

**468 SPAC I SE
to be renamed
tonies SE**

Admission to Trading of 84,847,586 New Public Shares

468 SPAC I SE (to be renamed tonies SE as of the closing of the Business Combination (as defined below)) (Legal Entity Identifier (“LEI”) 222100DAYRVSS1X9EB98) is a European company (*Societas Europaea*) incorporated under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), having its registered office at 9, rue de Bitbourg, L-1273, Luxembourg, Luxembourg (telephone: +352 27 44 41 9459; website: www.tonies.com), and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B252939 (“468 SPAC”) and, together with its consolidated subsidiaries, the “468 SPAC Group”, originally established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction. The founder and sponsor of the Company is 468 SPAC Sponsors GmbH & Co. KG (the “Sponsor”), an affiliate of Alexander Kudlich, Dr. Ludwig Ensthaler and Florian Leibert, founders of the fund 468 Capital GmbH & Co. KG. The members of the supervisory board of the Company (the “Supervisory Board”), directly or through their affiliates, as well as Fabian Zilker (together, the “Co-Sponsors”) have provided funds to the Company.

On August 30, 2021, 468 SPAC and Boxine GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany and registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 71733 with registered office at Grafenberger Allee 120, 40237 Düsseldorf, Germany (“Boxine”, together with its consolidated subsidiaries, A. VI Beteiligungs GmbH and A. VI Holding GmbH, the “Boxine Group” and, together with the 468 SPAC Group, the “Company”, “we”, “us”, “our”, “ourselves” or the “Group”) and certain related entities entered into a business combination agreement (the “Business Combination Agreement”) relating to the business combination (the “Business Combination”) between 468 SPAC and Boxine, pursuant to which 468 SPAC will indirectly acquire or assume all of the outstanding equity and equity equivalents of Boxine GmbH, in exchange for a consideration consisting of shares in 468 SPAC and a certain cash amount. The Business Combination will be consummated on November 26, 2021. In connection with the consummation of the Business Combination, the Company issues 50,431,586 class A shares with a par value of €0.016, International Securities Identification Number (“ISIN”) LU2333563281 (the “Consideration Shares” and together with the PIPE Shares, the Warrant Shares, the Conversion Shares and the Board Shares (each as defined below), the “New Public Share” and together with all existing class A shares of the Company, the “Public Shares”).

In connection with the Business Combination, the Company entered into subscription agreements with investors (the “PIPE Investors”) in a private investment in public equity transaction (the “PIPE Financing”) in the aggregate amount of €105 million. In return for their investment, the PIPE Investors receive a total of 10,500,000 additional New Public Shares in the Company (the “PIPE Shares”).

In addition, the Company issued 16,400,000 New Public Shares to its subsidiary, 468 SPAC I Issuance GmbH & Co. KG, to be used to grant Public Shares in case of an exercise of any of the 10,000,000 public warrants and 6,400,000 sponsor warrants of the Company (the “Warrant Shares”).

Furthermore, at the latest one year after the consummation of the Business Combination, *i.e.*, November 27, 2022, all class B shares in the Company will convert on a one-on-one basis into Public Shares in accordance with the Promote Conversion (as defined below) (the “Conversion Shares”).

Finally, in conjunction with the closing of the Business Combination, the Company issued 16,000 New Public Shares to Anna Dimitrova (the “Board Shares”).

The New Public Shares are dematerialized Shares.

Admission to trading of the New Public Shares is expected to be granted on November 26, 2021, and trading in the Consideration Shares, the PIPE Shares, the Warrant Shares, the Conversion Shares and the Board Shares is expected to commence on November 29, 2021. The New Public Shares will be included in the existing quotation for the Company’s Public Shares on that day.

Investing in the New Public Shares involves certain risks. See Section “I. Risk Factors” beginning on page 1.

The securities for which the Company has applied for admission to trading hereby have not been and will not be registered under the Securities Act and have been offered or sold in the United States of America (the “United States”) or to U.S. persons only to, or for the account or benefit of, qualified institutional buyers (“QIBs”), as defined in, and in reliance on Rule 144A (“Rule 144A”) under the U.S. Securities Act of 1933, as amended (the “Securities Act”). Outside the United States, the New Public Shares have only been offered and sold to non-U.S. persons in offshore transactions in compliance with Regulation S (“Regulation S”) under the Securities Act.

This prospectus (the “Prospectus”) has been prepared in the form of a single document within the meaning of Article 6 para. 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “Prospectus Regulation”) in connection with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “CSSF”), in its capacity as competent authority under the Prospectus Regulation and the Luxembourg law of July 16, 2019 on prospectuses for securities (the “Luxembourg Prospectus Law”) for the purpose of the admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (General Standard) and application has been made to notify the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, the “BaFin”) in accordance with the European passport mechanism set forth Article 25 para. 1 of the Prospectus Regulation. The CSSF has neither reviewed nor approved any information regarding public warrants and/or sponsor warrants.

This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>) and on the Company’s website at www.tonies.com under the “Investor Relations” section. By approving this Prospectus, the CSSF gives no undertaking

as to the economic or financial soundness of the transaction or the quality and solvency of the Company in line with the provisions of Article 6 para. 4 of the Luxembourg Prospectus Law.

November 26, 2021

THE VALIDITY OF THIS PROSPECTUS WILL EXPIRE ON NOVEMBER 26, 2022, BEING TWELVE MONTHS AFTER THE DATE OF ITS APPROVAL. THE INFORMATION IN THIS PROSPECTUS SPEAKS ONLY AS OF THE DATE HEREOF AND ANY OBLIGATION TO SUPPLEMENT THIS PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WILL NOT APPLY AFTER THE TIME WHEN TRADING OF THE NEW PUBLIC SHARES ON THE FRANKFURT STOCK EXCHANGE BEGINS .

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I. SUMMARY OF THE PROSPECTUS

A – Introduction and Warnings

This prospectus (the “**Prospectus**”) relates to 84,847,586 new public shares with a par value of €0.016, International Securities Identification Number (“**ISIN**”) LU2333563281 (the “**New Public Shares**”) of 468 SPAC I SE (to be renamed tonies SE as of closing of the Business Combination (as defined below)) (Legal Entity Identifier (“**LEI**”) 222100DAYRVSS1X9EB98), a European company (*Societas Europaea*) existing under Luxembourg law, having its registered office at 9, rue de Bitbourg, L-1273, Luxembourg, Grand Duchy of Luxembourg (“**Luxembourg**”) (telephone: +352 27 44 41 9459; website: www.tonies.com) and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) under number B252939 (the “**468 SPAC**” and, together with its consolidated subsidiaries, the “**468 SPAC Group**”). The New Public Shares will be admitted to, and listed on, the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (General Standard). Joh. Berenberg, Gossler & Co. KG will act as listing agent for the New Public Shares (business address: Neuer Jungfernstieg 20, 20354 Hamburg, Germany telephone +49 (40) 350 600), LEI 529900UC2OD7II24Z667) (the “**Listing Agent**”).

This Prospectus has been filed with and approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), 283, route d’Arlon, L-1150 Luxembourg (telephone: +352 26 25 1-1 (switchboard); fax: +352 26 25 1-2601; e-mail: direction@cssf.lu) as competent authority pursuant to Article 6 of the Luxembourg law of July 16, 2019, on prospectuses for securities (the “**Luxembourg Prospectus Law**”) for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) for purpose of the admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (General Standard) on November 26, 2021.

This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Public Shares of the Company should be based on a consideration of this Prospectus as a whole by an investor. Investors in the New Public Shares could lose all or part of their invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to persons who have tabled this summary including any translation thereof, but only where the summary includes misleading, inaccurate or inconsistent statements, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Public Shares of the Company.

B – Key Information on the Issuer

B.1 – Who is the Issuer of the securities?

Issuer Information – The legal and commercial name of the issuer is 468 SPAC I SE (to be renamed tonies SE as of closing of the Business Combination (as defined below)) with its registered office at 9, rue de Bitbourg, L-1273, Luxembourg, and is registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) under number B252939. The issuer is a European company (*Societas Europaea*), incorporated and existing under Luxembourg law.

Principal Activities – 468 SPAC was originally established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transactions. 468 SPAC’s principal activities have mainly been limited to organizational activities, including the identification of potential target companies for the Business Combination, as well as the preparation of the application for admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (General Standard).

On August 30, 2021, 468 SPAC and Boxine GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany and registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 71733 with registered office at Grafenberger Allee 120, 40237 Düsseldorf, Germany (“**Boxine**”, together with its consolidated subsidiaries and A. VI Beteiligungs GmbH and A. VI Holding GmbH, the “**Boxine Group**” and, together with the 468 SPAC Group, the “**Company**”, “**we**”, “**us**”, “**our**”, “**ourselves**” or the “**Group**”), entered into a business combination agreement (the “**Business Combination Agreement**”) relating to the business combination (the “**Business Combination**”) between 468 SPAC and Boxine, pursuant to which 468 SPAC will indirectly acquire or assume all of the outstanding equity and equity equivalents of Boxine, in exchange for a consideration consisting of shares in the Company and a certain cash amount. The Business Combination will be

consummated on November 26, 2021. After the consummation of the Business Combination, 468 SPAC (to be renamed Tonies SE) will function as a holding company of the Boxine Group.

Principal Activities of the Boxine Group – Boxine offers a smart, connected audio player, the Toniebox. The audio content for the Toniebox is stored in Boxine’s Tonies cloud and downloaded and unlocked through the Tonie figurines, which allow not only for an offline usage but also offer our customers an extensive and constantly growing choice of over 300 exciting characters, triggering steady usage and repurchases, comparable to a razor-blade business model, and thereby building brand loyalty. As of June 30, 2021, more than 2.4 million Tonieboxes were activated and more than 25 million Tonies sold to customers.

Boxine’s products are positioned at the intersection of four large consumer markets, video gaming, traditional toys and games, connected audio and video streaming. All of these markets are large and, based on Boxine’s information, generally expected to grow strongly over the medium term. Boxine has created an ecosystem tailored to the needs of young families by providing a playful, safe and screen-free audio experience. Boxine offers a constantly growing choice, currently including over 300 exciting characters, which are triggering steady usage and repurchases, thus strengthening brand loyalty. Boxine secures content through licensing agreements with content owners. For license-free songs and stories, we also use in-house recordings, which helps us increase our margins.

Major and Controlling Shareholders – As of the date of this Prospectus, Alexander Schemann indirectly holds 25.2% of the shares in the Company; BIT Capital GmbH holds 8.9% of the shares in the Company, Höllenhunde Shareholders hold 7.0% of the shares in the Company and 468 SPAC Sponsors GmbH & Co. KG holds 5.6% of the shares in the Company. The Company holds 14.3% of its shares as treasury shares. The remaining shares are public float.

Management – The Company’s management is set up in a two tier structure. The Company is managed by its management board, composed of Patric Faßbender and Marcus Stahl, under the supervision of its supervisory board, composed of Anna Dimitrova (chairwoman), Christian Bailly (vice chairman), Dr. Stephanie Caspar, Alexander Schemann, Alexander Kudlich, Helmut Jeggle and Dr. Thilo Fleck.

Independent Auditor – The Company appointed Mazars Luxembourg S.A., with registered office at 5, Rue Guillaume J. Kroll, L-1882 Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) under number B 159962 as its independent auditor.

B.2 – What is the key financial information regarding the Issuer?

