

September 30, 2024



## **Kartoon Studios' Largest Revenue Unit, Mainframe Studios, Surges on Strong Business Rebound**











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***Company secures series orders for over 145 episodes, strengthening a continuing work pipeline through 2025 and 2026***

VANCOUVER, British Columbia and BEVERLY HILLS, Calif., Sept. 30, 2024 (GLOBE NEWSWIRE) -- Kartoon Studios (NYSE American: TOON) today provided a business update for its affiliated animation production arm and largest revenue unit, Mainframe Studios. The Company is reporting that Mainframe Studios is moving toward continued growth amid a strong business rebound following the settlement of the WGA and SAG strikes. The studio has secured series orders for over 145 episodes, strengthening a continuing pipeline through 2025 and 2026. It presently has four series in production with industry giants, including Spin Master, Sony Kids, and Disney.

“Over the past year, Mainframe Studios has experienced a significant increase in deal flow, signaling a strong business recovery, following the resolution of the Writers Guild of America (WGA) and Screen Actors Guild (SAG) disputes in late Q3 and early Q4 of 2023,” said Brian Parisi, Chief Financial Officer of Kartoon Studios. “In the second quarter of 2024, Mainframe Studios’ production demand rebounded following the resolution of labor disputes. We have built a highly scalable infrastructure and continue to enhance operational efficiency.”

President and Chief Creative Officer of Mainframe Studios, Michael Hefferon, added: “There has been significant growth in the number of productions and production opportunities – especially for content produced for 2025. Our success comes at a time when we are celebrating our 30<sup>th</sup> anniversary. We pioneered the first CGI animated series, *ReBoot*, and our technical innovations continue to this day as we deliver feature film-quality animation within a television series budget. It is truly an exciting time for our company.”

Mainframe Studios has four series currently in production for streaming services and leading broadcasters. They include the hit series *Unicorn Academy* for Spin Master, which premiered on Netflix, and the hit series *SuperKitties* for Sony Kids and Disney+. Mainframe Studios is also producing an unannounced 80 x 11-minute episodes of a 2D animated series.

In addition, Mainframe Studios recently announced that it is co-producing the animated kids series *Andrew the Big BIG Unicorn* with Pirate Size Productions and Infinite Studios. The ABC (Australia), CBC (Canada), and SRC (Canada) are the commissioning broadcasters,

and Kartoon Studios will retain international distribution, licensing, and merchandising.

### **About Mainframe Studios**

Founded in 1993 and headquartered in Vancouver, Canada, Mainframe Studios created the very first entirely CG TV series, *ReBoot*. Since then, the company produced more than 1,000 half-hour series for TV, over 60 feature-length projects, and two theatrical feature films. We have been innovators and creators since day one and have partnered with some of the biggest names in the business. The company's creative-driven approach marries seamlessly with our rock-solid production processes, allowing us to deliver great storytelling that's on time and on budget.

### **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, a storied animation studio, producing the first CGI television series *ReBoot*, and going on to produce for top brands, including "Cocomelon," "Barbie," "Unicorn Academy," and "SuperKitties." Additionally, Kartoon Studios 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 2000 exclusive creators and influencers, garnering billions of views annually.

For additional information, please visit [www.kartoonstudios.com](http://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 regarding strengthening a continuing pipeline through 2025 and 2026; increased deal flow signaling a strong recovery; continuing to enhance operational efficiency; continuing technical innovations and Kartoon Studios retaining international distribution, licensing, and merchandising for the animated kids series *Andrew the Big BIG Unicorn* with Pirate Size Productions and Infinite Studios. These forward looking statements are based

upon current estimates and assumptions and are subject to various risks and uncertainties; the Company's ability to continue to benefit from production demand rebounds; the ability to continue to enhance operational efficiency, increase the pipeline; the ability of Cartoon Studios to successfully distribute, license and merchandise *Andrew the Big BIG Unicorn*; the Company's ability to obtain additional financing on acceptable terms, if at all; 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 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.

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A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/c1033b60-9c43-4350-b760-502b25994b1d>



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Source: Kartoon Studios