

August 14, 2017



Genius Brands International, Inc. Announces Second Quarter 2017 Financial Results and Business Update

***Llama Llama Continues Post-Production with Q4 Delivery to Netflix Anticipated
Rainbow Rangers Begins Production and Expands Global Licensing Program***

BEVERLY HILLS, Calif., Aug. 14, 2017 (GLOBE NEWSWIRE) -- Genius Brands International, Inc. (NASDAQ:GNUS) ("Genius") announced today its financial results for the three and six months ended June 30, 2017:

Business Highlights:

- Deferred revenue continues to increase with a total balance of \$5.0 million as of June 30, 2017, representing a 62% increase over the December 31, 2016 balance and over 400% increase over the December 31, 2015 balance.
- To date nearly \$4.1 million has been invested in the development and production of animated content with four animated series currently in production and development to be delivered throughout 2017 and 2018.
- Working capital increased by nearly \$2.9 million from December 31, 2016 to June 30, 2017 to nearly \$2.5 million.

Management Commentary:

Andy Heyward, Chairman and CEO of Genius Brands International, Inc., commented, "Today, we released our financial results for the three and six-month periods ending on June 30, 2017. The second quarter of 2017 was another foundational period for the Company as we continued the development and monetization of our brands.

"Excitement around our *Rainbow Rangers* property continues to grow. Augmenting our previously announced partnerships with broadcaster Nick Jr. and Fisher Price which is owned by Mattel Inc, we partnered with three additional licensees during the quarter – The Bentex Group will be our master apparel partner; H.E.R Accessories will create a line of fashion accessories; and Jay Franco will create a line of bedding. All of these products will feature the *Rainbow Rangers* characters. While we cannot disclose the specific deal terms, these arrangements provide us minimum guarantees (and advances) against future royalties. Standard industries royalty rates are on average ten percent, providing the company with a share of the wholesale price of products. The minimum guarantees and advances are reflected in the growing deferred revenue balances. Subsequent to the end of the quarter, activity continues with additional licensees in more categories across the merchandising spectrum.

"Our *Llama Llama* production continues at a steady pace. By the end of the quarter, we have received a substantial portion of the animation for the episodes and are in the process of post-production for delivery to Netflix in the fourth quarter of the year. With the content licensed to Netflix and the previously announced partnership with NCircle for the distribution of DVDs, our merchandising program continues to grow as we added licensees in the puzzles and bedding categories. This activity is again reflected in our increasing deferred revenue balances.

"Additionally, during the quarter, we delivered the final webisodes of Season One of *SpacePOP* to YouTube and expanded the distribution of the content with various international licenses to broadcasters in Europe and Asia. As the content was delivered and continues to be delivered to our customers, we have and will continue to recognize top line revenues. In the second half of 2017, we plan to broaden the retail reach of *SpacePOP* with products available at Target, Best Buy, Barnes and Noble, Hudson News and Spirit Halloween, as well as launching a new direct-to-retail program with Calendar Club's Go! retail stores nationwide; an expanded Claire's program at additional locations; and continued support by Toys"R"Us.

"Finally, our STEM-based property *Thomas Edison's Secret Lab* continues to expand its reach both domestically and internationally through a number of partnerships for both the animated content and the associated merchandise. *Thomas Edison's Secret Lab* has been licensed in Latin America to National Geographic Kids with the merchandising program being handled by independent licensing agent Tycoon Enterprises across Latin America. The animated content has also been licensed to various territories in Asia with delivery anticipated for the third quarter of 2017.

"The second quarter's results represent continued activity around each of our brands – one of the two pillars of revenue generation and value creation for the Company. As we have highlighted in the past, the value of the Company lies in two places – the brands we create, manage and monetize and the Kid Genius Cartoon Channel. The Kid Genius Cartoon Channel not only provides another avenue of distribution for our content but also has value in its own right as a distribution platform. As we look forward to the second half of the year, we anticipate seeing continue growth for *Rainbow Rangers*, *Llama Llama*, and the rest of our brands as well as increased in the reach of our Kid Genius Cartoon Channel."

Conference Call:

Genius Brands International Chairman & CEO, Andy Heyward will host a conference call to discuss the Company's second quarter 2017 financial results and business update today, Monday, August 14, 2017 at 5:30pm ET/2:30pm PT

Conference Call Information:

When: Monday, August 14, 2017 at 5:30 PM ET/2:30 PM PT.

Dial-in: U.S.: 877-407-8291 and International: 201-689-8345

Please join the conference call at least 15 minutes early to register. A digital replay will be available by telephone approximately two hours after the completion of the call until November 30, 2017 and may be accessed by dialing 877-660-6853 from the U.S. or 201-612-7415 for international callers, and using the Conference ID# 13668963.

About Genius Brands International, Inc.