Selected Consolidated Financial Information of 468 SPAC Group

468 SPAC was recently incorporated and has not conducted any operations other than organizational activities, the preparation and execution of the Private Placement and its listing and the identification of Boxine as target for the Business Combination and subsequent negotiations to date. There has been no significant change in the 468 SPAC Group’s financial or trading position since the date of the financial statements.

Statement of interim consolidated financial position data

	As of June 30, 2021
	(audited)
	(in € thousand)
Total equity and liabilities	304,885.1
Total liabilities	315,106.0
Total equity	(10,221.0)
Interim income statement	
	For the period March 29 –
	June 30, 2021
	(audited)
	(in € thousand)
Revenue.....	–
Operating Loss.....	(1,378.0)
Profit/(Loss) for the period	(11,421.0)

Interim Cash Flow Statement

	For the period March 29 – June 30, 2021 (audited) (in € thousand)
Net cash flows from operating activities.....	(21.6)
Net cash flows from financing activities.....	304,863.4
Cash and cash equivalents at end of period	3,630.5

Description of any qualifications in the audit report relating to the historical key financial information

Not applicable.

Selected Consolidated Financial Information of Boxine Group

Consolidated Statement of Profit and Loss and other Comprehensive Income

	For the fiscal year ended December 31,	For the short fiscal year from July 12, until December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽¹⁾	2021	2020
	(audited) (in € million)		(unaudited) (in € million)	
Revenue	134.6	45.7	61.8	45.9
Changes in inventories.....	8.4	(25.7)	14.9	4.0
Cost of materials	(75.5)	(13.8)	(39.1)	(23.8)
Gross profit	67.5	6.2	37.6	26.1
Licensing costs.....	(23.1)	(7.3)	(12.8)	(9.5)
Gross profit after licensing costs	44.4	(1.1)	24.8	16.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	(6.5)	(12.6)	(11.4)	(1.4)
Depreciation and amortization.....	(11.3)	(3.4)	(5.9)	(5.6)
Earnings before interest and taxes (EBIT)	(17.8)	(16.0)	(17.3)	(7.0)
Finance costs	(3.5)	(1.0)	(1.9)	(1.5)
Earnings before tax (EBT)	(21.3)	(16.9)	(19.2)	(8.5)
Tax income.....	3.1	6.0	2.5	1.4
Profit (loss) for the period	(18.2)	(10.9)	(16.7)	(7.1)
Exchange differences on translation to presentation currency	0.1	(0.0)	(0.0)	(0.0)
Total comprehensive income for the period	(18.1)	(11.0)	(16.7)	(7.2)

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

Consolidated Statement of Financial Position

	As of December 31,		As of June 30,
	2020	2019 ⁽¹⁾	2021
	(audited) (in € million)		(unaudited) (in € million)
Non-current assets.....	297.9	301.1	297.6
Current assets	52.3	39.6	60.3
Total assets	350.2	340.7	357.9
Equity attributable to owners of the company	177.2	183.3	162.4
Non-controlling interests	21.1	23.3	19.4
Total equity	198.5	206.5	181.9
Non-current liabilities	41.1	80.7	43.2
Current liabilities.....	110.5	53.5	132.8
Total liabilities	151.6	134.1	176.0
Total equity and liabilities	350.2	340.7	357.9

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

Consolidated Statement of Cash Flows

	For the fiscal year ended December 31,	For the short fiscal year from July 12, until December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽¹⁾	2021	2020
	(audited) (in € million)		(unaudited) (in € million)	
EBITDA	(6.5)	(12.6)	(11.4)	(1.4)
Decrease (increase) in net working capital.....	1.1	8.3	(2.3)	4.7
Cash flow from operating activities	3.8	4.4	(14.5)	2.0
Cash flow from investing activities.....	(7.7)	(199.0)	(4.4)	(3.1)
Cash flow from financing activities.....	6.1	201.5	12.0	5.2
Net increase in cash.....	2.2	6.9	(6.9)	4.0

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

Key Financial Information and Operating Data

	For the six-month period ended June 30,	
	2021	2020
	(unaudited) (in € thousand)	
Loss for the period	(16.7)	(7.1)
Tax income	(2.5)	(1.4)
Finance cost.....	(1.9)	(1.5)
Finance income	0.0	0.0
Earnings before interest and taxes (EBIT)	(17.3)	(7.0)
Depreciation and Amortization.....	(5.9)	(5.6)
EBITDA.....	(11.4)	(1.4)
Extraordinary expenses resulting from special projects and one-offs	1.0	0.7
Extraordinary expenses resulting from own developed software	1.6	0.8
Expenses resulting from share based payment.....	3.5	0.8
Adjusted EBITDA⁽¹⁾.....	(5.3)	0.9

(1) Unaudited.

Selected Pro Forma Financial Information

Selected Data from the Pro Forma Consolidated Statement of Profit or Loss for the Six-Month Period Ended June 30, 2021

	January 1, 2021 – June 30, 2021	March 29, 2021 - June 30, 2021			January 1, 2021 – June 30, 2021		
	Boxine Group Historical	468 SPAC Group Historical	468 SPAC Group Adjustment to Historical	468 SPAC Group Adjusted Historical	Sum before Pro Forma Adjustment	Pro Forma Adjustment	Pro Forma Consoli- dated
(in € thousand, except of share and per share data)							
Continuing Operations							
Revenue	61,752	-	-	-	61,752		61,752
Changes in inventories	14,888	-	-	-	14,888		14,888
Cost of materials.....	(39,059)	-	-	-	(39,059)		(39,059)
Gross profit.....	37,581				37,581		37,581
Licensing costs	(12,808)	-	-	-	(12,808)		(12,808)
Gross profit after licensing costs	24,773				24,773		24,773
Other income	6	-	-	-	6		6
Personnel expenses.....	(13,977)	-	(178)	(178)	(14,155)		(14,155)
Other expenses.....	(22,175)	(1,378)	178	(1,200)	(23,375)	(122,634)	(144,858)
						1,151	

Earnings before interest, taxes, depreciation and amortization (EBITDA)	(11,373)	(1,378)		(1,378)	(12,751)	(121,483)	(134,234)
Depreciation and amortization	(5,887)	-	-	-	(5,887)		(5,887)
Earnings before interest and taxes (EBIT)	(17,260)	(1,378)	-	(1,378)	(18,638)	(121,483)	(140,121)
Finance income	-	-	-	-	-	-	-
Finance costs	(1,935)	(1,587)	-	(1,587)	(3,522)	95	(3,427)
Fair value loss on Class A warrants	-	(9,800)	-	(9,800)	(9,800)		(9,800)
Fair value gain on Class B warrants	-	1,344	-	1,344	1,344		1,344
Earnings before tax (EBT)	(19,195)	(11,421)	-	(11,421)	(30,616)	(121,387)	(152,003)
Tax income	2,542	-	-	-	2,542		2,542
Profit (loss) from continuing operations	(16,653)	(11,421)	-	(11,421)	(28,074)	(121,387)	(149,461)
Profit (loss) for the period	(16,653)	(11,421)	-	(11,421)	(28,074)	(121,387)	(149,461)
Weighted average shares outstanding – basic and diluted							98,425,701
Net loss per share – basic and diluted							€(1.52)

B.3 – What are the key risks that are specific to the Company?

- The full effect of the COVID-19 pandemic is uncertain and cannot be predicted. The COVID-19 pandemic could worsen, or its effects may be prolonged, which could lead to a materially adverse effect on our business and results of operations.
- Our limited operating history and evolving market, geographic footprint and offerings make it difficult to evaluate our current business and future prospects, and predict results of operations.
- We are exposed to concentration risks given that its business model currently centers around a single product family. We source our products from a few suppliers and currently sells our products only in a small number of countries and its top five retailers account for approximately 40% of its sales.
- We may fail to accurately anticipate and promptly respond to new trends and customer demand in the kids' toys, audio, entertainment and education markets, including with respect to popular content, or to respond in a timely and effective manner.
- If our Toniebox and Tonies do not achieve a high ranking in internet-based search results, our sales may be negatively affected.
- We depend on having access to large online marketplaces. If we lose access to platforms such as Amazon or fail to adjust to their algorithm and commission changes, our business would be adversely affected.
- We are subject to numerous, complex and sometimes conflicting legal and regulatory regimes. – As of the date of this Prospectus, we have operations in seven countries in Europe and the United States and currently intend to expand our operations into other countries, including China. As a result, our business is already subject to numerous laws in different countries, including laws respect to privacy, data protection and data security as well as laws with respect to intellectual property protection, consumer protection, product liability and the labeling of our products, competition, anti-corruption and international sanctions.
- We are faced with demands by collecting societies and similar other organizations to pay fees.
- We are faced with demands by performance rights organizations in several countries for the music content distributed by us through our content Tonie figurines. – While we have entered into license agreements with content owners for our non-music content, negotiations regarding the conclusion of a license agreement with the competent performance rights organizations for music content in Germany, Austria, the United Kingdom and France are still ongoing.
- 468 SPAC has no operating or financial history and its results of operations may differ significantly from the pro forma financial data.
- Alexander Kudlich, the then-CEO of the 468 SPAC, was the chairperson of Boxine's advisory board and an indirect investor in Boxine, the target company for 468 SPAC's de-SPAC transaction. While he has taken several measures that seek to avoid any potential conflicts of interest and to ensure that his role as then-CEO of SPAC will not interfere with Boxine's decision-making process concerning the envisaged transaction, there is no guarantee that he will be free of conflicts of interest.
- Boxine is a private company about which little information is available, and despite 468 SPAC's management conducting a due diligence review of Boxine, 468 SPAC's management board and supervisory board may not have properly valued Boxine.
- Boxine's financial forecasts, which were prepared in connection with the Business Combination, may prove to be inaccurate.

C – Key Information on the Securities

C.1 – What are the Main Features of the Securities?

This Prospectus relates to the admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) of 84,847,586 New Public Shares with a par value of €0.016 each as part of (i) the issuance of 50,431,586 New Public Shares as consideration for the acquisition of all shares held by Höllenhunde GmbH, in A. VI Beteiligungs GmbH and the acquisition of all shares in A. VI Holding GmbH from the shareholders of A. VI Holding GmbH from a capital increase in the amount of €806,905.38 against contributions in kind, resolved on by the Company’s management board on November 24, 2021, and approved by the Company’s supervisory board on the same day, utilizing the authorized capital under the Company’s articles of association (the “**Consideration Shares**”), (ii) the issuance of 10,500,000 New Public Shares under the subscription agreements in connection with the Business Combination entered into by the Company with investors (the “**PIPE Investors**”) in a private investment in public equity transaction against payment of €10.00 per New Public Share, resolved on by the Company’s management board on November 24, 2021, and approved by the Company’s supervisory board on the same day, utilizing the authorized capital under the Company’s articles of association (the “**PIPE Shares**”), (iii) 16,400,000 New Public Shares issued to the Company’s subsidiary, 468 SPAC I Issuance GmbH & Co. KG, be used to grant class A shares in the Company (the “**Public Shares**”) in case of the exercise of any of the 10,000,000 class A warrants of the Company and 6,400,000 Sponsor Warrants (as defined below) (the “**Warrant Shares**”), (iv) the conversion of 7,500,000 Sponsor Shares (as defined below) on a one-on-one basis into 7,500,000 New Public Shares in accordance with the Promote Conversion (as defined below), which will occur at the latest one year after the consummation of the Business Combination, *i.e.*, November 27, 2022 (the “**Conversion Shares**”) and (v) the issuance of 16,000 New Public Shares to Anna Dimitrova (the “**Board Shares**”).

