

July 11, 2024



Kartoon Channel! Growth Surges

**PROFITABILITY TREND IN Q2 2024 CONTINUES BUILDING ON GAINS FROM 2023
AND Q1 2024**

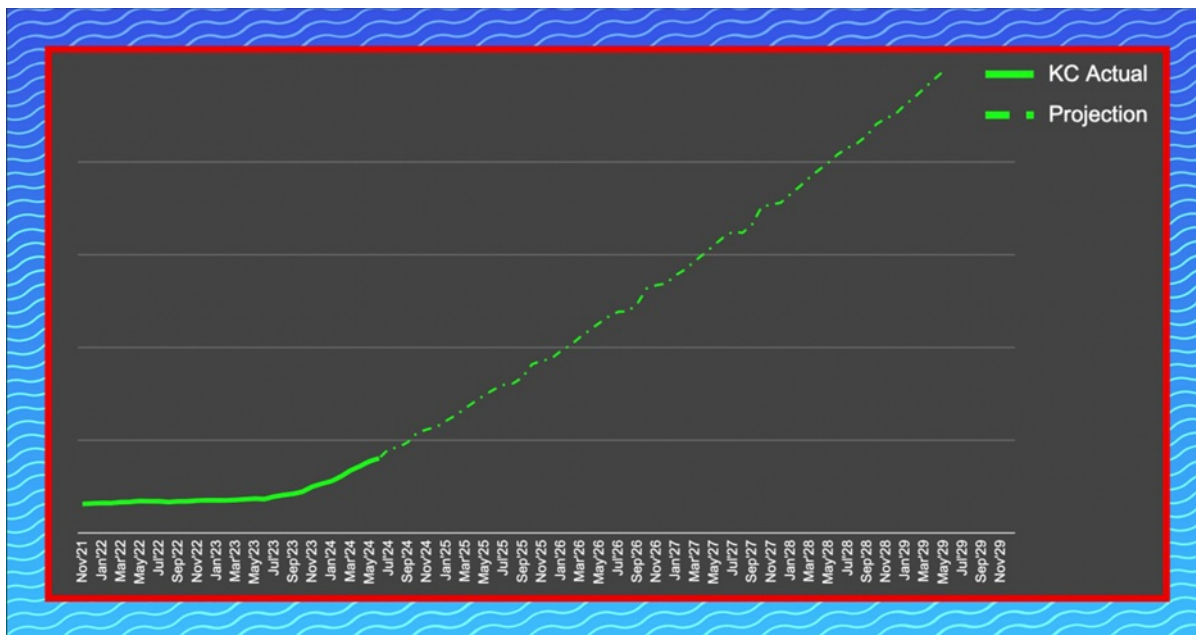
**Kartoon Channel!'s Paid Subscribers on Amazon Prime Video Grows by 120% Year-
Over-Year from June 2023 – June 2024**

**Premier Entertainment Destination for Kids, Now Carried on 16 Platforms in US; Goal
of Growing into a 'Netflix for Kids' Becoming a Reality**



BEVERLY HILLS, Calif., July 11, 2024 (GLOBE NEWSWIRE) -- **Kartoon Studios** (NYSE American: TOON) continues to deliver on its mission to grow **Kartoon Channel!** into a premier entertainment destination for kids, as the platform continues growing profitability, platform carriage, and paid subscriber growth entering Q3 2024.

As [previously announced](#), after four years of investment in content, infrastructure, and marketing, Kartoon Channel! reached breakeven at the end of 2023 and became profitable in Q1 2024. Kartoon Channel!'s paid subscriber growth on Amazon Prime Video surged by 120% from June 2023 – June 2024. Over the same time period, the platform achieved a 28% year-over-year growth in paid direct-to-consumer streaming subscribers across all its streaming services which include Apple iOS, Amazon Prime, Amazon Fire, Android TV, Android Mobile, Tubi, Roku, Pluto, Xumo, Comcast, Cox, Dish, Sling, Samsung, and LG Smart TVs.



Above: Kartoon Channel! subscriber growth and projected growth.

Andy Heyward, Chairman & CEO of Kartoon Studios commented: “We are now witnessing ongoing month-over-month growth for Kartoon Channel! This growth has been fueled by management, led by **Todd Steinman, President of Kartoon Studios’ Toon Media Networks**, as well as a carefully executed strategy, and ongoing expansion of network coverage. As a provider of compelling original content combined with curated acquisitions, Kartoon Channel! has now firmly established itself as a premier destination for young viewers. In the children’s media landscape, we are witnessing the third wave of television distribution, as children migrated from Saturday morning network television, to children’s cable TV, à la Nickelodeon, and now to streaming, with Kartoon Channel! positioning itself to be at the forefront of this streaming revolution for kids.”

