



Investor Presentation

A strategic shift to focus on owned intellectual property

August 2026

DISCLOSURE

Forward-Looking Statements

Certain statements in this presentation that are not historical facts may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, and are subject to risks and uncertainties. Words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “project,” “should,” “will” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

These statements include, without limitation, statements regarding the Company’s strategic realignment toward owned intellectual property; the anticipated timing, distribution and commercial performance of Hundred Acre Wood and the Stan Lee Universe; expected licensing, consumer products and retail activity; expectations regarding cost structure, capital allocation, liquidity and progress toward profitability; and the anticipated benefits of completed and contemplated portfolio transactions.

These statements are based on the Company’s current plans, estimates, assumptions and expectations and are not guarantees that such plans, estimates or expectations will be achieved. Actual events, results and performance may differ materially from those expressed or implied by these forward-looking statements due to various risks, uncertainties and other factors, including the risks described under the heading “Risk Factors” in Part I, Item 1A of the Company’s most recent Annual Report on Form 10-K and in its other filings with the Securities and Exchange Commission, which are available at www.zsec.gov.

Additional risks and uncertainties that are not currently known to the Company or that the Company currently considers immaterial may also cause actual events, results or performance to differ materially. All forward-looking statements speak only as of the date of this presentation, and Kartoon Studios undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Financial information for the second quarter of 2026 presented herein is unaudited and derived from the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2026.



THE INVESTMENT CASE

Rebuilt around ownership economics, funded without dilution, with launch dates on the calendar

1

A DELIBERATE PIVOT

From work-for-hire production, where the customer keeps the franchise, to properties Kartoon Studios owns and controls.

2

ANCHOR FRANCHISES

Hundred Acre Wood and the Stan Lee Universe — both owned or controlled with development well advanced.

3

DISTRIBUTION SECURED

Expected launches of Hundred Acre Wood on major streaming and retail platforms in 2027, each paired with a commerce pathway.

4

FUNDED BALANCE SHEET*

\$40.5 million in cash and marketable securities with no debt, funded by non-dilutive settlement proceeds.

*As of June 30, 2026

5

RESET COST STRUCTURE

Second quarter 2026 expenses down 32% year over year; the operating loss held nearly flat.

6

SEASONED OPERATORS, NOT NEWCOMERS

A CEO with more than 5,000 episodes to his name and a CFO named 2024 Public Company CFO of the Year by the LA Business Journal.

FOUNDER & CHIEF EXECUTIVE

Led by one of the industry's most visionary creators of animated characters



ANDY HEYWARD
Chairman & Chief Executive Officer

- Began at Hanna-Barbera, working across Scooby-Doo, The Smurfs, The Flintstones and Yogi Bear.
- Co-created Inspector Gadget. Career credits exceed 5,000 episodes of children's entertainment.
- Former Chairman and CEO of DIC Entertainment; sold DIC to The Walt Disney Company and subsequently ran it for Disney for an additional seven years.
- Appointed to the Kidscreen Hall of Fame and delivered the UCLA commencement address in 2011.
- A multiple Emmy® Award winner, with CableAce, Humanitas and Environmental Media awards to his name.



Great children's characters can have incredibly long lives and become evergreen income streams. Decades on, Pebbles cereal and Flintstones vitamins are still on the shelf.



THE PAST FIVE YEARS

Five years assembling the platform. The next phase is about owning the content.

2021

Control of the Stan Lee IP

- Stan Lee Universe formed with POW! Entertainment.
- Perpetual worldwide rights to Stan Lee's name, likeness and signature, plus 100+ original creations.
- Initial equity investment in Your Family Entertainment AG.

2022

The Wow acquisition brought scale

- Acquired Wow Unlimited Media, bringing in Mainframe Studios, Frederator Networks and Studios, and Ameba TV.
- Acquired Beacon Media Group, a kids and family media agency.

2023

One company, the full value chain

- Renamed Kartoon Studios; ticker changed to TOON.
- Development, production, distribution, marketing and licensing under one roof — but revenue still overwhelmingly fee-based.

2024-25

Breadth without ownership

- Work-for-hire revenue proved dependent on partners' investment cycles.
- Production timing drove missed revenue and profitability targets.
- Cost reduction and simplification began in earnest.