	<u>Number of Shares</u>
Consideration Shares	50,431,586
PIPE Shares.....	10,500,000
Warrants Shares	16,400,000
Conversion Shares	7,500,000
Board Shares	16,000
Total	84,847,586

Number and Form of Shares – 114,847,586 shares in the Company are outstanding, consisting of 107,347,586 Public Shares and 7,500,000 class B shares (the “**Sponsor Shares**”). The Public Shares are in the form of dematerialized shares and the Sponsor Shares in the form of registered shares with a par value of €0.016 each. All shares of the Company are fully paid up.

Investment by the Sponsor and the Co-Sponsors – 468 SPAC Sponsors GmbH & Co. KG (the “**Sponsor**”) and certain other persons (the “**Co-Sponsors**”) hold 7,500,000 Sponsor Shares that are convertible into Public Shares and the Sponsor and the Co-Sponsors hold 6,400,000 class B warrants (the “**Sponsor Warrants**”) that will be exercisable for Public Shares at an exercise price of €11.50. Following the consummation of the Business Combination, the Sponsor Shares will convert into Public Shares at the latest on the trading day following the day of expiration of the Sponsor Lock-Up (as defined below), while, notwithstanding the foregoing, any Sponsor Shares transferred by private sales or transfers made in connection with the consummation of the Business Combination at prices no greater than the par value of €0.016 per Sponsor Share, will be redeemed in exchange for the issuance of Public Shares upon the expiration of the Sponsor Lock-Up (the “**Promote Conversion**”).

The Sponsor and the Co-Sponsors have committed not to transfer, assign, pledge or sell any Sponsor Shares and Sponsor Warrants other than to permitted transferees until the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Public Shares equals or exceeds €12.00 for any 20 trading days within any 30-trading day period (the “**Sponsor Lock-Up**”). Any permitted transferees will be subject to the same restrictions as the Sponsor and the Co-Sponsors with respect to any Sponsor Shares and Sponsor Warrants.

ISIN and Denomination – The ISIN of the New Public Shares is LU2333563281 and the New Public Shares are denominated in euros.

Rights Attached to the Shares, relative Seniority and Transferability – Each Public Share carries one vote in the shareholders’ meeting of the Company. All Public Shares carry full dividend rights from the date of their issuance. The Public Shares are freely transferable in accordance with legal provisions applicable to dematerialized shares, subject to certain lock-up commitments entered into between the Company and the Sponsors.

Dividend Policy – The Company currently intends to retain all available funds and any future earnings to support its operations and to finance the growth and development of its business. Therefore, the Company currently does not intend

to pay dividends for the foreseeable future. Any future decision to pay dividends will be made in accordance with applicable laws and will, among other things, depend on the Company's results of operations, financial condition, contractual restrictions and capital requirements.

C.2 – Where will the securities be traded?

The New Public Shares are expected to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard).

C.3 – What are the key risks attached to the securities?

- Upon conversion of the class A warrants of the Company, the Sponsor Warrants and the Sponsor Shares into Public Shares, investors in the Public Shares may experience substantial dilution in amount of up to 21% (assuming the exercise of all class A warrants and Sponsor Warrants and the conversion of all Sponsor Shares).
- There is no guarantee that following the Business Combination a liquid market for the Public Shares will develop and persist.

D – Key Information on the Admission to Trading

D.1 – Under which conditions and timetable can I invest in this security?

Admission to Trading – Admission to trading of the New Public Shares is expected to be granted on November 26, 2021 and trading in the Consideration Shares, the PIPE Shares, the Warrant Shares, the Conversion Shares and the Board-Shares is expected to commence on November 29, 2021. The New Public Shares will be included in the existing quotation for the Company's Public Shares on that day.

Dilution – Upon the consummation of the Business Combination at any point the Sponsor Shares will convert into Public Shares in accordance with the Promote Conversion and the holders of class A warrants and Sponsor Warrants may exercise their rights under the warrants. As a result of the conversion of the Sponsor Shares and the exercise of the warrants, holders of Public Shares will experience material dilution.

Estimated Total Expenses – We estimate the total expenses at about €0.9 million.

Expenses Charged to Investors – The Company will not charge any fees to investors. Only customary transaction and handling fees by the investors' brokers will be charged.

D.2 – Who is the Person asking for Admission to Trading?

Admission to Trading – On November 12, 2021, the Listing Agent and the Company have applied for the admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (General Standard).

D.3 – Why is the Prospectus being produced?

Reasons for the Admission to Trading – This Prospectus has been prepared for the admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (General Standard).

Use of Proceeds – This Prospectus does not relate to an offering of shares.

Gross Proceeds – Not applicable.

Material conflicts of interest – None.

II. ZUSAMMENFASSUNG DES PROSPEKTS

A – Einleitung mit Warnhinweisen

Dieser Prospekt (der „**Prospekt**“) bezieht sich auf 84.847.586 neue öffentliche Aktien mit einem rechnerischen Wert von € 0,016, Internationale Wertpapier-Identifikationsnummer („**ISIN**“) LU2333563281 (die „**Neuen Öffentlichen Aktien**“) der 468 SPAC I SE (zukünftig tonies SE ab dem Zeitpunkt des Abschlusses des Unternehmenszusammenschlusses (wie nachstehend definiert)) (Rechtsträgerkennung (*Legal Entity Identifier*, „**LEI**“) 222100DAYRVSS1X9EB98), einer europäischen Gesellschaft (*Societas Europaea*) nach luxemburgischem Recht mit Sitz in 9, rue de Bitbourg, L-1273, Luxemburg, Großherzogtum Luxemburg („**Luxemburg**“) (Telefon: +352 27 44 41 9459, Website: www.tonies.com), eingetragen beim Luxemburger Handels- und Gesellschaftsregister (*Registre de commerce et des sociétés de Luxembourg*) unter der Nummer B252939 (die „**Gesellschaft**“, „**468 SPAC**“ und zusammen mit den konsolidierten Tochtergesellschaften, die „**Gruppe**“). Die Neuen Öffentlichen Aktien werden zum regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) zugelassen und notiert. Joh. Berenberg, Gossler & Co. KG wird als Listing Agent für die Öffentlichen Aktien tätig sein (Geschäftsadresse: Neuer Jungfernstieg 20, 20354 Hamburg, Deutschland, Telefon: +49 (40) 350 600, LEI 529900UC2OD7II24Z667) (der „**Listing Agent**“).

Dieser Prospekt wurde bei der *Commission de Surveillance du Secteur Financier* (der „**CSSF**“), 283, route d’Arlon, L-1150 Luxemburg (Telefon: +352 26 25 1-1 (Zentrale); Fax: +352 26 25 1-2601; E-Mail: direction@cssf.lu) als zuständiger Behörde gemäß § 6 des luxemburgischen Gesetzes vom 16. Juli 2019 über Prospekte für Wertpapiere (das „**Luxemburgische Prospektgesetz**“) für die Anwendung der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 über den Prospekt, der beim öffentlichen Angebot von Wertpapieren oder bei deren Zulassung zum Handel an einem geregelten Markt zu veröffentlichen ist, und zur Aufhebung der Richtlinie 2003/71/EG (die „**Prospektverordnung**“) eingereicht und am 26. November 2021 von dieser gebilligt, zum Zweck der Zulassung der Neuen Öffentlichen Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse (General Standard).

Diese Zusammenfassung sollte als Prospekt einleitung verstanden werden. Anleger sollten sich bei jeder Entscheidung, in die Neuen Öffentlichen Aktien der Gesellschaft zu investieren, auf diesen Prospekt als Ganzes stützen. Anleger der Neuen Öffentlichen Aktien der Gesellschaft könnten ihr investiertes Kapital ganz oder teilweise verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur diejenigen Personen, die diese Zusammenfassung vorbereitet haben, einschließlich etwaiger Übersetzungen derselben, und dies auch nur für den Fall, dass diese Zusammenfassung, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die Neuen Öffentlichen Aktien der Gesellschaft für die Anleger eine Entscheidungshilfe darstellen würden.

B – Basisinformationen über die Emittentin

B.1 – Wer ist die Emittentin der Wertpapiere?

Angaben zur Emittentin – Der rechtliche und kommerzielle Name der Emittentin ist 468 SPAC I SE (zukünftig tonies SE ab dem Zeitpunkt des Abschlusses des Unternehmenszusammenschlusses (wie nachstehend definiert)) mit eingetragenem Sitz in 9, rue de Bitbourg, L-1273, Luxemburg und eingetragen beim Luxemburger Handels- und Gesellschaftsregister (*Registre de commerce et des sociétés de Luxembourg*) unter der Nummer B252939. Die Emittentin ist eine Europäische Gesellschaft (*Societas Europaea*), die nach luxemburgischem Recht gegründet wurde und besteht.

Haupttätigkeiten – 468 SPAC wurde ursprünglich zu dem Zweck gegründet, ein operatives Unternehmen mit Hauptgeschäftstätigkeit in einem Mitgliedstaat des Europäischen Wirtschaftsraums, im Vereinigten Königreich oder in der Schweiz in Form einer Fusion, eines Aktientauschs, eines Aktienkaufs, eines Erwerbs von Vermögenswerten, einer Umstrukturierung oder ähnlicher Transaktionen zu erwerben. Die Hauptaktivitäten 468 SPAC beschränkten sich hauptsächlich auf organisatorische Tätigkeiten, einschließlich der Identifizierung potenzieller Zielunternehmen für den Unternehmenszusammenschluss, sowie auf die Vorbereitung des Antrags auf Zulassung der Neuen Öffentlichen Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse.

Am 30. August 2021 schlossen 468 SPAC und die Boxine GmbH, eine Gesellschaft mit beschränkter Haftung nach deutschem Recht, eingetragen im Handelsregister des Amtsgerichts Düsseldorf unter HRB 71733 mit Sitz in der Grafenberger Allee 120, 40237 Düsseldorf, Deutschland („**Boxine**“ und zusammen mit ihren konsolidierten Tochtergesellschaften und A. VI Beteiligungs GmbH und A. VI Holding GmbH die „**Boxine Gruppe**“ und zusammen mit der 468 SPAC Gruppe, die „**Gesellschaft**“, „**wir**“, „**uns**“, „**unsere**“, „**wir selbst**“ oder die „**Gruppe**“), eine Unternehmenszusammenschlussvereinbarung (die „**Unternehmenszusammenschlussvereinbarung**“) über den Unternehmenszusammenschluss (der „**Unternehmenszusammenschluss**“) zwischen 468 SPAC und Boxine, wonach

468 SPAC das gesamte ausstehende Eigenkapital und die Eigenkapitaläquivalente der Boxine, im Austausch gegen eine Gegenleistung, bestehend aus Aktien der Gesellschaft und einem bestimmten Barbetrag, indirekt erwerben oder übernehmen wird. Der Unternehmenszusammenschluss wird am 26. November 2021 vollzogen. Im Anschluss an die Durchführung des Unternehmenszusammenschlusses wird 468 SPAC als Holding-Gesellschaft der Boxine Gruppe fungieren.

Haupttätigkeit der Boxine Gruppe – Boxine bietet einen intelligenten, vernetzten Audioplayer an, die Toniebox. Die Audioinhalte für die Toniebox werden in der Tonies-Cloud von Boxine gespeichert und über die Tonie-Figuren heruntergeladen und freigeschaltet. Die Audioinhalte für die Toniebox werden in der leistungsstarken Tonies-Cloud von Boxine gespeichert und über die Tonie-Figuren heruntergeladen und freigeschaltet. Diese ermöglichen nicht bloß eine Offline-Nutzung, sondern bieten unseren Kunden auch eine umfangreiche und ständig wachsende Auswahl von über 300 spannenden Charakteren, die, vergleichbar mit einem Rasierklingen-Geschäftsmodell, eine stetige Nutzung und Nachkäufe auslösen und so die Markentreue stärken. Bis zum 30. Juni 2021 wurden mehr als 2,4 Millionen Tonieboxen aktiviert und mehr als 25 Millionen Tonies an Kunden verkauft.

