee's Superhero Kindergarten, starring Arnold Schwarzenegger, on Kartoon Channel!; Shaq's Garage, starring Shaquille O'Neal, coming to Kartoon Channel!; Rainbow Rangers on Kartoon Channel! and Netflix; Llama Llama, starring Jennifer Garner, on Netflix and more. Recently, Genius Brands entered into an agreement to acquire Canada's WOW! Unlimited Media (TSX-V: WOW), which includes 2,500 channels under the Channel Federator Network, and has also made a strategic investment in Germany's Your Family Entertainment AG (FRA:RTV), one of Europe's largest distributors and broadcasters of high-quality programs for children and families.

Genius Brands' Kartoon Channel! is a globally distributed entertainment platform with 100% penetration in the U.S. television market and international expansion with launches in key markets around the world. The channel is available in the U.S. via a broad range of

distribution platforms, including Comcast, Cox, DISH, Amazon Prime, Amazon Fire, Apple TV, Apple iOS, Android TV, Android Mobile, Google Play, Roku, YouTube, KartoonChannel.com, Samsung Smart and LG TVs, the JetBlue Inflight platform and more. Genius Brands will soon launch the subscription-based Kartoon Channel! Kidaverse, featuring metaversal content and over 15,000 animated titles.

For additional information, please visit www.gnusbrands.com.

Non-GAAP/IFRS Financial Measures

This press release refers to Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) which is a non-GAAP/IFRS financial measure and does not have a standardized definition under U.S. GAAP/IFRS and may not be comparable to similar measures presented by other issuers. The Company has provided this non-GAAP/IFRS financial measure, which is not calculated or presented in accordance with U.S. GAAP/IFRS, as supplemental information, and in addition to the financial measures that are calculated and presented in accordance with U.S. GAAP/IFRS, as it provides additional information to complement U.S. GAAP/IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. In the Company’s internal reports, management evaluates the performance of the Company’s business using this non-GAAP financial measure, as the Company believes that this non-GAAP/IFRS financial measure provides management, as well as readers of the Company’s financial statements, with a consistent basis for comparison across accounting periods and is useful in helping management and readers understand the Company’s operating results and underlying operational trends. This supplemental non-GAAP financial measure should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, U.S. GAAP/IFRS financial measures presented in respect of the Company’s financial performance.

We calculate EBITDA as our net income for a period plus reported interest, tax, depreciation and amortization for such period. A reconciliation to the EBITDA presented herein compared to Net Income, its most directly comparable U.S. GAAP/IFRS measure, is presented below:

<i>CDN \$000's</i>	For the three months ended	
	March 31, 2022	March 31, 2021
Revenue	\$ 23,066	\$ 14,955
Operating EBITDA	\$ 2,606	\$ 1,867
Finance costs	498	398
Depreciation and amortization ¹	783	666
Operating profit (loss)	1,326	804
<i>Items affecting comparability:</i>		
Share-based compensation expense	35	56
Forgiveness of CRTC tangible benefits obligation	—	(585)
Deferred income tax expense (recovery)	—	—

		35	(529)
Net income (loss)	\$	1,290	\$ 1,332

Forward Looking Statements: Certain statements in this press release 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, our ability to generate revenue or achieve profitability; our ability to obtain additional financing on acceptable terms, if at all; our ability to integrate acquired businesses; the potential issuance of a significant number of shares, which will dilute our equity holders; fluctuations in the results of our operations from period to period; general economic and financial conditions; our ability to anticipate changes in popular culture, media and movies, fashion and technology; competitive pressure from other distributors of content and within the retail market; our reliance on and relationships with third-party production and animation studios; our ability to market and advertise our products; our reliance on third-parties to promote our products; our ability to keep pace with technological advances; our ability to protect our intellectual property and those other risk factors set forth in the "Risk Factors" section of the Company's most recent Annual Report on Form 10-K and in the Company's subsequent filings with the Securities and Exchange Commission (the "SEC"). 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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Source: Genius Brands International, Inc.