

October 3, 2019



# **Genius Brands International Chairman and CEO Andy Heyward Purchases 1,000,000 Common Shares at \$0.76 Per Share in a Private Placement**

## **Genius Also Received Additional Gross Proceeds of \$719,000 From the Cash Exercise of Warrants**

BEVERLY HILLS, Calif., Oct. 03, 2019 (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 completed a \$760,000 private placement through the issuance of 1 million common shares at a price per share of \$0.76 to Andy Heyward, Chairman and CEO of Genius Brands.

In addition, in September 2019, the Company received approximately \$719,000 in gross proceeds from the cash exercise of 945,894 warrants held by an existing investor. Pursuant to an Agreement entered into between Genius and the investor, the investor agreed to immediately exercise all of the warrants for cash at an exercise price of \$0.76.

Mr. Heyward also purchased \$500,000 of the Company's August 2018 10% Secured Convertible Notes ("Notes") from a Noteholder. The Company is currently in good standing with all the Note holders and has successfully reduced debt over the past few months, while in active discussions with the remaining Note holders to restructure the balance of the Notes.

Andy Heyward, Chairman & CEO of Genius Brands, commented, "I am delighted to provide this equity investment at a premium to the current share price, while also purchasing a considerable amount of the outstanding Notes, given the strong operational progress at the Company and the clear results we are seeing now in the marketplace, all of which reinforces my confidence in the outlook for the business. Specifically, *Rainbow Rangers* and *Llama Llama* are gaining significant traction in the market. We are transitioning to the next phase of our growth, which includes product launch at retail around these properties. I am further encouraged by the overwhelming industry reception to our all-new comedy/action/adventure animated series for children, *Stan Lee's Superhero Kindergarten*, starring Arnold Schwarzenegger, which has garnered unprecedented attention from a variety of global broadcasters, toy companies, and consumer products licensees. With these latest financing transactions, we have significantly enhanced our balance sheet and built a solid foundation for growth. Additionally, we look forward to providing updates on a number of key

operational milestones in the immediate days ahead.”

Additional details on the private placement transaction and warrant exercise are available in the Company’s Forms 8-K filed with the Securities and Exchange Commission today and September 18, 2019, both of which are available on the Company’s website and at: [www.sec.gov](http://www.sec.gov).

The common stock issued in the private placement has 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**

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](http://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 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.

**Genius Brands International Media Contact:**

Michelle Orsi  
Three.Sixty Marketing & Communications  
Tel: (310) 418-6430  
[michelle@360-comm.com](mailto:michelle@360-comm.com)

**Investor Relations Contact:**

Crescendo Communications, LLC  
Tel: 212-671-1020  
[GNUS@crescendo-ir.com](mailto:GNUS@crescendo-ir.com)



Source: Genius Brands International, Inc.