Die Produkte von Boxine sind an der Schnittstelle von vier großen Verbrauchermärkten positioniert: Videospiele, traditionelles Spielzeug und Spiele, Connected Audio und Video-Streaming. Alle diese Märkte sind groß und werden nach Angaben von Boxine mittelfristig stark wachsen. Boxine hat ein Ökosystem geschaffen, das auf die Bedürfnisse junger Familien zugeschnitten ist und ein spielerisches, sicheres und bildschirmfreies Audioerlebnis bietet. Boxine bietet eine ständig wachsende Auswahl von derzeit über 300 spannenden Charakteren, die zu einer stetigen Nutzung und zu Nachkäufen führen und so die Markentreue stärken. Boxine sichert sich die Inhalte durch Lizenzvereinbarungen mit Rechteinhabern. Für lizenzfreie Lieder und Geschichten verwenden wir auch eigene Aufnahmen, was uns ermöglicht, unsere Margen zu erhöhen.

Beherrschende Anteilseigner – Zum Zeitpunkt dieses Prospekts hält Alexander Schemann indirekt 25,2 % der Aktien der Gesellschaft; BIT Capital GmbH hält 10,4% der Aktien der Gesellschaft, Höllenhunde-Aktionäre halten 7,0% der Aktien der Gesellschaft und 468 SPAC Sponsors GmbH & Co. KG hält 5,6% der Aktien der Gesellschaft. Die Gesellschaft hält 14,3% ihrer Aktien als eigene Aktien. Die übrigen Aktien befinden sich im Streubesitz.

Management – Das Management der Gesellschaft ist in einer Zwei-Ebenen-Struktur aufgebaut. Die Gesellschaft wird von ihrem Vorstand geleitet, bestehend aus Patric Faßbender und Marcus Stahl, unter der Aufsicht des Aufsichtsrates, welcher aus Anna Dimitrova (Vorsitzende), Christian Bailly (stellv. Vorsitzender), Dr. Stephanie Caspar, Alexander Schemann, Alexander Kudlich, Helmut Jeggle und Dr. Thilo Fleck besteht.

Unabhängiger Abschlussprüfer – Die Gesellschaft hat Mazars Luxembourg S.A., mit eingetragenem Sitz in 5, Rue Guillaume J. Kroll, L-1882 Luxemburg und eingetragen im Luxemburger Handels- und Gesellschaftsregister (*Registre de commerce et des sociétés de Luxembourg*) unter Nummer B 159962, zu ihrem unabhängigen Abschlussprüfer ernannt.

B.2 – Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Ausgewählte Konzernfinanzinformationen 468 SPAC Gruppe

468 SPAC wurde erst kürzlich gegründet und hat bislang keine operative Tätigkeit ausgeübt, mit der Ausnahme von organisatorischen Tätigkeiten, der Vorbereitung und Durchführung der Privatplatzierung und des Zulassung der Aktien und der Identifikation von Boxine als Ziel für den Unternehmenszusammenschluss und nachfolgende Verhandlungen. Seit dem Datum der Finanzinformationen gab es keine signifikanten Änderungen in den Finanz- oder Handelspositionen der 468 SPAC Gruppe.

Darstellung der vorläufigen konsolidierten Finanzpositionen

	<u>Zum 30. Juni 2021</u>
	(geprüft)
	(in € Tsd.)
Gesamtes Eigenkapital und Verbindlichkeiten	304.885,1
Gesamte Verbindlichkeiten	315.106,0
Gesamtes Eigenkapital.....	(10.221,0)

Vorläufige Gewinn- und Verlustrechnung

	<u>Für den Zeitraum 29. März</u>
	<u>– 30. Juni 2021</u>
	(geprüft)
	(in € Tsd.)
Einkünfte	–
Operativer Verlust.....	(1.378,0)
Gewinn/(Verlust) für den Zeitraum	<u>(11.421,0)</u>

Vorläufige Kapitalflussrechnung

	Für den Zeitraum 29. März – 30. Juni 2021 (geprüft) (in € Tsd.)
Kapitalfluss aus operativer Tätigkeit (netto).....	(21,6)
Kapitalfluss aus Finanzierungstätigkeit (netto).....	304.863,4
Barmittel und Barmitteläquivalente	3.630,5

Beschreibung etwaiger Einschränkungen im Prüfungsbericht in Bezug auf die wesentlichen historischen Finanzinformationen

Nicht zutreffend.

Ausgewählte Konzernfinanzinformationen der Boxine Gruppe

Konzerngesamtergebnisrechnung

	Für das zum 31. Dezember endende Geschäftsjahr	Für das Rumpf- geschäftsjahr vom 12. Juli bis 31. Dezember	Für den zum 30. Juni endenden Sechsmonatszeitraum	
	2020	2019 ⁽¹⁾	2021	2020
	(geprüft)		(ungeprüft)	
	(in € Mio.)		(in € Mio.)	
Umsatzerlöse	134,6	45,7	61,8	45,9
Veränderung des Bestandes	8,4	(25,7)	14,9	4,0
Materialaufwand	(75,5)	(13,8)	(39,1)	(23,8)
Rohrertrag	67,5	6,2	37,6	26,1
Lizenzkosten	(23,1)	(7,3)	(12,8)	(9,5)
Rohrertrag nach Lizenzkosten	44,4	(1,1)	24,8	16,6
Ergebnis vor Zinsen, Steuern, Abschreibungen (EBITDA)	(6,5)	(12,6)	(11,4)	(1,4)
Abschreibungen.....	(11,3)	(3,4)	(5,9)	(5,6)
Ergebnis vor Zinsen und Steuern (EBIT)	(17,8)	(16,0)	(17,3)	(7,0)
Finanzierungskosten.....	(3,5)	(1,0)	(1,9)	(1,5)
Ergebnis vor Steuern (EBT)	(21,3)	(16,9)	(19,2)	(8,5)
Steuerertrag	3,1	6,0	2,5	1,4
Konzernergebnis für den Berichtszeitraum	(18,2)	(10,9)	(16,7)	(7,1)
Umrechnungsdifferenzen aus der Fremdwährungsumrechnung	0,1	(0,0)	(0,0)	(0,0)
Konzerngesamtergebnis für den Berichtszeitraum	(18,1)	(11,0)	(16,7)	(7,2)

(1) Entnommen aus dem geprüften Konzernabschluss der Holding GmbH für das abgelaufene Geschäftsjahr zum 31. Dezember 2020.

Konsolidierte Vermögensbilanz

	Zum 31. Dezember		Zum 30. Juni
	2020	2019 ⁽¹⁾	2021
	(geprüft)		(ungeprüft)
	(in € Mio.)		(in € Mio.)
Langfristige Vermögenswerte	297,9	301,1	297,6
Kurzfristige Vermögenswerte.....	52,3	39,6	60,3
Summe Aktiva	350,2	340,7	357,9
Gesellschaftern zurechenbares Eigenkapital	177,2	183,3	162,4
Nicht beherrschende Anteile.....	21,3	23,3	19,4
Gesamtes Eigenkapital	198,5	206,5	181,9
Langfristige Verbindlichkeiten.....	41,1	80,7	43,2
Kurzfristige Verbindlichkeiten	110,5	53,5	132,8
Summe Verbindlichkeiten	151,6	134,1	176,0
Summe Eigenkapital und Verbindlichkeiten	350,2	340,7	357,9

(1) Entnommen aus dem geprüften Konzernabschluss der Holding GmbH für das abgelaufene Geschäftsjahr zum 31. Dezember 2020.

Konzernkapitalflussrechnung

	Für das am	Für das	Für den zum	
	31. Dezember	Rumpfgeschäfts-	30. Juni endenden	
	endende	jahr vom 12. Juli	Sechsmonatszeitraum	
	Geschäftsjahr	bis 31. Dezember	2021	2020
	2020	2019 ⁽¹⁾	(ungeprüft)	
	(geprüft)		(in € Mio.)	
	(in € Mio.)			
EBITDA	(6,5)	(12,6)	(11,4)	(1,4)
Abnahme (Zunahme) des Nettoumlaufvermögens	1,1	8,3	(2,3)	4,7
Cashflow aus der operativen Tätigkeit.....	3,8	4,4	(14,5)	2,0
Cashflow aus der Investitionstätigkeit.....	(7,7)	(199,0)	(4,4)	(3,1)
Cashflow aus der Finanzierungstätigkeit.....	6,1	201,5	12,0	5,2
Netto Zunahme der Zahlungsmittel.....	2,2	6,9	(6,9)	4,0

(1) Entnommen aus dem geprüften Konzernabschluss der Holding GmbH für das abgelaufene Geschäftsjahr zum 31. Dezember 2020.

Wesentliche Finanz- und operative Daten

	Für den zum	
	30. Juni endenden Sechsmonatszeitraum	
	2021	2020
	(ungeprüft)	
	(in € Tsd.)	
Verlust für die Periode	(16,7)	(7,1)
Steuerertrag	(2,5)	(1,4)
Finanzierungskosten.....	(1,9)	(1,5)
Finanzierungserlöse	0,0	0,0
Ergebnis vor Zinsen und Steuern (EBIT)	(17,3)	(7,0)
Abschreibungen.....	(5,9)	(5,6)
EBITDA.....	(11,4)	(1,4)
Außerordentliche Aufwendungen für spezielle Projekte und einmalige Zahlungen	1,0	0,7
Außerordentliche Aufwendungen für selbst entwickelte Software	1,6	0,8
Aufwendungen aus aktienbasierter Vergütung	3,5	0,8
Bereinigtes EBITDA⁽¹⁾	(5,3)	0,9

(1) Ungeprüft.

