

March 17, 2020



# **GENIUS BRANDS INTERNATIONAL COMPLETES \$11.0 MILLION CONVERTIBLE DEBT FINANCING**

## **CHAIRMAN AND CEO ANDY HEYWARD LEADS GROUP OF INVESTORS**

BEVERLY HILLS, Calif., March 17, 2020 (GLOBE NEWSWIRE) -- Genius Brands International, Inc. ("Genius Brands" or the "Company") (NASDAQ: GNUS), a global brand management company that creates and licenses multimedia entertainment content for children, today announced that it has completed a securities purchase agreement to raise \$11.0 million through the issuance of Senior Secured Convertible Notes in the principal amount of \$13.75 million (reflecting an original issue discount of 20%) ("Notes"). The Notes are convertible into common stock at an initial conversion price of \$1.375 per share. Investors also received five-year warrants to purchase 65.5 million common shares at an initial exercise price of \$0.26 per share ("Warrants"). The Company raised \$7.0 million at closing from the sale of Notes and Warrants and the balance has been secured by full recourse cash secured promissory notes from the investors. The investors can elect to prepay such promissory notes at any time and are required to prepay such promissory notes if certain prescribed covenants and conditions are met, which include obtaining Shareholder Approval as described below. Additional details on the transaction are available in the Company's Form 8-K filed with the Securities and Exchange Commission, which is available on the Company's website and at [www.sec.gov](http://www.sec.gov).

The Company also reported that Andy Heyward, Chairman and CEO of Genius Brands, invested \$1 million in the financing transaction. The Company intends to use the proceeds for the repayment of existing debt, launching *Stan Lee's Superhero Kindergarten* and for general working capital purposes.

Heyward commented, "At a time when we are concerned with the health and well-being of our families and communities, this financing will help underscore that the health of Genius Brands has never been greater. It represents an important milestone for the Company as it allows us to repay certain debt of \$2.9 million, while also providing us with working capital to execute on our growth strategy. I am delighted to participate in this financing, personally, in a significant manner, at a time when we are now witnessing our tentpole brands, *Rainbow Rangers* and *Llama Llama*, gaining traction in both the broadcast and retail marketplace. Additionally, we are further encouraged by the prospects and feedback around our upcoming animated comedy/action/adventure production for children, *Stan Lee's Superhero Kindergarten*, starring Arnold Schwarzenegger, in which we have partnered with Alibaba, and will have important announcements forthcoming shortly."

The Special Equities Group, a division of Bradley Woods, served as the sole placement agent on the transaction.

The Notes, the Warrants and the common stock underlying the Notes and Warrants have not been registered under the Securities Act of 1933 or any state securities laws and, until so registered, may not be offered or sold in the United States or any state absent registration or an applicable exemption from registration requirements.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

### **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 award-winning 'content with a purpose' portfolio includes *Stan Lee's Superhero Kindergarten*, starring Arnold Schwarzenegger; *Rainbow Rangers* for Nick Jr.; *Llama Llama*, starring Jennifer Garner, for Netflix; award-winning toddler brand *Baby Genius*; adventure comedy STEM series *Thomas Edison's Secret Lab*; entrepreneurship series *Warren Buffett's Secret Millionaires Club*; and *Stan Lee's Cosmic Crusaders*, created with Stan Lee's Pow! Entertainment. Through licensing agreements with leading partners, characters from Genius Brands' IP also appear on a wide range of consumer products for the worldwide retail marketplace. The Company's Genius Brands Network of channels, including Kid Genius Cartoon Channel, Baby Genius TV, and Kid Genius Cartoons Plus!, are available in over 100 million U.S. television households via a multitude of distribution platforms, including Comcast, Cox, DISH, Amazon Prime, Sling TV, Apple TV, Roku, Amazon Fire and more. For additional information, please visit [www.gnusbrands.com](http://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 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.*

### **Investor Relations Contact:**

Crescendo Communications, LLC

Tel: 212-671-1020

[GNUS@crescendo-ir.com](mailto:GNUS@crescendo-ir.com)



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