

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

☐ Check this box to indicate that a transaction was made pursuant to a contract, instruction or written plan for the purchase or sale of equity securities of the issuer that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). See Instruction 10.

1. Name and Address of Reporting Person * <u>Heyward Andy</u> (Last) (First) (Middle) <u>C/O KARTOON STUDIOS, INC.</u> <u>190 N. CANON DRIVE, 4TH FLOOR</u> (Street) <u>BEVERLY HILLS CA</u> <u>90210</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Kartoon Studios, Inc. [TOON]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>CEO and Chairman</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/29/2025</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$0.001 per share	05/29/2025		M		149,509	A	(1)	1,777,188(2)	D	
Common Stock, par value \$0.001 per share	05/29/2025		P		5,927	A	\$0.8298	1,783,115	D	
Common Stock, par value \$0.001 per share								99,073(2)	I	See Footnote(3)
Common Stock, par value \$0.001 per share								124(2)	I	See Footnote(4)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Restricted Stock Units	(1)	05/30/2025		M			187,501	(5)(6)	(5)(6)	Common Stock, par value \$0.001 per share	187,501	\$0	1,031,249(2)	D	

Explanation of Responses:

1. Each restricted stock unit represents a contingent right to receive one share of TOON common stock.
2. On February 6, 2023, the issuer effected a 10-for-1 reverse stock split of the issued and outstanding shares of its common stock (the "2023 Reverse Stock Split"). Upon effectiveness of the 2023 Reverse Stock Split, every 10 shares of voting common stock was automatically converted into 1 share of common stock.
3. The Reporting Person indirectly owns 99,073 shares of common stock over which the Reporting Person holds voting and dispositive power.
4. The Reporting Person indirectly owns 124 shares of common stock held by Heyward Living Trust.
5. On December 7, 2020, the Reporting Person was granted 15,000,000 restricted stock units pursuant to a restricted stock unit agreement, of which (i) 7,500,000 shares vested in four equal installments on the first, second, third and fourth anniversaries of December 7, 2020, and (ii) 7,500,000 shares (characterized as Performance Shares in previous Form 4) vested in four equal installments on the first, second, third and fourth anniversaries of December 7, 2020, based on the achievement of certain performance goals, each subject to the Reporting Person's continued employment. Such agreement was amended and restated in June 2021 to revise the vesting provisions so that (i) an aggregate of 3,750,000 shares vested in four equal installments on the first, second, third and fourth anniversaries of December 7, 2020, and (ii) an aggregate of 11,250,000 shares vested based on achievement of certain performance goals, each subject to the Reporting Person's continued employment.
6. The restricted stock units, which vested on December 7, 2023, were previously reported as covering 937,500 shares, but were adjusted to 93,750 shares to reflect the 2023 Reverse Stock Split.

Remarks:

/s/ Andy Heyward 05/30/2025
** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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