Ausgewählte Pro Forma Finanzinformationen

Ausgewählte Daten aus der konsolidierten Pro Forma-Gewinn- und Verlustrechnung für den zum 30. Juni 2021 endenden Sechsmonatszeitraum

	1. Januar	29. März 2021 – 30. Juni 2021				1. Januar
	2021 – 30. Juni 2021	468 SPAC Gruppe	468 SPAC Gruppe	468 SPAC Gruppe	Summe vor Pro Forma Anpassungen	2021 – 30. Juni 2021
	Boxine Group Historisch	468 SPAC Group Historisch	Anpassungen auf Historisch	Historisch Angepasst	Pro Forma Anpassungen	Pro Forma Konsolidiert
	(in € Tsd., mit Ausnahme der Angaben zur Aktie und je Aktie)					
Operative Tätigkeit						
Umsatzerlöse.....	61.752	-	-	-	61.752	61.752
Veränderung des Bestands	14.888	-	-	-	14.888	14.888
Materialaufwand.....	(39.059)	-	-	-	(39.059)	(39.059)
Rohertrag.....	37.581				37.581	37.581
Lizenzkosten.....	(12.808)	-	-	-	(12.808)	(12.808)
Rohertrag nach Lizenzkosten	24.773				24.773	24.773
Sonstige Erträge.....	6	-	-	-	6	6
Personalaufwand.....	(13.977)	-	(178)	(178)	(14.155)	(14.155)
Sonstige Aufwendungen.....	(22.175)	(1.378)	178	(1.200)	(23.375)	(144.858)
					(122.634)	1,151
Ergebnis vor Zinsen, Steuern, Abschreibungen (EBITDA)....	(11.373)	(1.378)		(1.378)	(12.751)	(121.483)
						(134.234)

Abschreibungen.....	(5.887)	-	-	-	(5.887)		(5.887)
Ergebnis vor Zinsen und Steuern (EBIT).....	(17.260)	(1.378)	-	(1.378)	(18.638)	(121.483)	(140.121)
Finanzierungserträge.....	-	-	-	-	-	-	-
Finanzierungskosten.....	(1.935)	(1.587)	-	(1.587)	(3.522)	95	(3.427)
Zeitwertverlust bei							
Optionsscheinen der Klasse A...	-	(9.800)	-	(9.800)	(9.800)		(9.800)
Zeitwertgewinn aus							
Optionsscheinen der Klasse B...	-	1.344	-	1.344	1.344		1.344
Ergebnis vor Steuern (EBT).....	(19.195)	(11.421)	-	(11.421)	(30.616)	(121.387)	(152.003)
Steuerertrag.....	2.542	-	-	-	2.542		2.542
Konzernergebnis (Verlust) aus operativer Tätigkeit.....	(16.653)	(11.421)	-	(11.421)	(28.074)	(121.387)	(149.461)
Konzernergebnis für den Berichtszeitraum.....	(16.653)	(11.421)	-	(11.421)	(28.074)	(121.387)	(149.461)
Gewichteter Durchschnitt der ausstehenden Aktien - unverwässert und verwässert.....							98.425.701
Nettoverlust je Aktie - unverwässert und verwässert.....							€ (1,52)

B.3 – Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

- Die vollständigen Auswirkungen der COVID-19-Pandemie sind ungewiss und können nicht vorhergesagt werden. Die COVID-19-Pandemie könnte sich verschlimmern oder ihre Auswirkungen könnten länger andauern, was sich erheblich negativ auf das Geschäft und unser Betriebsergebnis auswirken könnte.
- Unsere begrenzte operative Historie, der sich verändernde Absatzmarkt sowie die sich entwickelnde geografische Präsenz und das sich wandelnde Angebot machen es schwierig unser aktuelles Geschäft und die Zukunftsaussichten zu bewerten und künftige Betriebsergebnisse vorherzusagen.
- Wir sind einem Konzentrationsrisiko ausgesetzt, da sich das Geschäftsmodell derzeit auf eine einzige Produktfamilie fokussiert. Wir beziehen unsere Produkte von einigen wenigen Lieferanten und verkaufen unsere Produkte derzeit nur in wenigen Ländern und die fünf größten Einzelhändler machen etwa 40% des Umsatzes aus.
- Wir könnten es versäumen, neue Trends und die Kundennachfrage auf dem Markt für Kinderspielzeug, elektronische Geräte für Kinder, Unterhaltungselektronik für Kinder und Bildung für Kinder, auch in Bezug auf beliebte Inhalte, genau zu antizipieren und umgehend darauf zu reagieren oder rechtzeitig und wirksam zu reagieren.
- Sofern unsere Toniebox und Tonies keine hohen Platzierungen in internetbasierten Suchergebnissen erreichen, könnten unsere Verkaufszahlen davon negativ beeinflusst werden.
- Wir sind auf den Zugang zu großen Online-Marktplätzen angewiesen. Wenn wir den Zugang zu Plattformen wie Amazon verlieren oder uns nicht an deren Algorithmus- und Provisionsänderungen anpassen können, würde sich dies negativ auf unser Geschäft auswirken.
- Wir unterliegen zahlreichen, komplexen und teilweise widerstreitenden rechtlichen und regulatorischen Systemen. – Zum Zeitpunkt dieses Prospekts erstreckt sich unsere operative Tätigkeit auf sieben Länder in Europa und die Vereinigten Staaten und wir planen derzeit unsere operative Tätigkeit auf weitere Länder auszuweiten, einschließlich China. Daraus ergibt sich, dass wir bereits jetzt zahlreichen Gesetzen in verschiedenen Ländern unterliegen, einschließlich Gesetzen zum Datenschutz und Datensicherheit sowie Gesetzen in Zusammenhang mit geistigem Eigentum, Verbraucherschutz, Produkthaftung und Kennzeichnung von Produkten, Wettbewerb, Korruptionsbekämpfung und internationale Sanktionen.
- Wir sind von Verwertungsgesellschaften und anderen ähnlichen Organisationen mit Gebührenforderungen konfrontiert.
- Wir sind von Organisationen für Leistungsschutzrechte hinsichtlich der Musikinhalte, die wir über unsere Tonie-Figuren vertreiben in mehreren Ländern mit Forderungen konfrontiert. – Zwar haben wir Lizenzverträge mit den Rechteinhabern für nicht musikalische Inhalte abgeschlossen, allerdings dauern die Verhandlungen in Bezug auf den Abschluss von Lizenzverträgen mit den zuständigen Organisationen für Leistungsschutzrechte für Musikinhalte in Deutschland, Österreich, dem Vereinigten Königreich und Frankreich immer noch an.
- 468 SPAC hat keine operative oder finanzielle Vergangenheit und die Betriebsergebnisse können erheblich von den pro forma Finanzdaten abweichen.
- Alexander Kudlich, der ehemalige CEO von 468 SPAC, war der Vorsitzende des Beirats der Boxine und ein indirekter Investor in Boxine, der Zielgesellschaft von 468 SPACs de-SPAC-Transaktion. Obwohl er verschiedene Maßnahmen ergriffen hat, um mögliche Interessenkonflikte zu vermeiden und um sicherzustellen, dass seine Rolle als damaliger CEO von 468 SPAC auf den Entscheidungsprozess von Boxine bezüglich der geplanten Transaktion nicht beeinträchtigen wird, gibt es keine Garantie, dass er frei von Interessenkonflikten sein wird.

- Boxine ist ein nicht börsennotiertes Unternehmen, über das nur wenige Informationen verfügbar sind und obwohl das Management des 468 SPAC eine Due-Diligence-Prüfung in Bezug auf Boxine durchgeführt hat, haben der Vorstand und der Aufsichtsrat des 468 SPAC möglicherweise Boxine nicht richtig bewertet.
- Die Finanzprognosen von Boxine, die im Zusammenhang mit dem Unternehmenszusammenschluss erstellt wurden, können sich als unzutreffend erweisen.

C – Basisinformationen über die Wertpapiere

C.1 – Welches sind die wichtigsten Merkmale der Wertpapiere?

Dieser Prospekt bezieht sich auf die Zulassung von 84.847.586 Neuen Öffentlichen Aktien, jeweils mit einem rechnerischen Wert von € 0,016, zum Handel im regulierten Markt der Frankfurter Wertpapierbörse als Teil von (i) der Ausgabe von 50.431.586 Neuen Öffentlichen Aktien als Gegenleistung für den Erwerb aller Geschäftsanteile, welche von der Höllenhunde GmbH an der A. VI Beteiligungs GmbH gehalten werden, und aller Geschäftsanteile der A. VI Holding GmbH von den Gesellschaftern der A. VI Holding GmbH aus einer Sachkapitalerhöhung in Höhe von € 806.905,38 unter Ausnutzung des genehmigten Kapitals nach der Satzung der Gesellschaft, welche vom Vorstand der Gesellschaft am 24. November 2021 beschlossen wurde, mit Zustimmung des Aufsichtsrats der Gesellschaft vom selben Tag (die „**Gegenleistungs-Aktien**“), (ii) der Ausgabe von 10.500.000 Neuen Öffentlichen Aktien nach den Bedingungen der Zeichnungsvereinbarungen, welche die Gesellschaft in Zusammenhang mit dem Unternehmenszusammenschluss mit Investoren (die „**PIPE Investoren**“) im Rahmen eines privaten Investments in eine öffentliche Gesellschaft geschlossen hat, gegen Zahlung von € 10,00 je Neuer Öffentlicher Aktie, unter Ausnutzung des genehmigten Kapitals nach der Satzung der Gesellschaft, welche vom Vorstand der Gesellschaft am 24. November 2021 beschlossen wurde, mit Zustimmung des Aufsichtsrats der Gesellschaft vom selben Tag (die „**PIPE-Aktien**“), (iii) 16.400.000 Neuen Öffentlichen Aktien, welche an die Tochtergesellschaft der Gesellschaft 468 SPAC I Issuance GmbH & Co. KG ausgegeben werden, zur Gewährung von Klasse A Aktien der Gesellschaft (die „**Öffentlichen Aktien**“) im Falle der Ausübung jeglicher der 10.000.000 Optionsscheine der Klasse A der Gesellschaft und der 6.400.000 Sponsoroptionsscheine (wie nachstehend definiert) (die „**Optionsschein-Aktien**“), (iv) der Wandlung von 7.500.000 Sponsoraktien (wie nachstehend definiert) auf eins-zu-eins Basis in 7.500.000 Neue Öffentliche Aktien gemäß der Sponsorumwandlung (wie nachstehend definiert), die spätestens ein Jahr nach dem Vollzug des Unternehmenszusammenschlusses, d. h. spätestens am 27. November, 2022 stattfindet (die „**Umwandlungs-Aktien**“) und (v) die Ausgabe von 16.000 Neuen Öffentlichen Aktien an Anna Dimitrova (die „**Board-Aktien**“).

	<u>Anzahl der Aktien</u>
Gegenleistungs-Aktien	50.431.586
PIPE Aktien	10.500.000
Optionsschein-Aktien	16.400.000
Umwandlungs-Aktien.....	7.500.000
Board-Aktien	16.000
Gesamt	84.847.586

Anzahl und Eigenschaften der Aktien – Die Gesellschaft hat insgesamt 114.847.586 Aktien ausgegeben, welche sich aus 107.347.586 Öffentlichen Aktien und 7.500.000 Klasse B Aktien (die „**Sponsorenaktien**“) zusammensetzen. Die Öffentlichen Aktien sind in der Form von dematerialisierten Aktien und die Sponsoraktien sind in der Form von Namensaktien, jeweils mit einem rechnerischen Wert von € 0,016. Alle Aktien der Gesellschaft sind voll eingezahlt.

Investment durch den Sponsor und die Co-Sponsoren – 468 SPAC Sponsors GmbH & Co. KG (der „**Sponsor**“) und gewisse weitere Personen (die „**Co-Sponsoren**“) halten 7.500.000 Sponsoraktien, die in Öffentliche Aktien umwandelbar sind, und 6.400.000 Optionsscheine der Klasse B (die „**Sponsoroptionsscheine**“), die zu einem Ausübungspreis von € 11.50 in Öffentliche Aktien eintauschbar sind. Nach der Durchführung des Unternehmenszusammenschlusses werden die Sponsoraktien spätestens an dem auf den Tag des Ablaufs des Sponsor Lock-ups (wie unten definiert) folgenden Börsentag in Öffentliche Aktien umgewandelt, wobei ungeachtet des Vorstehenden alle Sponsoraktien, die durch private Verkäufe oder Übertragungen im Zusammenhang mit dem Vollzug des Unternehmenszusammenschlusses zu Preisen nicht höher als der rechnerische Wert von € 0,016 pro Sponsoraktie übertragen wurden, im Austausch gegen die Ausgabe Öffentlicher Aktien nach Ablauf des Sponsor Lock-ups zurückgenommen werden (die „**Sponsorumwandlung**“).

