

September 9, 2025



Kartoon Studios Announces Strategic Share Retirement to Enhance Shareholder Value and Reduce Shares Outstanding

Company Retires 348,127 Shares of Toon Stock, Increasing Shareholders' Ownership Percentage

BEVERLY HILLS, Calif., Sept. 09, 2025 (GLOBE NEWSWIRE) -- **Kartoon Studios (NYSE American: TOON)** today announced the retirement of 348,127 shares of its common stock, strengthening the Company's capital structure and reducing shares outstanding, thereby increasing remaining shareholder's proportional ownership and amplifying anticipated future earnings per share growth. The shares were received in exchange for an equal number of Your Family Entertainment AG shares and will be returned to the Company's treasury.

"Management made the decision to exchange a portion of our YFE holdings for TOON shares because of our strong conviction that Kartoon Studios is unlocking significant long-term value," said Brian Parisi, Chief Financial Officer. "This transaction directly enhances shareholder value while preserving our strategic position in YFE."

"This share retirement is another important step in streamlining our capital structure, while we work to advance our goal of delivering sustained profitability and growth," said Andy Heyward, Chairman & CEO of Kartoon Studios. "By reducing outstanding shares, every shareholder now owns a greater percentage of the Company. Coming at this pivotal moment—on the cusp of achieving expected profitability—the impact on earnings per share should be especially meaningful. Combined with recent insider open-market purchases by management and our Board, this action underscores our confidence in the Company's strategic direction and growth trajectory, while reinforcing our commitment to generating significant long-term returns."

About Kartoon Studios

Kartoon Studios (NYSE AMERICAN: TOON) is a global leader in children's and family entertainment, delivering premium content and high-value intellectual property to millions of viewers worldwide. The Company's portfolio features globally recognized brands including Stan Lee's Superhero Kindergarten, Shaq's Garage, Rainbow Rangers, and Llama Llama. Kartoon Studios holds a controlling interest in Stan Lee Universe and operates Mainframe Studios—one of North America's largest animation producers—with more than 22,000 minutes of award-winning programming delivered.

Through its Toon Media Networks division—including Kartoon Channel!, Ameba, and Frederator Network—Kartoon Studios reaches audiences across linear television, AVOD,

SVOD, FAST channels, and top streaming platforms. Cartoon Channel! is consistently rated the #1 kids' streaming app on the Apple App Store. With a growing global distribution footprint in over 60 countries, strategic brand partnerships, and a robust content pipeline, Cartoon Studios is positioned for sustained growth and long-term shareholder value.

For more information, visit www.kartoonstudios.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 and include statements regarding: the Company achieving expected profitability; amplifying anticipated future earnings per share growth; being on the verge of unlocking significant long-term value; streamlining the Company's capital structure; delivering sustained profitability and growth; having confidence in the Company's strategic direction and growth trajectory; and generating significant long-term returns. 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, the Company's ability to achieve expected profitability and growth as planned; the Company's ability to generate significant long-term returns; the Company's ability to obtain additional financing on acceptable terms, if at all; fluctuations in the results of the Company's operations from period to period; general economic and financial conditions; the Company's 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; the Company's reliance on and relationships with third-party production and animation studios; the Company's ability to market and advertise its products; the Company's reliance on third-parties to promote its products; the Company's ability to keep pace with technological advances; the Company's ability to protect its intellectual property and those other risk factors set forth in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 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.

MEDIA CONTACT:

pr@kartoonstudios.com

INVESTOR RELATIONS CONTACT:

ir@kartoonstudios.com



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