Headquartered in Beverly Hills, California, Genius Brands International, Inc. (NASDAQ:GNUS) is a leading global media company developing, producing, marketing and licensing branded children's entertainment properties and consumer products for media distribution and retail channels. Led by award-winning creators and producers, Genius Brands distributes its content worldwide in all formats, as well as a broad range of consumer products based on its characters. In the children's media sector, its portfolio features "content with a purpose" for toddlers to tweens, which provides enrichment as well as entertainment, including new preschool property *Rainbow Rangers*; tween music-driven brand *SpacePOP*; preschool property debuting on Netflix *Llama Llama*; award-winning *Baby Genius*; adventure comedy *Thomas Edison's Secret Lab*®, available on public broadcast stations and Genius Brands' *Kid Genius* channel on Comcast's Xfinity on Demand and Roku; Warren Buffett's *Secret Millionaires Club*, created with and starring iconic investor Warren Buffett. The Company is also co-producing an all-new adult animated series, *Stan Lee's Cosmic Crusaders*, with Stan Lee's Pow! Entertainment and The Hollywood Reporter. Additionally, under Genius Brands' wholly owned subsidiary, A Squared Entertainment, the company represents the third-party property *Celessence Technologies* across a broad range of categories in territories around the world.

For additional information please visit www.gnusbrands.com.

FORWARD LOOKING STATEMENTS

This press release may contain forward-looking statements, including information about management's view of Genius Brands' future expectations, plans and prospects, within the safe harbor provisions under The Private Securities Litigation Reform Act of 1995 (the "Act"). In particular, when used in the preceding discussion, the words "believes," "hopes," "expects," "intends," "plans," "anticipates," or "may," and similar conditional expressions are intended to identify forward-looking statements within the meaning of the Act, and are subject to the safe harbor created by the Act. Any statements made in this news release other than those of historical fact, about an action, event or development, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause the results of Genius Brands to be materially different than those expressed or implied in such statements. These risk factors and others are included from time to time in documents Genius Brands files with the Securities and Exchange Commission, including but not limited to, its Form 10-Ks, Form 10-Qs and Form 8-Ks. Other unknown or unpredictable factors also could have material adverse effects on Genius Brands' future results. The forward-looking statements included in this press release are made only as of the date hereof. Genius Brands cannot guarantee future results, levels of activity, performance or achievements. Accordingly, readers should not place undue reliance on these forward-looking statements. Finally, Genius Brands undertakes no obligation to update these statements after the date of this release, except as required by law.

Tables to follow

The following tables should be read in conjunction with the footnotes accompanying the consolidated financial statements contained within the Form 10Q issued on August 14, 2017.

Genius Brands International, Inc.
Consolidated Balance Sheets
As of June 30, 2017 and December 31, 2016

	June 30, 2017	December 31, 2016
ASSETS	(unaudited)	
Current Assets:		
Cash and Cash Equivalents	\$ 2,986,528	\$ 1,887,921
Restricted Cash	1,000,000	1,000,000
Accounts Receivable, net	302,031	122,910
Inventory, net	19,880	6,562
Prepaid and Other Assets	380,995	359,395
Total Current Assets	4,689,434	3,376,788
Property and Equipment, net	86,003	90,461
Film and Television Costs, net	3,806,578	2,260,964
Intangible Assets, net	1,814,638	1,845,650
Goodwill	10,365,805	10,365,805
Total Assets	\$ 20,762,458	\$ 17,939,668
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 302,737	\$ 648,638
Accrued Expenses	258,680	249,482
Deferred Revenue	554,739	410,662
Accrued Salaries and Wages	165,544	132,827
Disputed Trade Payable	925,000	925,000
Service Advance	-	1,489,583
Total Current Liabilities	2,206,700	3,856,192
Long Term Liabilities:		
Deferred Revenue	4,465,768	2,695,946
Production Facility	2,697,048	1,332,004
Total Liabilities	9,369,516	7,884,142
 Commitments and Contingencies (Note 13)		
 Stockholders' Equity		
Preferred Stock, \$0.001 par value, 10,000,000 shares authorized; 3,710 and 4,895 shares issued and outstanding, respectively	4	5
Common Stock, \$0.001 par value, 233,333,334 shares authorized; 5,897,091 and 4,010,649 shares issued and outstanding, respectively	5,898	4,011
Common Stock to Be Issued	24	24
Additional Paid in Capital	50,602,674	46,697,005
Accumulated Deficit	(39,210,540)	(36,642,761)
Accumulated Other Comprehensive Loss	(5,118)	(2,758)
Total Stockholders' Equity	11,392,942	10,055,526
Total Liabilities and Stockholders' Equity	\$ 20,762,458	\$ 17,939,668

The accompanying notes are an integral part of these financial statements.