Der Sponsor und die Co-Sponsoren haben sich verpflichtet, bis zum ersten Jahrestag des Unternehmenszusammenschlusses oder früher, wenn zu irgendeinem Zeitpunkt der Schlusskurs der Öffentlichen Aktien an 20 Handelstagen innerhalb eines Zeitraums von 30 Handelstagen € 12,00 erreicht oder überschreitet außer an zulässige Übertragungsempfänger keine Sponsoraktien und Sponsoroptionsscheine zu übertragen, abzutreten, zu verpfänden oder zu verkaufen (der „**Sponsor Lock-up**“). Alle zulässigen Übertragungsempfänger unterliegen in Bezug auf Sponsoraktien und Sponsoroptionsscheine denselben Beschränkungen wie der Sponsor und die Co-Sponsoren.

ISIN und Denominierung – Die ISIN der Neuen Öffentlichen Aktien lautet LU2333563281 und die Neuen Öffentlichen Aktien sind in Euro denominiert.

Mit den Aktien verbundene Rechte, relative Seniorität und Übertragbarkeit – Jede Öffentliche Aktie gewährt eine Stimme in der Hauptversammlung der Gesellschaft. Alle Öffentlichen Aktien sind ab dem Tag ihrer Ausgabe voll dividendenberechtigt. Die Öffentlichen Aktien sind gemäß den für dematerialisierte Aktien geltenden gesetzlichen Bestimmungen frei übertragbar, vorbehaltlich bestimmter Lock-up-Verpflichtungen, die zwischen der Gesellschaft, dem Sponsor und den Co-Sponsoren geschlossen wurden.

Dividendenpolitik - Die Gesellschaft beabsichtigt derzeit, alle verfügbaren Mittel und etwaige künftige Gewinne einzubehalten, um ihre operative Tätigkeit zu fördern und das Wachstum und die Entwicklung ihres Geschäfts zu finanzieren. Daher beabsichtigt die Gesellschaft momentan nicht, in absehbarer Zukunft Dividenden zu zahlen. Jede künftige Entscheidung darüber, Dividenden zu zahlen, wird in Übereinstimmung mit den geltenden Gesetzen erfolgen und wird unter anderem von der Ertrags- und Finanzlage des Unternehmens und seinen vertraglichen Beschränkungen sowie Kapitalanforderungen abhängen.

C.2 – Wo werden die Wertpapiere gehandelt?

Die Neuen Öffentlichen Aktien werden voraussichtlich zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) zugelassen.

C.3 – Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Bei der Umwandlung der Optionsscheine der Klasse A der Gesellschaft, der Sponsoroptionsscheine (Sponsor Warrants) und der Sponsoraktien (Sponsor Shares) in Öffentliche Aktien (Public Shares) können Investoren der Öffentlichen Aktien (Public Shares) eine erhebliche Verwässerung erfahren von bis zu 21 % (unter der Annahme, dass alle Optionsscheine der Klasse A der Gesellschaft und alle Sponsoroptionsscheine ausgeübt werden und alle Sponsoraktien sich wandeln).
- Es gibt keine Garantie dafür, dass sich nach dem Unternehmenszusammenschluss ein liquider Markt für die Öffentlichen Aktien (Public Shares) entwickeln und aufrechterhalten wird.

D – Basisinformationen über die Zulassung zum Handel

D.1 – Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Börsennotierung und Vollzug – Die Zulassung zur Börsennotierung der Neuen Öffentlichen Aktien wird voraussichtlich am 26. November 2021 erteilt und der Handel mit den Gegenleistungs-Aktien, den PIPE-Aktien, den Optionsschein-Aktien, den Umwandlungs-Aktien und den Board-Aktien wird voraussichtlich am 29. November 2021 aufgenommen. Die Neuen Öffentlichen Aktien werden an diesem Tag in den Kurs der Öffentlichen Aktien der Gesellschaft miteinbezogen.

Verwässerung – Nach dem Vollzug des Unternehmenszusammenschlusses zu einem beliebigen Zeitpunkt, werden die Sponsoraktien in Übereinstimmung mit der Sponsorumwandlung in Öffentliche Aktien umgewandelt und die Inhaber von Optionsscheinen der Klasse A und Sponsoroptionsscheinen können ihre Rechte aus den Optionsscheinen ausüben. Infolge der Umwandlung der Sponsoraktien und der Ausübung der Optionsscheine werden die Inhaber Öffentlicher Aktien eine starke Verwässerung erfahren.

Erwartete Gesamtkosten – Wir erwarten Gesamtkosten von ungefähr € 0,9 Million.

Kosten, die Anlegern in Rechnung gestellt werden – Die Gesellschaft wird den Anlegern keine Gebühren in Rechnung stellen. Es werden nur die üblichen Transaktions- und Bearbeitungsgebühren von den Brokern der Anleger in Rechnung gestellt.

D.2 – Wer ist die die Zulassung zum Handel beantragende Person?

Zulassung zum Handel – Am 12. November 2021 haben der Listing Agent und die Gesellschaft die Zulassung der Neuen Öffentlichen Aktien zum Handel am regulierten Markt der Frankfurter Wertpapierbörse (General Standard) beantragt.

D.3 – Weshalb wird dieser Prospekt erstellt?

Gründe für die Börsennotierung – Dieser Prospekt wurde für die Zulassung der Neuen Öffentlichen Aktien zum Handel am regulierten Markt der Frankfurter Wertpapierbörse (General Standard) erstellt.

Verwendung der Erlöse – Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

Bruttoerlöse – Nicht anwendbar.

Wesentliche Interessenkonflikte – Keine.

1. RISK FACTORS

An investment in the New Public Shares (as defined below) of 468 SPAC I SE (to be renamed tonies SE as of closing of the Business Combination) (Legal Entity Identifier (“LEI”) 222100DAYRVSS1X9EB98), a European company (Societas Europaea) existing under Luxembourg law, having its registered office at 9, rue de Bitbourg, L-1273, Luxembourg, Grand Duchy of Luxembourg (“Luxembourg”) (“468 SPAC” and together with its consolidated subsidiaries, the “468 SPAC Group”, and, together with the Boxine Group (as defined below), A. VI Beteiligungs GmbH and A. VI Holding GmbH, the “Company”, “we”, “us”, “our” or “ourselves” or, the “Group”), each class A redeemable share of the Company with a par value of €0.016 (the “New Public Shares”, each a “New Public Share” and, together with all existing class A shares of the Company, the “Public Shares”) is subject to risks. In addition to the other information contained in this prospectus (the “Prospectus”), investors should carefully consider the following risks when deciding whether to invest in the Company’s Public Shares. The market price of the Public Shares of the Company could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment.

The following risks, alone or together with additional risks and uncertainties not currently known to the Company, or that the Company might currently deem immaterial, could have a material adverse effect on our future business, financial condition, cash flows, results of operations and prospects. The risk factors featured in the Prospectus are limited to risks which are specific to the Company and which are material for taking an informed investment decision. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their negative impact. The risk factors are presented in categories depending on their nature. In each category the most material risk factor is mentioned first according to the assessment based on the probability of its occurrence and the expected magnitude of its negative impact. The risks mentioned may materialize individually or cumulatively.

1.1 Risks Related to Boxine’s Business, Operations and Financial Position

1.1.1 ***The full effect of the COVID-19 pandemic is uncertain and cannot be predicted. The COVID-19 pandemic could worsen, or its effects may be prolonged, which could lead to a materially adverse effect on our business and results of operations.***

We offer a smart, connected audio player, the Toniebox. The audio content is unlocked through our Tonie figurines, which offer our customers an extensive and constantly growing choice of over 300 exciting characters, triggering steady usage and repurchases and thereby building brand loyalty. We source our boxes from two suppliers in China and Hungary, with the latter recently added, and our Tonies from three suppliers in Tunisia and China. While we have expanded our second sourcing strategy since 2020 and continue to do so, we still rely on a single sourcing strategy for a few other components. We typically sell a large part of our products through retailers, with brick and mortar stores accounting for a large share of our sales with online sales via own and third party channels rapidly expanding.

Both our supply chains and distribution channels were negatively affected by the COVID-19 pandemic. In late 2020, due to hygiene measures, which negatively impacted production volumes, we were not able to meet the full demand. Measures that closed offline retail stores or significantly limited their operations negatively impacted our ability to attract new customers and to trigger potentially more repeat purchases from existing customers. The COVID-19 pandemic may also affect us due to limited availability of components such as chips and margin pressure due to an increase in raw material and logistics prices as well as overall availability of components and raw materials. The full effects of the COVID-19 pandemic cannot be predicted because of many uncertainties, including the deployment and long-term efficacy of vaccines, the emergence of new variants and repeated infection rate surges. Governments and businesses have taken mitigation actions, including business closures, travel restrictions, and quarantines. These actions could cause a general slowdown in the global economy, continue to adversely impact our supply chains, distribution channels, customers and partners, and could disrupt our operations.

Additionally, our management team is focused on ongoing planning for and mitigating the risks of COVID-19, which may reduce their time for other initiatives. Therefore, the COVID-19 pandemic may lead to employee inefficiencies, operational and cybersecurity risks, logistics disruptions, and other circumstances which could have an adverse impact on our business and results of operations.

Although we are continuously monitoring our business and operations to take appropriate actions to mitigate risks arising from the COVID-19 pandemic, there can be no guarantee that the actions we take will be successful. Should the situation worsen or not improve, or our steps for risk mitigation fail, our business, liquidity, financial condition, results of operations, stock price and prospects may be materially and adversely affected.

1.1.2 *Our limited operating history and evolving market, geographic footprint and offerings make it difficult to evaluate our current business and future prospects, and predict results of operations.*

We started selling our products only in late 2016. Since then, we have focused on expanding our offering and refining the Toniebox. Because we have a limited operating history, the markets for kids' toys, audio, entertainment and education are constantly evolving and we have just entered some of the jurisdictions in which we operate, it is difficult to predict our results of operations and the ultimate market size for our products and services. If the markets for kids' toys, audio, entertainment and education do not develop as we expect, or if we fail to address the needs of these markets, our business and prospects could be harmed.

We may fail to adapt to new geographic markets given our limited track-record in these markets, which may negatively affect our business. In particular, our product-market-fit may not always translate into anticipated sales figures due to our limited operational time in the respective markets, even if we have identified proof points for the product market fit of our products.

1.1.3 *We depend on external capital to support our business growth such as bank lines and other loans, and this capital might not be available on acceptable terms, if at all. If we fail to implement additional measures to secure capital and liquidity, this could pose an existential risk to us.*

Our growth and expansion will require additional capital. We will need additional capital to extend our geographic reach and to increase the penetration of the markets in which we are already active. We may require periodic injections of capital in order to continue to run our business, serve our debt and realize our growth plans. In particular, we currently depend on vendor loans and bank lines.

Any deterioration in the performance, prospects or perceived value of our business may have a material adverse effect on our share price and valuation. Such a development would make it more difficult and substantially more expensive to obtain financing and could trigger additional capital requirements. Any liquidity concerns encountered by us or any of our businesses may require us to curtail or abandon our growth strategy.

There is no guarantee that we will be able to obtain additional financing at favorable terms, or at all, in order to satisfy our need for capital. If we need capital and are unable to raise it, we may be required to take additional steps, such as borrowing money on unfavorable terms in order to raise capital, which could limit our growth and may negatively affect our market shares.

1.1.4 *Several loan and factoring agreements which we entered into contain change-of-control provisions.*

Several loan and factoring agreements, which we entered into, provide for an extraordinary right of termination for the lender in the event of a change of control in Boxine GmbH ("**Boxine**" and together with its consolidated subsidiaries, A. VI Beteiligungs GmbH and A. VI Holding GmbH, the "**Boxine Group**"). Lenders and the financial institutions we work with may take this opportunity to terminate their agreements with us, which would result in significant cash outflows. Lenders and the financial institutions we work with may, however, also use the De-SPAC transaction to renegotiate their commercial arrangements with us. Any such re-negotiation may lead to terms that are significantly less favorable to us, which may increase our future financing costs and may make covenants or make conditions to additional draws under our financing arrangements more difficult to meet.