2026

The realignment

- \$39.2 million received from litigation settlements; \$40.5 million cash and securities, no debt (As of June 30, 2026).
- Frederator Networks sold; Frederator Studios IP retained.
- Hundred Acre Wood launch agreement signed.

2027 →

Ownership economics begin

- Hundred Acre Wood premieres in the first quarter of 2027.
- Consumer products launch alongside the series.
- Stan Lee's Superhero Pets advances toward market.



THE STRATEGIC SHIFT

From contractor to owner

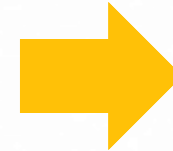
The same creative capability, pointed at properties the Company keeps rather than properties it delivers.



THE LEGACY MODEL

We are hired to make it

- A customer commissions a project and we recognize contracted revenue as we deliver it.
- We earn a margin on the work; the customer retains the franchise value that follows.
- Revenue timing tracks our partners' investment cycles, not our own decisions.
- Second quarter production services revenue fell 53% on the timing of deliveries alone.



THE MODEL WE ARE BUILDING

We own it and monetize it

- We accept more development and launch risk up front, and keep the rights that follow.
- A successful property earns for years across distribution, licensing, publishing, consumer products and international markets.
- The incremental cost of an additional licence or territory is far below the cost of producing another project.
- At sufficient scale, owned-IP revenue can contribute several times the gross profit of service revenue.



Owned IP allows us to participate in multiple revenue streams over a longer period, rather than primarily earn a fee when a project is delivered.



Brian Parisi, Chief Financial Officer

THE BUSINESS

The five functions Kartoon Studios runs in-house, with representative brands in each.

1

DEVELOPMENT



2

PRODUCTION



3

DISTRIBUTION



4

MARKETING



5

LICENSING & MERCHANDISING



BREADTH LIKE THIS IS UNUSUAL AT THIS SCALE — AND IT IS WHAT MAKES OWNING AND COMMERCIALIZING IP EXECUTABLE IN-HOUSE.

HOW WE MAKE MONEY TODAY

Four revenue lines today — licensing and royalties is built to grow

Second quarter 2026 revenue of \$5.8 million. Percentages are share of total 2026 second quarter revenue.



Production Services

\$3.5M

Mainframe Studios animates series and features for others — Disney Junior, PBS Kids, Netflix, CBC and the Australian Broadcasting Corporation. Paid a contracted fee, recognized as the work is delivered.

59%



Content Distribution

\$1.9M

Advertising and subscription revenue from Kartoon Channel! and Ameba, plus licensing library titles to third parties including Netflix, Paramount+, HBO Max and Nickelodeon.

32%



Media Advisory & Advertising

\$0.4M

Beacon plans and buys media and builds campaigns for more than twenty toy and consumer products clients, among them Bandai Namco, Moose Toys, Playmates, Goliath and Bazooka.

8%



Licensing & Royalties

\$0.1M

Royalties earned on brands the Company owns. Today the smallest line in the business — and what the Hundred Acre Wood, the Stan Lee Universe and the consumer products build-out are being designed to scale.

1%



OWNED-IP ECONOMICS

One production service project earns once. One franchise earns repeatedly.

Why the same creative output is worth materially more when the Company owns the rights underneath it.

A work-for-hire project

One revenue event

Production fee

Recognized across delivery. Then it ends.

The customer keeps the characters, the catalogue and every dollar the franchise earns afterwards.

An owned franchise

Recurring revenue events, across categories and territories, for years

- Streaming and broadcast licence fees
- Publishing and music
- Advertising on owned channels
- Experiences and live events
- Consumer products royalties
- International territory licences
- Integrated commerce at retail
- Sequels, specials and spin-offs

The incremental cost of one more licence or one more territory is a fraction of the cost of producing another production service project. That is where operating leverage comes from.



THE FRANCHISES

Three properties Kartoon Studios owns or controls, and intends to monetize across content, licensing, consumer products and international markets.



HUNDRED ACRE WOOD

Expected to premiere in the first quarter of 2027



THE STAN LEE UNIVERSE

Perpetual worldwide rights



BITCOIN BRIGADE

Expected to debut on Kartoon Channel!

ANCHOR FRANCHISE 1

Hundred Acre Wood

An original franchise developed, owned and controlled by Kartoon Studios.



