

June 23, 2020



# Genius Brands International to Retire All Senior Secured Convertible Debt

## Company Becomes Debt Free and has \$55 million in Cash on the Balance Sheet

BEVERLY HILLS, Calif., June 23, 2020 (GLOBE NEWSWIRE) -- [Genius Brands International, Inc.](#) ("Genius Brands" or the "Company") (Nasdaq: GNUS), a global brand management company that creates, licenses, and broadcasts, multimedia entertainment content for children, today announced that it has come to an agreement with all of its existing senior secured convertible noteholders to have the noteholders pre-pay their Notes for an aggregate of \$4 million, three months early and then have the noteholders convert all of their \$13.75 million of debt to equity. The Company has agreed to register for resale the shares issued upon conversion of the Notes. The Notes, which were set to amortize over 12 equal monthly payments beginning in September 2020, per terms of the previous agreement negotiated in March, will all be converted into equity shortly after the close. The result will leave the company debt free and with \$55 million of cash on the balance sheet.

Andy Heyward, Chairman & CEO of Genius Brands, commented, "This is a win-win for all parties. The Company today is debt free and holding \$55 million in cash. The Company is uniquely positioned to take steps to build *Kartoon Channel!* into the pre-eminent childrens' broadcaster anywhere, and produce, acquire, and license, the most compelling, forward-thinking programming for children today. We are delighted that our existing senior secured debt holders had the confidence in the Company to pre-pay the \$4,000,000 Note obligation and to then convert their entire debt into equity right away.

This is on top of the extremely strong reaction to our all-new comedy-action-adventure animated series for children, *Stan Lee's Superhero Kindergarten*, starring Arnold Schwarzenegger, and being co-produced with our partner Alibaba to debut concurrently on *Kartoon Channel!* in the U.S. and Alibaba's kid's platform in China. With these latest financing transactions, we have significantly enhanced our balance sheet and have built a solid foundation for growth. We look forward to providing updates on a number of key operational milestones in the days ahead."

Additional details about the debt conversion are available in the Company's Form 8-K filed with the Securities and Exchange Commission today, which is available on the Company's website and at: [www.sec.gov](http://www.sec.gov).

The common stock to be issued pursuant to the conversion of the Notes 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**

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 the upcoming *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 new Kartoon Channel! is available in over 100 million U.S. television households via a broad range 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, our ability to generate revenue or achieve profitability; our ability to obtain additional financing on acceptable terms, if at all; our ability to repay our outstanding debt; the potential issuance of a significant number of shares to our convertible note holders 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.