1.1.5 *We are exposed to concentration risks given that our business model currently centers around a single product family, we source our products from a few suppliers, we currently sell our products only in a small number of countries and our top five retailers account for c. 40% of our sales.*

We seek to be efficient in our set up and processes, which exposes us to significant concentration risks. Our business model centers around a single product family, the Toniebox and the Tonies, which means that any decrease in demand for our Toniebox and Tonies cannot be compensated by other products. Demand for our products may decrease for a large number of reasons, including the introduction of innovative products by one of our current or potential future competitors, events that negatively impact our reputation or claims that our products do not comply with relevant legal requirements or ethics standards.

We source our boxes from a single supplier in China, with a second supplier in Hungary expected to be added later in 2021, and our Tonies from three suppliers in Tunisia and China. We also rely on a single sourcing strategy for a few other components, such as the production of the artificial leather for the Toniebox, assembly and packaging of the Toniebox and production of the magnets and NFC chips for the Tonies. While it is theoretically possible to replace these suppliers, any such change will take time, providing our suppliers with significant

leverage. In addition, even in cases where we have a few suppliers for a product, such as for our Tonies, in case of a loss of a single supplier, the remaining suppliers may not be in a position to make up for the shortfall in the short term.

We sell our products only in a small number of countries, with the vast majority of our sales currently being generated with customers located in Germany, Austria and Switzerland (“DACH”). This geographic concentration exposes us to the economic development in a limited number of countries. While we have entered the United States, the United Kingdom, Ireland and, most recently, France, and seek to further broaden our geographic footprint, there can be no assurance that these efforts will be successful or help us to diversify our geographic risk. Even if we also sell our products directly to consumers through our online store, we still generate the majority of our sales through retailers. As we currently only operate in a limited number of markets, our retailer base is very concentrated, with our top five retailers accounting for c. 40% of our sales in 2021. The loss of any of our top retailers may significantly negatively affect our sales. Any disputes with our major retailers or any insolvency of a major retailer may significantly delay collection of our claims against such retailer or may even result in a complete loss of the relevant claims.

1.1.6 Major logistics and supply chain disruptions, including due to limited container availability and our reliance on a single warehouse for each major market, could have a significant negative effect on our operations and results.

Many of our suppliers are located in China, requiring us to ship the products to Europe or the United States. In part driven by the ongoing COVID-19 pandemic, containers are currently in short supply, in particular concerning deliveries for the Christmas season. Incidents such as the Suez Canal obstruction in early 2021, the closure of a port in China in the summer of 2021 or the blocking of Chinese railways, may add to logistics capacity constraints and increase logistics costs. Also, air freight capacity is scarce and costs are unpredictable. There is no guarantee that we will be able to secure sufficient capacity at acceptable cost.

We currently rely on two distribution centers, one located in Germany and the other in the United States, with another one being ramped up in the United Kingdom in September 2021. While we intend to add a distribution center in France, there is no guarantee that we will be able to do so in a timely or cost effective manner. Any failure to add distribution centers will significantly negatively impact our ability to ship our products in an efficient manner and to lower our distribution costs. In addition, our reliance on a small number of distribution centers means that a single hazard event may significantly negatively affect our ability to meet customer orders in a timely manner or at all. Further, our insurance coverage may not be sufficient to compensate for the loss of products stored in the relevant distribution center.

1.1.7 Future growth poses various risks and challenges to our business and we may not be able to manage future growth efficiently.

Our strategy is to grow our business, including through geographic expansion and expansion of product range, e.g., with respect to our audio library, accessories and content geared towards a slightly older audience (i.e., elementary school and beyond). Continued growth of our business requires us to expand and improve our platform, IT-systems, fulfilment infrastructure, customer service, financial, accounting, compliance processes as well as management controls and reporting systems, which may not be possible in a timely and cost-effective manner. If we are unable to successfully handle future growth, we may be required to take steps to slow down our growth, which may adversely affect our business and competitive position. In addition, our historical revenue growth or operating expansion may not be indicative of future performance for a variety of reasons, including increased competition and the maturation of our business, and we can provide no assurance that our revenue will continue to grow or will not decline.

The anticipated growth may place significant demands on our management and key employees. Our existing teams may not be adequately staffed to handle an increase in the workload or our workforce management may prove insufficient for our expanding business and growth plans. An expansion of our platform, including our IT-infrastructure, an increase in the number of suppliers and a growing workforce will make our operations more complex and challenging. Our ability to hire a sufficient number of new employees depends on the overall availability of qualified employees and our ability to offer them sufficiently attractive employment terms compared to other employers. Onboarding and integrating new employees may prove more challenging in a work environment where remote working has become more prevalent than in the past. There is no guarantee that we will be able to meet such challenges and the risk of disruptions and compliance violations may increase.

An inability to manage future growth efficiently could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

1.1.8 Any deterioration of economic conditions in the markets in which we operate may adversely affect our business and results of operations.

Our growth and the margins we can achieve depend in part on global and regional economic conditions in the markets in which we operate and their impact on consumer spending, which is likely to decline during periods of economic uncertainty and recession. Our products are discretionary in nature, which means that we may be disproportionately affected by economic uncertainty. Our customers could decide to no longer purchase our products during economically challenging times.

Small businesses that do not have substantial resources, including some of our suppliers and distributors, tend to be adversely affected to a greater extent by challenging economic conditions than large businesses. If one or more of our suppliers were to cease their operations due to an economic downturn, our business could be adversely affected. Any deterioration of economic conditions could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

1.1.9 Our future revenue depends on our ability to continue to attract new customers, which have an inherently high rate of turnover as the users of our products grow up.

We focus on very young and young users, with the vast majority of our users being pre-school children or elementary school students. Purchases are mainly made by relatives and other adults, who purchase the Toniebox or Tonies as a gift. The growth of our business depends on our ability to attract purchasers for our products, which is an ever evolving group as most users use the Toniebox while they are children. If we do not attract a sufficient number of purchasers who purchase the Toniebox for first time users, our revenues may grow more slowly than expected or decline, which could adversely affect our business, results of operations and financial condition.

We have achieved high penetration rates for our Toniebox within the relevant target age group of more than 30%. If we do not manage to grow this share or replicate a similar share in other markets (depending on maturity and time in market), our revenue targets might prove overly ambitious.

1.1.10 Our future revenue depends on the ability to continuously develop each customer cohort in line with our current expectations.

We track follow-on purchases generated by the sale of a Toniebox. To this end, we group Tonieboxes sold in a specific year in a cohort and compare the performance on a cohort basis. Based on our historical cohorts, the sale of a Toniebox currently on average generates the purchase of approximately 20 Tonies within 4.5 years from sale of the relevant Toniebox. Any failure to meet or exceed this follow-on purchase rate for younger or future cohorts may negatively affect our future performance and may require us to adjust our business plan, including due to an increase in marketing spending.

1.1.11 Acceptance of product offering may decrease or fail to improve, including due to a lack of innovation or our failure to bring new products to market as planned, which may materially adversely affect our business and results of operations.

We focus on the connected toys market and our entire offering centers around a single product family. In order to maintain and grow our operations, we will have to expand our content offering and extend the depth and breadth of our portfolio into adjacent products and merchandising. In order to achieve these strategic goals and to maintain the competitiveness of our current products, we will need to innovate. Any failure to do so, or any innovations that are not responsive to customer demands, may materially adversely affect our business and results of operations. If our products fail to meet the expectations of existing or future customers, demand for our products and the acceptance of our product offering could decrease or fail to improve and our business could be adversely affected.

Technological advancements may make our products less attractive. For example, wireless internet networks used to work with 2.4 GHz and now often rely on the more advanced 5 GHz technology and on IPV6 protocol technology, which have been implemented in our latest Toniebox model. Any failure by us to anticipate and/or react to any such changes may significantly impair the user friendliness of our products, harm our reputation and lead to a decrease in sales.

A lack of acceptance of our product offering could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

1.1.12 *We may fail to accurately anticipate and promptly respond to new trends and customer demand in the kids' toys, audio, entertainment and education markets, including with respect to popular content, or to respond in a timely and effective manner.*

The attractiveness of our product offering is driven by our ability to secure and offer the most relevant content and to meet certain technological standards. While trends change more slowly in the kids' toys, audio, entertainment and education markets than in other retail industries, the most relevant content changes over time and varies by geographic market. Any failure to secure relevant content or to identify or respond to changing trends and customer preferences, including those relating to sustainability of product sources, and spending patterns in a timely and effective manner may negatively affect our relationship with our customers, demand for our products and market share. If we are not successful at predicting trends and consumer preferences and adjusting our offering accordingly, we may also have excess inventory, which could result in markdowns and reduce our operating performance.

1.1.13 *If our efforts to build, maintain and enhance our reputation and brand, in particular in our new geographic markets, are not successful, we may not be able to grow our user base, which could adversely affect our results of operations.*

We believe our brands are a key asset of our business. Developing, protecting, and enhancing our “Tonies” and “Toniebox” brands are critical for the growth and continued success of our business as well as for our competitiveness in our target markets. Strong brands also help to counteract the significant purchaser turnover we experience from year to year as the kids that use our products grow older, and differentiate us from our competitors. Therefore, any developments that harm our brand could materially adversely affect our business.

We rely in part on social media (e.g., Facebook, Instagram and Pinterest) for the promotion of our brand and marketing efforts, and any negative publicity may be accelerated through social media due to its immediacy and accessibility as a means of communication. Such negative publicity, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new or retain existing customers. Given the rapid nature of social media, we may be unable to react to such negative publicity in a timely manner.

1.1.14 *Our continued expansion in the accessories area, especially in the equipment and merchandising space, may not yield the expected results, including due to customers not adopting the Tonies brand in these categories.*

We have started expanding our offering into the accessories area, where we offer or seek to offer headphones, shelves, cases for the Tonies and backpacks in the shape of popular figurines. We currently intend to expand our offering in the accessories area. However, there is no guarantee that our efforts will yield the expected results, including due to customers not adopting the Tonies brand in these categories. In addition, any issues with accessories may harm our reputation, especially as our strategy might involve sourcing them from white-label suppliers.

1.1.15 *Our continued expansion into new forms of digital product offerings may not be adopted by customers as currently planned.*

In addition to offering accessories, we also intend to expand our digital product offerings under our “Mytonies / audiolibrary” product line, where we allow users to unlock additional digital content for physical Tonies. There is no guarantee that our efforts will yield the expected results, including due to customers not adopting our digital offerings based on our unique selling proposition (USP). Any security or data breaches related to our digital products might reduce consumers' trust into our products.