Inspired by A.A. Milne's stories,
reimagined in an original yarn-based
animation style



OVERVIEW

A.A. Milne's original 1926 work entered the U.S. public domain in 2022. On that foundation Kartoon Studios built its own franchise — scripts, character treatments, the distinctive yarn-based animation, music and marks — and owns the new expression outright. That ownership is what lets the Company keep the value across streaming, publishing, licensing and consumer products rather than earn a fee once.

78

ANCHOR
EPISODES

200+

SHORT-FORM
EPISODES

Q1 2027

ANTICIPATED PREMIERE
WINDOW

BEHIND IT

Written by Linda Woolverton (Beauty and the Beast, The Lion King), scored by Danny Elfman, and supported by a global consumer products program.

ANCHOR FRANCHISE 1: ROUTE TO MARKET

Distribution and commerce, launched together

Viewing and buying are connected at launch.

Anticipated Launch: First Quarter 2027

Amazon Prime

- Series launches on Amazon Prime Video.
- Prominent “Hero Banner” placements supporting discovery.
- Participation in Amazon’s “Shop the Show” program, turning viewing directly into consumer products sales.



2027 and beyond

Franchise expansion

- Licensing and consumer products across toys, apparel, home, publishing and food categories.
- International territory licensing.
- Experiential activations and live events.



ANCHOR FRANCHISE 2

Stan Lee Universe

Perpetual worldwide control of one of the most valuable creative identities in modern entertainment.



First property to market:
Stan Lee's Superhero Pets



OVERVIEW

Through a transaction with POW! Entertainment, Kartoon Studios controls Stan Lee's name, physical likeness and signature worldwide, in perpetuity, together with more than 100 original creations from after his Marvel years. The Company does not own the Marvel Universe or its characters — the asset is the Stan Lee brand and the original work that followed it.

100+

ORIGINAL STAN LEE
CREATIONS

Perpetual

WORLDWIDE
RIGHTS

3/10

TOP-GROSSING FILMS
USE HIS CHARACTERS

ALREADY EARNING

Existing licences include Stan Lee's likeness in Marvel films, Walt Disney theme parks and Madame Tussauds.

ANCHOR FRANCHISE 2

Bitcoin Brigade: Adventures in Satoshi City

An owned original series launching on the Company's own channel.



Expected to debut on
Kartoon Channel!



OVERVIEW

Through a transaction with POW! Entertainment, Kartoon Studios controls Stan Lee's name, physical likeness and signature worldwide, in perpetuity, together with more than 100 original creations from after his Marvel years. The Company does not own the Marvel Universe or its characters — the asset is the Stan Lee brand and the original work that followed it.

In development

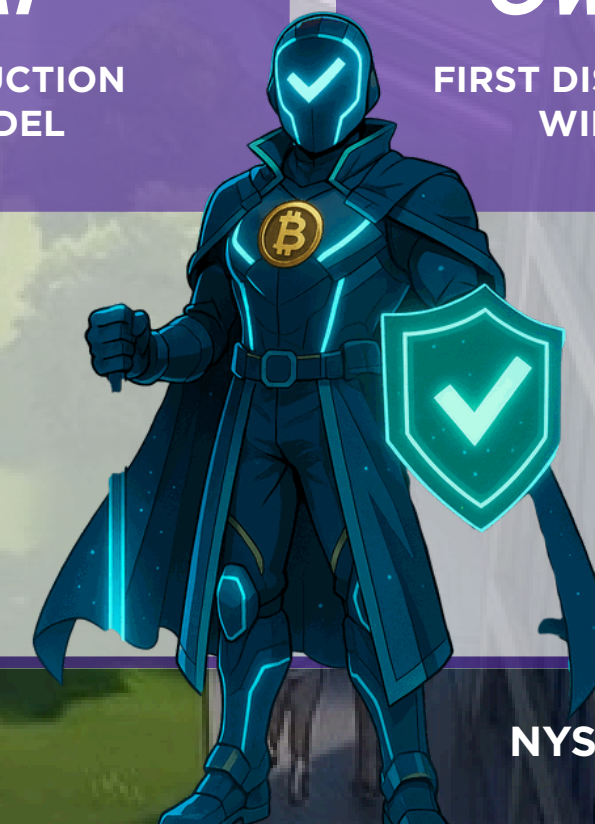
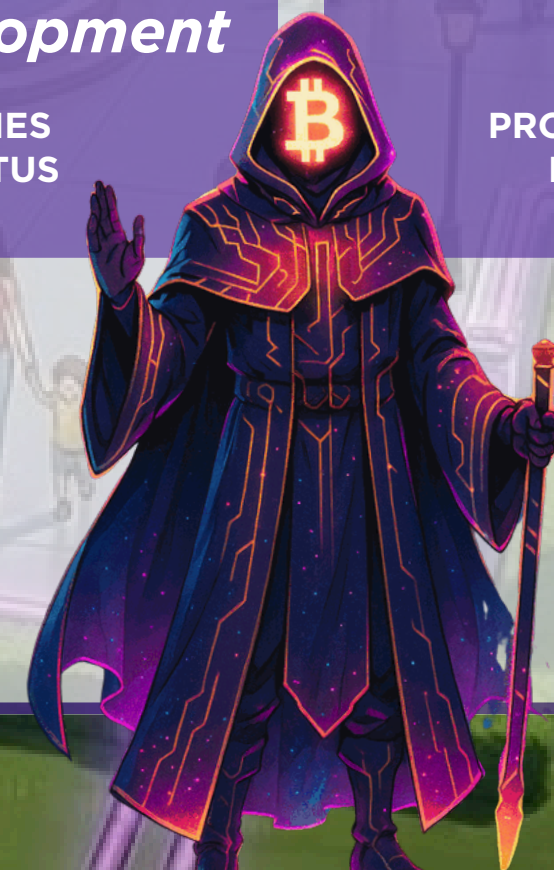
SERIES
STATUS

