

Spin Master Announces Acquisition of Marbles and Continued Growth of Games Portfolio

TORONTO, May 1, 2017 /CNW/ - Spin Master Corp. (TSX: TOY), a leading global children's entertainment company, today announced the acquisition of Marbles, a leader in brain-building and high-quality games, gifts and gadgets for all ages. The acquisition builds upon Spin Master's increased presence in the Games and Puzzles supercategory, the #1 growth category globally in 2016 as measured by the NPD Group.



Marbles started as a kiosk in a Chicago-area mall in 2008, and grew into a 40-store retailer, e-commerce, catalog and product business known for its specialized portfolio of games with brain benefits, including the best-selling game Otrio. The heirloom-quality games, recognized for their coffee table-worthy style, are as beautiful to display as they are engaging to play. Each game within the Marbles portfolio is reviewed by a panel of brain-health experts to ensure the brand is building products with the brain in mind.

The announcement marks Spin Master's ongoing efforts to build its games offering, following the 2015 purchase of Cardinal Industries and subsequent acquisition of Editrice Giochi SRL in 2016. According to the NPD Group, Spin Master is currently among the top three manufacturers in the Games and Puzzles supercategory.

"The acquisition of Marbles further demonstrates our commitment to the Games category, as well as our consistent efforts to support our key growth strategies to selectively buy assets, such as Marbles, that will create future value for our shareholders," said Ben Gadbois, President and COO, Spin Master Corp. "We continue to drive value through strategic acquisitions and leverage scale internationally using Spin Master's global sales and distribution infrastructure."

"As soon as we heard of the Marbles opportunity, we knew we had to jump on it. We saw immediate potential for global growth with strong, evergreen titles such as Marbles' marquee games, Otrio and Rock Me Archimedes," said Anton Rabie, Spin Master's Co-CEO and Co-Founder. "I'm proud to share these with my friends and family this holiday season."

"The Marbles mission has always been to build better brains through play. I am excited that the Spin Master acquisition will help us continue that mission," said Scott Brown, who co-founded Marbles. "We look forward to growing with Spin Master and getting our products into the hands and brains of more people who will love them."

Marbles assets were sold through a bankruptcy court approved sale process and include all of Marbles' proprietary and licensed games, warehoused inventory, and the Marbles name and website. The sale did not include any of the Marbles retail assets. Spin Master submitted the initial bid for the assets and subsequently emerged as the successful bidder at the conclusion of the sale process on April 24, 2017. The court overseeing the Marbles bankruptcy case issued an order approving the sale to Spin Master on April 26, 2017. Spin Master closed the acquisition of the Marbles assets on April 28, 2017. A transition services agreement is currently in place and Marbles employees will assist in a seamless transition. Scott Brown, Marbles co-founder and Chief Merchant, will be joining Spin Master.

Marbles' marquee game, Otrio, was the *Finnish Family Game of the Year* and the *Swedish Family Game of the Year* in 2016. Other games joining Spin Master's world renowned portfolio of products are Rock Me Archimedes, Oh Snap!, Newton and The Sherlock.

About Spin Master

Spin Master (TSX:TOY; www.spinmaster.com) is a leading global children's entertainment company that creates, designs, manufactures, licenses and markets a diversified portfolio of innovative toys, games, products and entertainment properties. Spin Master is best known for award-winning brands including *Zoomer™*, *Bakugan™*, *Meccano™*, and 2017 Toys of the Year, *Hatchimals™*, *Air Hogs™* and *PAW Patrol™*. Since 2005, Spin Master has received 82 TIA Toy of The Year (TOTY) nominations with 21 wins across a variety of product categories, including 13 TOTY nominations for Innovative Toy of the Year, more than any of its competitors. To date, Spin Master has produced six television series, including 2007 success *Bakugan Battle Brawlers* and current hit *PAW Patrol*, which is broadcast in over 160 countries and territories globally. Spin Master employs over 1,000 people globally with offices in Canada, United States, Mexico, France, Italy, United Kingdom, Slovakia, Poland, Germany, Sweden, the Netherlands, China, Hong Kong, Japan, and Australia.

Forward Looking Statements

Certain statements, other than statements of historical fact, contained in this press release constitute "forward-looking information" within the meaning of certain securities laws, including the Securities Act (Ontario), and are based on expectations, estimates and projections as of the date on which the statements are made in this press release. Statements of forward-looking information in this press release include, without limitation, statements with respect to future growth of Marbles' brands.

Forward-looking statements are necessarily based upon management's perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this press release, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to any factors and assumptions set forth above in this press release, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: the expanded use of advanced technology, robotics and innovation the Company applies to its products will have a level of success consistent with its past experiences; the Company will continue to successfully secure broader licenses from third parties for major entertainment properties consistent with past practices; the expansion of sales and marketing offices in new markets will increase the sales of products in that territory; the Company will be able to successfully identify and integrate strategic acquisition opportunities; the Company will be able to maintain its distribution capabilities; the Company will be able to leverage its global platform to grow Marbles' sales; the Company will be able to recognize and capitalize on opportunities earlier than its competitors; the Company will be able to continue to build and maintain strong, collaborative relationships; the Company will maintain its status as a preferred collaborator; the culture and business structure of the Company will support its growth; the current business strategies of the Company will continue to be desirable on an international platform; the Company will be able to expand its portfolio of owned branded intellectual property and successfully license it to third parties; use of advanced technology and robotics in the Company's products will expand; access of entertainment content on mobile platforms will expand; fragmentation of the market will continue to create acquisition opportunities; the Company will be able to maintain its relationships with its employees, suppliers and retailers, including those of acquired companies; the Company will continue to attract qualified personnel to support its development requirements; and the Company founders will continue to be involved in the Company and that the risk factors noted below, collectively, do not have a material impact on the Company.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of Spin Master, could cause actual results to differ materially from the forward-looking information in this press release. These include the Company's expectations concerning growth of Marbles in North America, Europe and other international markets; the Company's operating momentum, financial position, cash flows and financial performance; the Company's future growth, drivers for such growth, and the successful execution of its strategies for growth; the likelihood of avoiding early season out-of-stocks; the seasonality of Gross Product Sales and forecasted organic Gross Product Sales and Adjusted EBITDA Margins. These risk factors are not intended to represent a complete list of the factors that could affect Spin Master and investors are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Spin Master disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

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