

November 15, 2016



Genius Brands International Issues Letter to Shareholders

BEVERLY HILLS, CA -- (Marketwired) -- 11/15/16 -- Genius Brands International, Inc. (OTCQB: GNUS)(OTCQB: GNUSD) a global brand management company that creates and licenses multimedia content, issued a letter today from Chairman & CEO Andy Heyward to its shareholders as follows:

Producing the animated film that opens the Berkshire Hathaway Annual Meeting for the last 20 years has given us the extraordinary privilege to spend quality time with Warren Buffett and learn so many valuable lessons. Producing the *Secret Millionaires Club* animated kid series with Warren has given us at Genius Brands an opportunity to share those lessons in stories for kids. One of the lessons we have learned from Warren is the value of powerful brands. Today we released our 10Q for the third quarter of 2016. To fully appreciate it, is to understand the vital importance of brands.

At Genius Brands International we have been developing brands for kids. Brands which are creatively and commercially powerful, as well as international and evergreen.

We have associated our brands with powerful broadcasters, licensees, promotional partners, and distribution systems, including YouTube, Netflix, Sony Pictures Home Entertainment, Sony Music, Target, Toys"R"Us, Barnes & Noble, Amazon, and Walmart, among others. These brands occupy unique places in the marketplace and form a diverse portfolio of complimentary assets for Genius Brands. Some are for boys, some are for girls, some are for tweens, some are for toddlers. Our brands sit on different places on the viewing screen and different places on the retail shelves.

I share this with you as Genius Brands is amidst a period of unprecedented growth, and where many of these brands are now being established and coming into both the retail and media marketplace, which can become revenue drivers for our company. We've seen growth in the number of properties we have in production and development, the number of licensees of our brands, the number of big-box retailers carrying our brands, and we recently doubled the number of households, which have our Kid Genius Cartoon Channel available, bringing the total to 42 million households.

Since doing our reverse stock split last week, I have been on a 'road show' meeting investors on the west coast and starting today a four-day road show with Institutional Investors on the east coast. As I have told our story and shared where the company is going, our stock has risen to \$6.50/share reflecting an 8% increase since the reverse split.

Today we released our 10Q for Q3 2016.

There are three important items I would like to draw to your attention:

1. DEFERRED REVENUE - Total Deferred Revenue and Advances increased from \$958,539 as of December 31, 2015 to **\$3,118,730 as of September 30, 2016**. **UP 225%**. Deferred revenue=*coming* revenue. It reflects increased activity and advances around our brands, notably *Secret Millionaires Club*, *Thomas Edison's Secret Lab*, *SpacePOP*, and *two distribution agreements with Sony Pictures Home Entertainment*, which will be taken upon meeting certain revenue recognition criteria.
2. INCREASING FILM AND TELEVISION COSTS - Costs went up because we are growing and expanding our slate of brands and catalogue. Film and Television costs increased from \$1,003,546 as of December 31, 2015 to **\$1,602,236 as of September 30, 2016** or 60%. These increases represent the continued investment in the production, development and completion of our film assets, notably:
 - Twenty-nine *SpacePOP* webisodes on YouTube
 - Fifteen 11-minute *Llama Llama* scripts in various stages of completion and the selection of Jennifer Garner as the voice of Mama Llama. These are important investments in programs which have been sold to broadcasters and have a growing list of licensees and retailers behind them who pay us money and carry our licensed products from which we will earn royalty income.
3. INCREASING PREPAID ASSETS - Prepaid assets increased from \$65,464 as of December 31, 2015 to **\$319,142 as of September 30, 2016** or **388%**. This increase reflects, in part, continued investment in all of our brands, notably an on-going marketing campaign related to our *SpacePOP* brand, which is launching at retail in Q4 at Kohl's, Claire's and Toys"R"Us.

At Genius Brands, *we are investing in our brand* either via the actual production cost or the marketing spend, because it is the key to success and ultimately creates hits and drives enduring sales and revenue. We are beginning to see now the fruits of that investment. Over the coming months and beyond, more and more products will come into the marketplace, and their impact on the company overall will be cumulative.

We couldn't be more excited!

Andy Heyward
Chairman & CEO
Genius Brands International, Inc.

About Genius Brands International

Headquartered in Beverly Hills, California, Genius Brands International, Inc. (OTCQB: GNUS)(OTCQB: GNUSD) is a publicly traded global brand management company that creates and licenses multimedia content. Led by award-winning creators and producers, the Company distributes its content worldwide in all formats, as well as a broad range of consumer products based on its characters. In the children's media sector, Genius Brands International's portfolio features "content with a purpose" for toddlers to tweens, which provides enrichment as well as entertainment, including tween music-driven brand ***SpacePOP***; preschool property debuting on Netflix ***Llama Llama***; award-winning ***Baby Genius***, re-launched with new entertainment and over 40 new products; adventure comedy ***Thomas Edison's Secret Lab***®, available on Netflix, public broadcast stations and Genius

Brands International's *Kid Genius* channel on Comcast's Xfinity on Demand; Warren Buffett's ***Secret Millionaires Club***, created with and starring iconic investor Warren Buffett. The Company is also co-producing an all-new adult animated series, ***Stan Lee's Cosmic Crusaders***, with Stan Lee's Pow! Entertainment and The Hollywood Reporter. Additionally, under Genius Brands International's wholly owned subsidiary, A Squared Entertainment, the Company represents third-party properties, including *From Frank*, a humor greeting card and product line, and *Celessence Technologies*, the world's leading micro encapsulation company, across a broad range of categories in territories around the world. 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 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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<http://www.marketwire.com/library/MwGo/2016/11/14/11G122090/Images/SMC-f1706c3c55009adbba3c0f7df405716a.jpeg>

GENIUS BRANDS MEDIA CONTACT:

Michelle Orsi/Carol Holdsworth
Three.Sixty Marketing & Communications
310-418-6430

[Email contact](#)

FOR INVESTOR RELATIONS:

Robert Haag
Managing Partner
IRTH Communications

[Email contact](#)

866-976-4784

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