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# Genius Brands International Achieves Thirteen-Fold Increase in Revenue to \$1.2 Million for The First Quarter of 2019

**Reaffirms guidance of at least \$6.4 million in revenue for 2019; Over 450 product SKUs on track to launch over the next 12 months**

BEVERLY HILLS, Calif., May 17, 2019 (GLOBE NEWSWIRE) -- Genius Brands International, Inc. (NASDAQ:GNUS), today provided a business update and reported financial results for the first quarter of 2019.

Andy Heyward, Chairman & CEO of Genius Brands, commented, “We are pleased to report our strategy is working, as illustrated by a dramatic increase in revenue in the first quarter of 2019. As a result, we remain on track to achieve or exceed our revenue target of \$6.4 million in 2019. We attribute our success to the traction we are gaining with both *Rainbow Rangers*, which debuted in November 2018 on Nickelodeon, as well as our preschool property *Llama Llama*; which debuted on Netflix in January 2018. Both of these programs have been picked up for a second season, and market feedback has been extremely positive. We also recently announced our first key European broadcast deal for season one of the *Rainbow Rangers* series with Cartoonito, a preschooler channel resulting from a joint venture between Turner (WarnerMedia) and RTI Mediaset. In Latin America, we recently announced *Rainbow Rangers* is set to launch on Nickelodeon’s Nick Jr. Channel and its Noggin Mobile streaming app.”

“We expect additional and growing contributions to come from the *Kid Genius Network*, which continues to gain viewership and is now in over 80 million U.S. TV households across Comcast, Cox, Roku, Amazon Fire, Amazon Prime, and other important OTT platforms. In addition, we recently announced that the Genius Brands Network, comprised of the *Kid Genius Cartoon Channel* and *Baby Genius TV*, is launching as an à la carte, on-demand offering on Sling TV, which is a part of Dish Network.”

“Overall, we have built a diversified portfolio of content with a growing roster of steady titles such as *Thomas Edison’s Secret Lab*®, *Warren Buffett’s Secret Millionaires Club*, as well as a robust pipeline of exciting new titles that will be announced in the coming months. We look forward to aggressively rolling additional content, aligned with our mission of providing kids and parents with a safe viewing environment that offers premium enriching and engaging programming.”

“While licensing our content across global entertainment platforms is an important component of our strategy, we are even more excited about the potential opportunities

centered around consumer products as we leverage our strong brands. Towards this end, we are on track to launch over 450 new SKUs this year alone. These products are being manufactured by top-tier companies, including Mattel for toys via its preschool division Fisher-Price; Bentex Group for apparel; Macmillan for publishing, and many more. In late 2018, retailers began testing the products, and we achieved very impressive sell-through rates. As a result, we are very encouraged by our retail strategy and look forward to providing further updates in the weeks and months ahead.”

Mr. Heyward concluded, “We have maintained a solid balance sheet with over \$4 million of cash and restricted cash, as well as \$10.8 million of shareholders’ equity. The impact of our revenue growth this quarter was masked by over \$4 million of non-cash, non-recurring expenses. Notwithstanding, given our current growth rate and scalable business model, we believe we are extremely well positioned to drive improved profitability and shareholder value in 2019 and for years to come.”

### **First Quarter 2019 Financial Highlights**

Revenue for the first quarter of 2019 increased to \$1.2 million, compared to approximately \$93,000 for the same period last year. The increased revenue primarily reflects growth in Television & Home Entertainment, which increased approximately by \$783,000, primarily due to the revenue generated from the delivery of *Rainbow Rangers* to the Viacom Media Network, as well as an increase in licensing and royalty revenue, which increased approximately \$346,000, primarily due to the revenue generated from *Rainbow Rangers* and *Llama Llama* properties. Operating loss for the first quarter of 2019 was approximately \$1.3 million, compared to approximately \$1.3 million for the same period last year. Operating expenses for the three months ended March 31, 2019, included non-cash film and television cost amortization expense of \$429,183 and participation expense of \$289,333, compared to \$26,738 and \$3,472, respectively, for the same period last year. Net loss applicable to common shareholders for the first quarter of 2019 was approximately \$5.3 million, or \$0.54 per share, compared to \$1.3 million, or \$0.18 per share, for the same period last year. Net loss for the first quarter of 2019 included a non-cash loss on the extinguishment of debt of approximately \$3.3 million, which was a result of the modification of the Secured Convertible Notes as part of the February equity raise. The net impact of the non-cash amortization expenses and non-cash loss on the extinguishment of debt was approximately \$4.1 million.

### **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 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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