

December 14, 2016



## Genius Brands International, Inc. Issues Shareholder Letter

BEVERLY HILLS, CA -- (Marketwired) -- 12/14/16 -- Genius Brands International (NASDAQ: GNUS) recently released a letter to shareholders from Chairman & CEO Andy Heyward. The complete letter follows:

### **NEWS OF "SPACEPOP":*EARLY SALES STRONG!***

Dear Genius Shareholders and Friends,

As many of you know, less than two weeks ago we debuted our SpacePOP collection at nearly 300 Toys"R"Us locations nationally. This December 1st launch strategically positioned our brand right in the heat of the holiday season where we are successfully competing against some of the biggest kid's brands in the world, such as *Monster High* and *My Little Pony/Equestria Girls*.

### **THE BIG NEWS TO SHARE IS THAT EARLY SALES ARE STRONG ACROSS ALL CATEGORIES .**

Toys"R"Us offered us some of the most premium real estate in its stores, placing our merchandise in the **"What's Hot & New"** section which is located in the front upon entering the store. We are also featured in the "the hottest & newest" section. Nothing could better categorize SpacePOP as the hot and brand new product!

In these locations, fans and consumers will find the widest variety of SpacePOP products, including Fashion Dolls, Collectible Blind Bag Figures, Board Games, Books, Puzzles, CDs, DVDs, Electronics, Beauty Accessories, Cold Weather Accessories, Bags & Backpacks, Water Bottles, and much more from our many licensees. Many of these items are exclusive to Toys"R"Us and have made their commercial debut over the past few days. We are working closely with Toys"R"Us on the marketing of this collection to maximize sales at this all-important time of the year. Together with Toys"R"Us, we see this as a platform from which to launch SpacePOP into an extremely productive long-term partnership.

I want to share with below you some images from the field that are supported with branded signage and show how the SpacePOP program is being merchandised as a collection. What we find very encouraging so early on is that consumers are opting in to the brand and buying product.

We encourage you to get out to your local Toys"R"Us store to see the SpacePOP collection for sale first hand, as well as Kohl's where the SpacePOP apparel product line now is debuting. We hope that you will share the enthusiasm that we have, and as these videos

below demonstrate, the genuine interest generated organically by our current fans and new fans finding us at Toys"R"Us for the first time. The videos below, are not paid sponsorships, but are a couple out of hundreds of fan videos that are popping up across YouTube and other social media outlets evidencing SpacePOP as an emerging brand for which we are already building a following. And by the way, the serialized SpacePOP videos on YouTube now have over 11.7 million views and are growing daily!

Link: <https://www.youtube.com/watch?v=gYi92ZwS1U0>

Link: <https://www.youtube.com/watch?v=TbLjBWYWN3Y&t=6s>

The launch at Toys"R"Us coincides with the SpacePOP debut this month at Claire's and earlier this fall at Kohl's. Together, this strategic tripod is the first step in what we anticipate will be a lucrative program for years to come. Just as you, our shareholders and investors are watching, so is every other major retailer with whom we are in deep discussions for what their SpacePOP programs will look like for 2017.

Finally, while you are out there checking up on SpacePOP, if you have a bit of a sweet tooth, visit your local Dippin' Dots where you can find our SpacePOP promotion running with them nationally too!

***Go SpacePOP!!!***

-Andy Heyward

Chairman & CEO

Genius Brands International, Inc.

Image Available:

[http://www.marketwire.com/library/MwGo/2016/12/14/11G125110/Images/SpacePop\\_Art\\_4x6.43ba9b0f12dda2a78af64bb2e9d55226.jpg](http://www.marketwire.com/library/MwGo/2016/12/14/11G125110/Images/SpacePop_Art_4x6.43ba9b0f12dda2a78af64bb2e9d55226.jpg)

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