AI

PRODUCTION
MODEL

Owned

FIRST DISTRIBUTION
WINDOW



THE PLATFORM

Assets that make the ownership strategy executable

Production capacity, audience access, retail relationships and international reach — already owned, now pointed at the Company's own IP.

Mainframe Studios

PRODUCTION CAPACITY

- Vancouver, founded 1993; created ReBoot, the first fully CG-animated series.
- 1,200+ episodes, 70 movies and three features — Barbie Dreamhouse Adventures, Octonauts, CoComelon, Unicorn Academy.
- The same pipeline now builds the Company's own franchises.

MAINFRAME
STUDIOS

Toon Media Networks

DIRECT AUDIENCE ACCESS

- Kartoon Channel! and Ameba TV reach audiences directly, carrying advertising and subscription revenue.
- Distributed via YouTube, Amazon, Roku, Pluto TV, Tubi, Samsung, LG, DISH and Sling.
- Used to launch owned IP, including the forthcoming Bitcoin Brigade series.



Beacon Media Group

RETAIL AND TOY RELATIONSHIPS

- A media and marketing agency built for children's and family audiences.
- 20+ toy and consumer products clients including Bandai Namco, Moose Toys and Playmates.
- The relationships a consumer products program needs, already in-house.



Your Family Entertainment

EUROPEAN REACH

- Strategic equity interest in a Frankfurt-listed children's content company (RTV).
- Approximately 150 titles and 3,500 half-hour episodes.
- International distribution optionality for owned properties.



PORTFOLIO DISCIPLINE IN PRACTICE

In July 2026 the Company sold the Frederator Networks channel business for \$0.5 million and retained the Frederator Studios intellectual property — Bee and PuppyCat, Bravest Warriors, Castlevania and Catbug.

WHY TOON?

Repositioned around owned IP, funded to execute, with launches on the calendar

1

Strategy Already In Execution

Launch agreements signed, a non-core business sold, a consumer products leader hired.

2

Runway Funded, Non-Dilutive

As of June 30, 2026, \$40.5 million in cash and securities, no debt, and a cost base already reduced 32% when compared to the prior year.

3

Three Owned Franchises

A globally familiar world, one of the most valuable creative identities in entertainment, and an original already reaching air.

4

Launch Dates Anticipated

First quarter 2027 premiere — with commerce attached.