Genius Brands International, Inc.
Consolidated Statements of Operations
Three and Six Months Ended June 30, 2017 and 2016
(unaudited)

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenues:				
Licensing & Royalties	\$ 118,351	\$ 113,456	\$ 271,564	\$ 261,468
Television & Home Entertainment	64,766	46,726	108,138	250,607
Advertising Sales	4,514	-	6,018	-
Product Sales	8,501	16,150	8,501	16,150
Total Revenues	<u>196,132</u>	<u>176,332</u>	<u>394,221</u>	<u>528,225</u>
Operating Expenses:				
Marketing and Sales	185,542	204,318	275,046	465,950
Direct Operating Costs	44,948	68,593	68,018	208,468
General and Administrative	1,221,572	1,334,242	2,622,496	2,936,345
Total Operating Expenses	<u>1,452,062</u>	<u>1,607,153</u>	<u>2,965,560</u>	<u>3,610,763</u>
Loss from Operations	<u>(1,255,930)</u>	<u>(1,430,821)</u>	<u>(2,571,339)</u>	<u>(3,082,538)</u>
Other Income (Expense):				
Other Income	5,567	-	5,593	60
Interest Expense	(1,180)	(724)	(2,033)	(2,153)
Interest Expense - Related Parties	-	-	-	(6,141)
Gain on Distribution Contracts	-	248,593	-	258,103
Net Other Income (Expense)	<u>4,387</u>	<u>247,869</u>	<u>3,560</u>	<u>249,869</u>
Loss before Income Tax Expense	(1,251,543)	(1,182,952)	(2,567,779)	(2,832,669)
Income Tax Expense	-	-	-	-
Net Loss Applicable to Common Shareholders	<u>\$ (1,251,543)</u>	<u>\$ (1,182,952)</u>	<u>\$ (2,567,779)</u>	<u>\$ (2,832,669)</u>
Net Loss per Common Share (Basic and Diluted)	<u>\$ (0.22)</u>	<u>\$ (0.30)</u>	<u>\$ (0.47)</u>	<u>\$ (0.74)</u>
Weighted Average Shares Outstanding (Basic and Diluted)	<u>5,820,553</u>	<u>3,905,554</u>	<u>5,422,564</u>	<u>3,838,802</u>

The accompanying notes are an integral part of these financial statements.

Genius Brands International, Inc.
Consolidated Statements of Cash Flows
Six Months Ended June 30, 2017 and 2016
(unaudited)

	June 30, 2017	June 30, 2016
Cash Flows from Operating Activities:		
Net Loss	\$ (2,567,779)	\$ (2,832,669)

Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization of Film and Television Costs	8,086	135,157
Depreciation Expense	33,865	33,063
Amortization Expense	31,012	38,315
Imputed Interest Expense	-	6,141
Stock Issued for Services	100,000	24,000
Stock Compensation Expense	405,633	877,962
Gain on Distribution Contracts	-	(258,103)
Loss on Impairment of Assets	-	1,850
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(181,481)	79,503
Inventory	(13,318)	518
Prepaid Expenses & Other Assets	(21,600)	(145,634)
Film and Television Costs, Net	(1,473,384)	(381,963)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(345,900)	133,069
Accrued Salaries	32,717	20,000
Deferred Revenue and Advances	424,313	2,140,369
Other Accrued Expenses	9,198	(195,786)
Net Cash Used in Operating Activities	<u>(3,558,638)</u>	<u>(324,208)</u>
Cash Flows from Investing Activities:		
Investment in Intangible Assets	-	(5,650)
Investment in Fixed Assets	(29,407)	(1,542)
Net Cash Used in Investing Activities	<u>(29,407)</u>	<u>(7,192)</u>
Cash Flows from Financing Activities:		
Proceeds from Warrant Exchange, Net of Offering Costs	3,401,924	-
Proceeds from Exercise of Warrants	-	82,500
Proceeds from Production Facility, Net	1,284,728	-
Net Cash Provided by Financing Activities	<u>4,686,652</u>	<u>82,500</u>
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	1,098,607	(248,900)
Beginning Cash, Cash Equivalents, and Restricted Cash	2,887,921	5,187,620
Ending Cash, Cash Equivalents, and Restricted Cash	<u>\$ 3,986,528</u>	<u>\$ 4,938,720</u>
<i>Supplemental Disclosures of Cash Flow Information:</i>		
Cash Paid for Interest	\$ 2,033	\$ 507
<i>Schedule of Non-Cash Financing and Investing Activities</i>		
Issuance of Common Stock in Relation to Sony Transaction	\$ 1,489,583	\$ -
Issuance of Common Stock in Satisfaction of Short Term Advances	\$ -	\$ 410,535

The accompanying notes are an integral part of these financial statements.

GENIUS BRANDS INTERNATIONAL, INC. INVESTOR RELATIONS:

Michael Porter
PLR Investor Relations
212.564.7000
mike@plrinvest.com



Source: Genius Brands International, Inc.