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Genius Brands Announces 951% Revenue Growth for the 3rd Quarter of 2022

Synergies Resulting from Acquisitions Driving Revenue Growth and Continued Margin Improvement

Company reports production advancing on 4-year, \$39M contract to produce animated series for leading SVOD network and global consumer products company, as well as 7 series in production for leading broadcasters including Netflix, YouTube Kids and elsewhere

Kartoon Channel continues growth fueled by brand safety for children

Reports solid cash position and expects to turn cash flow positive in 2023

BEVERLY HILLS, Calif., Nov. 15, 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, today provided a business update and filed its 10Q financial report for the third quarter ended September 30, 2022.

The company achieved significant top line revenue growth in the 3rd quarter of 2022, as well as a substantial reduction in operating expenses as a percentage of revenue, as a result of synergies and efficiencies from the acquisitions of *WOW Unlimited Media Inc.* ("WOW"), *Ameba* channel, and the investment in the German children's media giant, *YFE*. Specifically, revenue for the third quarter of 2022 increased by 951% to \$19.7 million, compared to \$1.9 million for the same quarter last year. Results continue to be positively impacted by the WOW acquisition completed earlier this year, which delivered in-house animation production capabilities through WOW's Mainframe Studios, while expanding Genius Brands' distribution platform through WOW's Frederator Network, generating 1 billion views per month, and over 2,500 advertiser supported channels, making it the largest animation-focused multi-channel network on YouTube. In addition to **Shaq's Garage/Baby Shaq**, already in production through independent partners, Mainframe Studios adds new in house production capacity with seven series in production for Netflix, YouTube Kids and elsewhere. The company also expects increasing benefit from the significant synergies, efficiencies and economies of scale of the combined organizations.

Mainframe Studios is progressing with production on the largest production commitment in its history, a 4-year, \$39 million contract, initiated last year to produce an animated series for a leading subscription video-on-demand (SVOD) network and a global consumer products company, which is expected to be announced in the first half of 2023. The company also

continues to advance on a number of other global collaborations which it believes will support further revenue growth and profitability in 2023, with production services on hit titles including *CocoMelon* (shorts), *Barbie: It Takes Two*, *Octonauts: Above & Beyond* (recently nominated for two Children's and Family Emmys), as well as original IP titles including *DreamWorks Team Zenko Go*, *The Guava Juice Show* and Frederator Studios' *Bee and PuppyCat*.

Concurrently, Kartoon Channel! has continued to grow both domestically in the United States and around the world in the 3rd quarter, growing both its content catalog and its global distribution footprint. The app saw 124% growth in monthly unique viewers from Q2 to Q3. Kartoon Channel! expects to continue steadily adding both new ad-supported and subscription viewers, under a disciplined and profit-driven model, fueled by its brand positioning of being a safe viewing platform for children. In addition, Kartoon Channel! extended its Spafax Inflight Entertainment partnership, already available on Jet Blue, adding British Airways and Qatar Airways, among others. Internationally during the 3rd quarter, Kartoon Channel! Worldwide has added its program service in Germany, Australia, New Zealand and the Philippines.

Looking ahead, the Company expects to turn cash flow positive in 2023. To that end, Genius Board of Directors member, Tony Thomopoulos, former President of ABC Broadcasting, United Artists Pictures, and Steven Spielberg's Amblin Television, was recently assigned operational oversight of profitability for each of the company's business units.

The company remains highly encouraged by the outlook for its upcoming production and consumer products programs *Shaq's Garage/Baby Shaq*, and its recently announced series, *Wolfgang Puck's Secret Chef Academy*. The company signed a 20-year deal with Disney and Marvel in June to license Stan Lee's likeness in upcoming entertainment, and looks forward to announcing meaningful updates on the Stan Lee Universe brand leading up to his 100th birthday on December 28th.

The assets in house, as well as those being developed, are expected to contribute to long-term revenue growth, as the Company advances towards its goal of positive cash flow and sustainable, growing profitability in 2023 and beyond.

As of September 30, 2022, Genius Brands had current assets of \$143.6 million, working capital of \$32.4 million, and total stockholders' equity of \$128.5 million. The Company believes it is well funded, and has significant capital for the foreseeable future, to support its goal of turning cash flow positive in 2023.

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>

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. Genius Brands also acquired 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 Mobil, Google Play, Roku, YouTube, KartoonChannel.com, Samsung Smart and LG TVs, the JetBlue Inflight platform and more. Genius Brands is now rolling out the subscription based Kartoon Channel! Kidaverse, featuring metaversal content and exclusive titles.

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

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; 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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