Heyward added: “The first stated goal of building a children’s channel system that would be nothing less than a ‘Netflix for Kids’ is becoming a reality. We believe Kartoon Studios’ streaming business (including Ameba) is poised to become a pivotal revenue driver for the company for years ahead. Unlike YouTube, which has endless content, Kartoon Channel! provides highly curated content, which means it is SAFE. We witness this not only in our growth numbers and improved profitability, but also in the published rankings from viewers in the Apple App store.”

Todd Steinman, President of Kartoon Studios’ Toon Media Networks stated: “The strong year-over-year growth in paid streaming subscribers is a testament to Kartoon Channel!’s commitment to quality and its diverse library of safe content. We actively manage for growth and the numbers keep rising each month. This significant growth is even more remarkable given our commitment to operational efficiency and cost control measures, including prudent marketing budgets aimed at driving long-term, profitable growth. As Kartoon Channel! continues to grow, we remain guided by a strategy emphasizing safety, compelling content, and viewer satisfaction.”

TOP performers across the Kartoon Channel! system include:

*Super Mario 3
Shaq's Garage,
Rainbow Rangers
Peppa Pig
Angry Birds*



Whereas the Kartoon Channel! app has an ad-supported tier, the \$3.99/month subscription product on Amazon Prime is commercial free and growing rapidly. Kartoon Channel! is a safe product, and the content is curated for parents to know that their kids are watching content, that is free from violence, negative stereotypes, and inappropriate language. It is optimistic and authentic, and kids and parents are seeing that.

Heyward concluded, “Kartoon Studios projects continued growth as we lean into the **“KARTOON STUDIOS’ WINNIE-THE-POOH”** launch in 2025, where we expect to see another surge as Kartoon Channel! on Amazon Prime Video!, will begin programming exclusive episodes of the timeless property available nowhere else.”



About Kartoon Channel!

Available everywhere and anywhere kids are today, Kartoon Studios' Kartoon Channel! is a family entertainment destination that delivers 1000s of episodes of carefully curated and safe family-friendly content. The channel features original content, including Stan Lee's Superhero Kindergarten, starring Arnold Schwarzenegger, Rainbow Rangers, and Shaq's Garage, starring Shaquille O'Neal and Rob "Gronk" Gronkowski. Kartoon Channel! also delivers animated classics for little kids, such as Peppa Pig Shorts, Mother Goose Club, Barney and Friends, Om Nom Stories, as well as content for bigger kids, like Angry Birds, Talking Tom & Friends and Yu-Gi-Oh!. Kartoon Channel! also offers STEM-based content through its Kartoon Classroom, including Baby Genius and more, as well as a Spanish language collection on the platform, KC En Espanol.

Kartoon Channel! is available across multiple platforms, including Apple iOS, Android Mobile, Web, Amazon Prime Video, Apple TV, Amazon Fire, Roku, Pluto TV, Comcast, Cox, Dish, Sling TV, Android TV, Tubi, Xumo, Samsung and LG Smart TVs.

Internationally, Kartoon Channel! is currently available in key territories around the world, including India (Jio via Powerkids Entertainment), Africa and Sub-Sahara Africa (StarTimes), Australia and New Zealand (Samsung TV Plus), Germany (Waipu), Philippines (Tapp Digital), Mongolia (Mobinet Media), Malaysia (Astro), Indonesia (Linknet) and Maldives (Dhiraagu). Kartoon Channel! Branded blocks are also currently available daily in 69 countries across the Middle East, Africa, Latin America, and Europe.

About Kartoon Studios

Kartoon Studios (NYSE AMERICAN: TOON) is a global end-to-end creator, producer, distributor, marketer, and licensor of entertainment brands. The Company's IP portfolio

includes original animated content, including the Stan Lee brand, “Stan Lee’s Superhero Kindergarten,” starring Arnold Schwarzenegger, on Kartoon Channel! and Ameba; “Shaq’s Garage,” starring Shaquille O’Neal, on Kartoon Channel!; “Rainbow Rangers” on Kartoon Channel! and Ameba; the Netflix Original, “Llama Llama,” starring Jennifer Garner, and more.