5

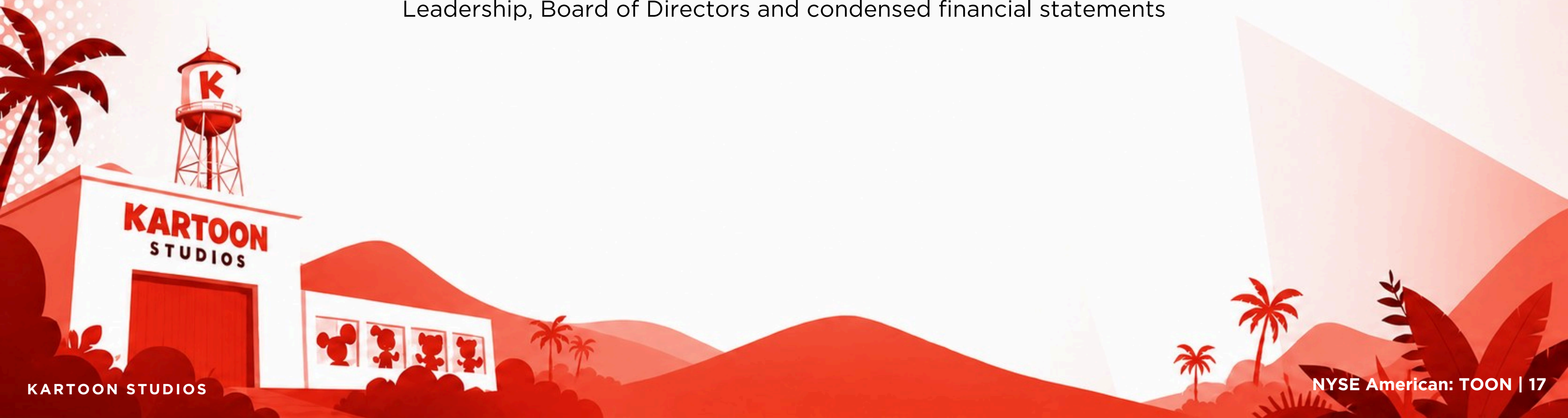
Owner-Operators At The Top

5,000+ episodes of experience, and a CFO recognized as CFO of the Year in 2024.

The creative capability was never the question. Ownership of what it produces is the whole thesis.

APPENDIX

Leadership, Board of Directors and condensed financial statements



LEADERSHIP - MANAGEMENT

The team executing the plan

A leadership group assembled to convert a service-weighted business into an ownership-weighted one.



Andy Heyward

Chairman & Chief Executive Officer

40+ years and over 5,000 episodes in children's entertainment. Former Chairman and CEO of DIC Entertainment, sold to The Walt Disney Company.



Brian Parisi

Chief Financial Officer

CPA with 30+ years in media finance. Previously Warner Bros., Universal, NFL Hall of Fame and Live Nation. 2024 CFO of the Year, LA Business Journal.



Michael Jaffa

Chief Operating Officer

Entertainment executive and attorney. Formerly Head of Business Affairs at DreamWorks Animation Television and VP Legal at Hasbro Studios.



Brooke Bacon

SVP, Consumer Products & Licensing

Joined in 2026 from Activision Blizzard, where she led global licensing and consumer products across Call of Duty, World of Warcraft and Crash Bandicoot.



Todd Steinman

President, Toon Media Networks

Leads Kartoon Channel! and Ameba, the Company's owned distribution platforms and its route to direct audience data.



Kathleen Campisano

Global CMO & GM, Beacon Media Group

Leads the agency serving twenty-plus toy and consumer products brands, and the retail relationships behind them.

LEADERSHIP — BOARD OF DIRECTORS

Governance and oversight

A seven-member board spanning studio leadership, network and distribution, public policy and media.



Andy Heyward

Chairman & CEO

Multi-E Emmy winning producer. Former Chairman and CEO of DIC Entertainment.



Anthony D. Thomopoulos

Executive Vice Chair

Former President of ABC Entertainment, Chairman of United Artists Pictures and President of Amblin Television.



Margaret Loesch

Director

Former CEO and President of Hub Network; former CEO of Fox Kids Network and Marvel Productions. Multiple Emmy® winner.



Jeffrey Schlesinger

Director

Former President of Warner Bros. Worldwide Television Distribution, overseeing the largest animation catalogue at WB.



Joseph 'Gray' Davis

Director

Former Governor of the State of California. Partner at Loeb & Loeb.



Lynne Segall

Director

CRO of The Wrap News. Former publisher of The Hollywood Reporter, Billboard and Deadline Hollywood.



Cynthia Turner-Graham, MD

Director

Distinguished Life Fellow of the American Psychiatric Association. Former President of Black Psychiatrists of America.