In 2022, Kartoon Studios acquired Canada’s WOW! Unlimited Media, along with its subsidiary, Mainframe Studios, which is one of the most successful animation service houses in the world, producing top brands for 3rd parties, including “Cocomelon,” “Barbie’s Playhouse,” Unicorn Academy,” and “SuperKitties.” Additionally, the company made a strategic investment becoming the largest shareholder in Germany’s Your Family Entertainment AG (FRA:RTV), one of Europe’s leading distributors and broadcasters of high-quality programs for children and families.

Toon Media Networks, the Company’s wholly owned digital distribution network, consists of Kartoon Channel!, Frederator Network, and Ameba. Kartoon Channel! is a globally distributed entertainment platform with near full penetration of the U.S. market. Kartoon Channel! and Ameba are available across multiple platforms, including iOS, Android Mobile, Web, Amazon Prime Video, Apple TV, Amazon Fire, Roku, Pluto TV, Comcast, Cox, Dish, Sling TV, Android TV, Tubi, Xumo, and Samsung and LG Smart TVs. Frederator Network owns and operates one of the largest global animation networks on YouTube, with channels featuring over 2,000 exclusive creators and influencers, garnering billions of views annually.

For additional information, please 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. The forward-looking statements include statements such as the goal of growing into a Netflix for kids; the mission to grow Kartoon Channel! into a premier entertainment destination for kids; the platform continuing to grow profitability, platform carriage, and paid subscriber growth entering Q3 2024; Kartoon Channel! positioning itself to be at the forefront of the streaming revolution for kids; Kartoon Studios’ streaming business (including Ameba) being poised to become a pivotal revenue driver for the company for years ahead; continued growth as the Company leans into the “KARTOON STUDIOS’ WINNIE-THE-POOH” launch in 2025, where the Company expects to see another surge as Kartoon Channel! on Amazon Prime Video!, will begin programming exclusive episodes of the timeless property available nowhere else. 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, our ability to grow Kartoon Channel! into a Netflix for kids and a premier entertainment destination for kids; our ability to continue growing profitability, platform carriage, and paid subscriber growth; the ability of Kartoon Channel! to be at the forefront of the streaming revolution for kids; the ability of Kartoon Studios’ streaming business to become a pivotal revenue driver for the company for years ahead; the ability of KARTOON STUDIOS’ WINNIE-THE-POOH” launch in 2025 to generate the

revenue and surge anticipated; our ability to generate revenue or achieve profitability; our ability to obtain additional financing on acceptable terms, if at all; the potential issuance of a significant number of shares, which will dilute our equity holders; fluctuations in the results of our operations from period to period; general economic and financial conditions; our 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; our reliance on and relationships with third-party production and animation studios; our ability to market and advertise our products; our reliance on third-parties to promote our products; our ability to keep pace with technological advances; our ability to protect our intellectual property and those other risk factors set forth in the "Risk Factors" section of the Company's most recent Annual Report on Form 10-K 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. These statements and financial data contained herein are preliminary estimates and are based on the most current information available to management and are subject to completion of the financial closing procedures.

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Photos accompanying this announcement are available at

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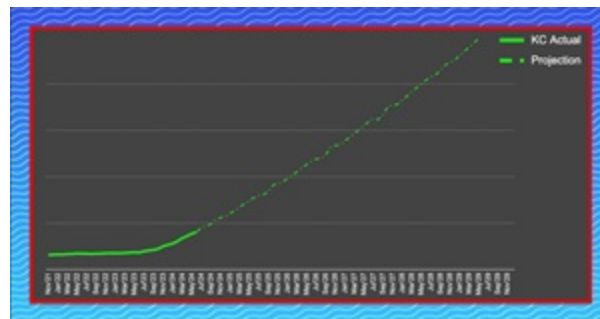
Source: Kartoon Studios

Image 1



Image 1

Image 2



Kartoon Channel! subscriber growth and projected growth.

Image 3

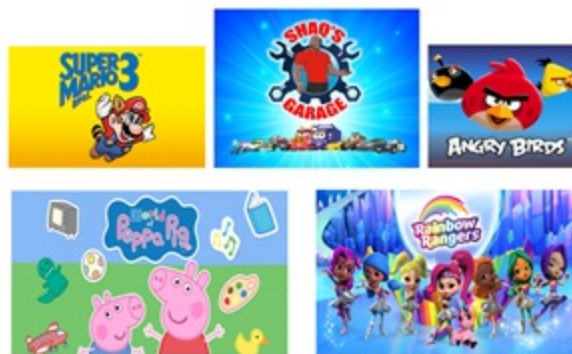


Image 3

Image 4



Image 4