1.1.16 *Our geographic footprint exposes us to political, economic, legal and other risks and uncertainties.*

We source our products from a small number of suppliers, currently mainly located in China, Germany, Hungary, India and Tunisia, and sell such products in six countries in Europe and the United States. As a result of our operations in these diverse markets, we are exposed to a number of risks, including:

- domestic and foreign customs, tariffs, quotas, import or export licensing requirements and other trade barriers with respect to our products or the raw materials required to manufacture such products;
- different manufacturing, packaging, certification and product safety standards and practices;

- differences in the way manufacturers and other suppliers store, ship and handle the quality control with respect to their products;
- the need to adapt our content offering to local tastes, practices and relevant languages;
- the need to adjust our customer targeting to local markets, including the offering of country specific websites and apps in local languages;
- differences in the way customers purchase, pay for and return products and provide us with feedback;
- unfamiliar business practices;
- government intervention or intervention from officials and other parties to favor certain competitors;
- political instability, civil unrest, including strikes, and urban violence;
- regulations restricting or limiting foreign ownership of companies and assets;
- diverse and complex legal and tax environments and customs regimes;
- opaque or unfamiliar legal systems and license requirements, which may contain conflicting regulatory requirements and are often subject to arbitrary enforcement by authorities; and
- limitations on the remittance of dividends and other cross-border payments or on the recovery of amounts withheld due to withholding taxes.

If we expand our geographic footprint these risks may increase and there is no guarantee that we can manage them effectively, or at all.

1.1.17 We face competition from other technology companies, traditional toy manufacturers and the entertainment industry and cannot exclude that content owners will start competing directly with us, limiting or denying us access to relevant content.

The market for kids' toys, audio, entertainment and education is highly competitive, fragmented and rapidly changing. We face intense competition from a diversified group of other technology companies, traditional toy manufacturers, digital attackers and the entertainment industry. We cannot exclude that content owners may decide in the future to start competing directly with us, which may limit, or deny us, access to the content owned by these companies.

New competitors may emerge, who currently operate in other countries, and choose to enter, or expand into, our markets. New competition may come from companies with greater brand recognition, larger customer bases and order fulfillment infrastructures, that have significantly greater financial, marketing, and other resources than we do. These advantages may allow our competitors to derive higher revenue and profits from their existing customer base, acquire customers at lower costs or respond faster to new or emerging technologies and changes in consumer habits. Our competitors may undertake more far reaching marketing campaigns and adopt more aggressive pricing policies, which may adversely impact our competitive position. We also face risks from strategic alliances by other participants. Some of our competitors may decide to merge or enter into business combinations, further increasing their size and market reach.

Competitive pressure from our current or future competitors or an inability to adapt effectively and quickly to a changing competitive landscape could adversely affect demand for our products, force us to cut prices and thereby adversely affect our growth and our margins. If we fail to compete effectively, we may lose existing consumers and fail to attract new customers.

1.1.18 Although we only collect anonymous meta-data on usage patterns of our products and content, concerns about data privacy may harm our reputation and business.

The Toniebox needs to be connected to the Internet in order to download content. Although we only collect anonymous meta-data on usage patterns of our products and content, the connection to the internet may lead to skepticism among potential purchasers and users of our Toniebox about data privacy. Any allegations concerning improper use of data may negatively impact our reputation and sales.

1.1.19 Our investments in marketing may fail to yield the desired results.

While we have historically spent limited amounts on marketing, we currently intend to significantly increase our marketing spending, in particular outside the DACH region. For purposes of planning our future marketing

efforts, including deciding on the mix of marketing channels and setting our marketing budget, we rely on data regarding the effectiveness of marketing measures and channels collected in the past. Any inability to accurately measure the effectiveness of our marketing measures and channels may lead to our marketing efforts not having the desired effect, which may negatively affect our growth and business.

1.1.20 If our Toniebox and Tonies do not achieve a high ranking in internet-based search results, our sales may be negatively affected.

A material number of our customers rely, at least in part, on internet research before making a purchase decision. We endeavor to create interest for our products through organic search results generated by search engines such as Google or Bing. To this end, we need to focus on the ranking of our Toniebox and Tonies in organic searches, a process known as search engine optimization. However, the algorithms and ranking criteria of such search engines are confidential. Consequently, we do not have complete information on such algorithms and ranking criteria, making our efforts at search engine optimization considerably more difficult. Furthermore, search engines frequently modify their algorithms and ranking criteria to prevent their organic search results from being manipulated, which could impair our search engine optimization efforts. If we are unable to quickly recognize and adapt our techniques to such modifications in search engine algorithms or if our search engine optimization efforts prove otherwise ineffective, we may need to increase our spending on other forms of marketing or may potentially suffer from a decrease in demand for our products.

Search engines may consider our search engine optimization efforts manipulative or deceptive and therefore see them as a violation of their terms of services. This may result in our Toniebox and Tonies being excluded from organic search results. The same may occur if search engines modify their terms of service to prohibit our search engine optimization efforts. Any exclusion of our Toniebox and Tonies from organic search results could significantly reduce our ability to attract customers to our website and materially adversely affect our business.

Users may also search relevant marketplaces, such as Amazon or ebay. Any failure of our products to show up as top hits may negatively affect our sales and results of operations.

1.1.21 We may be subject to negative publicity, including inaccurate adverse information, which may result in declining demand for our products.

Customers value readily available information concerning products for their kids and often act on such information without further investigation or authentication or regard to its accuracy. Social media and websites immediately publish posts from users, often without filters or checks on the accuracy of the content posted. Allegations against us may therefore be posted on social media, in internet chat rooms or on blogs or websites by anyone on an anonymous basis. We may be the target of harassment or other detrimental conduct by third parties, including from our competitors. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or demeaning statements about our business, even if these allegations or statements are unfounded, and we may be required to spend significant time and money to address such allegations. Inaccurate adverse information may harm our business and we may not be able to redress or correct inaccurate posts in a timely manner, or at all.

Our business may become the subject of negative media coverage and public attention, which may develop strong dynamics and adversely affect our business. In addition, third parties may communicate complaints to regulatory agencies and we may be subject to government or regulatory investigation as a result of such complaints. There is no assurance that we will be able to conclusively refute such allegations in a timely manner, or at all.

1.1.22 The increasing importance of e-distribution channels may result in insolvencies of sales partners and therefore negatively affect our results of operations.

We rely in large part on third-party distributors and representatives to market our products to customers, including e-distribution channels, such as Amazon. While a large share of our sales is currently generated from traditional trade channels, we expect that e-distribution channels will become increasingly relevant as a distribution channel for our Tonieboxes and Tonies. E-distribution channels will create changes and challenges in the traditional trade channels market. As a result of these issues, some traditional market participants may go out of business, including as a result of an insolvency, which may result in impairments of our accounts receivable and could negatively affect our results of operations.

1.1.23 We depend on having access to large online marketplaces. If we lose access to platforms such as Amazon or fail to adjust to their algorithm and commission changes, our business would be adversely affected.

A large percentage of our turnover is generated on major distribution platforms such as Amazon. If we lose access to these platforms, our business would be adversely affected. Changes in algorithms and commissions of these platforms can have a negative impact on our turnover and profitability. If distribution platforms change, we may need to install new distribution channels, which may result in additional expenses.

1.1.24 We rely on third-party suppliers and may not be able to meet customer demand due to sourcing constraints.

We source our Toniebox and Tonies and related components from third-party suppliers currently located mainly in China, Germany, Hungary, India and Tunisia as we do not operate any manufacturing facilities ourselves. We cannot guarantee that we will at all times be able to source the products we need in a timely manner at acceptable prices. There is no guarantee that we will be able to maintain our supplier network.

While we believe that the kids' toys, audio, entertainment and education industry is less subject to short-term trends than other retail industries, customer tastes and preferences do change over the medium-term, requiring us to adapt our product offering to meet such evolving customer demands. However, there is no guarantee that we will be able to source and successfully introduce new and innovative products in time. Should our competitors be able to introduce particularly attractive products for which they hold exclusive marketing rights, we may not be able to provide our customers with a comparable offering.

1.1.25 There can be no assurance that our suppliers will comply with applicable laws and regulations in all circumstances.

We source our products from a number of international manufacturers. Our reputation could suffer and we could become subject to adverse legal or regulatory actions if our suppliers provide us with products that do not comply with applicable laws or regulations, including laws and regulations relating to product safety, embargoes, environmental protection, and standards relating to employment and factory conditions.

While we have taken steps to prevent non-compliance of our suppliers with applicable laws and regulations, there can be no assurance that these steps effectively prevent non-compliance in all circumstances. If our suppliers do not observe these regulations and our requirements, we may be unable to sell the relevant products. In the event of any failure by our suppliers to comply with relevant standards, we could incur additional costs, our brand and reputation may be damaged by negative publicity due to such deficiencies, we or our management may face administrative fines or criminal charges and we may lose current or potential customers.

1.1.26 We may be unable to maintain and expand our relationships with content owners or to find additional content owners, which may materially adversely affect our business and results of operations. In addition, many of our contracts with content owners contain change-of-control provisions and we cannot exclude that content owners will use the De-SPAC transaction to renegotiate their commercial arrangement with us.

We depend on third-party content despite continuing to develop our own Tonies Originals content. Popular content in kids' toys, audio, entertainment and education changes over time. We are dependent on our ability to secure rights to the most relevant third-party content. There can be no assurance that relevant content owners will agree to cooperate with us in the future or that existing partners will continue to do so or at terms that are acceptable to us. In addition, our competitors may seek to enter into exclusivity agreements with our content owners.

Many of our contracts with content owners contain change-of-control provisions and we cannot exclude that content owners will use the De-SPAC transaction to renegotiate their commercial arrangement with us. If we fail to maintain and expand our existing relationships and to build new relationships with content owners on acceptable commercial terms, we will not be able to maintain and expand our content offering, which could adversely affect our business.

1.1.27 Product defects and product recalls could adversely affect our business and reputation.

As our products are manufactured by third-party suppliers, including suppliers from emerging markets, we do not have full control over the quality of these products. We may inadvertently sell defective products, which could cause injury to our customers or damage their property, forcing us to recall such products or resulting in product liability claims and/or administrative fines or criminal charges against us. In the past, for example, we had to scrap

a series of Tonies because the figurines showed a tendency to break apart more easily than allowed under our specifications. Alternative materials (such as wood), which we currently experiment with in the production of our Tonies, may prove to be inadequate and result in product defects.

There is no guarantee that we will be adequately insured against such risks or will be able to take recourse against the suppliers from who we sourced these products, in particular if these are located in foreign countries or do not have sufficient capital to indemnify us. Any negative publicity resulting from product recalls or the assertion that we sold defective products could damage our brand and reputation.

1.1.28 We rely on Amazon Web Service (AWS) and other third-party software and service providers to provide systems, storage, software and tech stack development and services for us and our users and any disruption of such services or a material change to our arrangements could adversely affect our business.

We rely on AWS and other third-party software and service providers to provide systems, storage and services, including hosting of content that can be downloaded to a Toniebox. We also rely on a couple of key partners in systems, software and tech stack development. They also operate some servers and data services for us. Our reliance makes us vulnerable to any errors, interruptions, or delays in their operations. Any disruption in the services provided by third-party providers, including AWS, could harm our reputation or brand, cause us to lose users or revenues or incur substantial recovery costs and distract management from operating our business. Further, these third-party software and service providers may experience operational difficulties due to the current COVID-19 pandemic, including increased usage of their software and services. If they cannot adapt to the increase in demand or fail to ensure availability of their software and services, there could be a negative impact on our results of operations.

AWS may terminate its agreement with us upon 30 days' notice. Upon expiration or termination of our agreement with AWS, we may not be able to replace the services provided to us in a timely manner or on terms and conditions that are at least as favorable to us as the current terms and conditions. A transition from one vendor to another vendor could subject us to operational delays, disruption and inefficiencies until the transition is complete.

1.1.29 Our sourcing and logistics costs are subject to movements in the prices for raw materials and fuel as well as exchange rates, and we may not be able to pass on price increases to our customers.

Our sourcing and logistics costs are typically influenced by a variety of factors, many of which are beyond our control, including raw material and fuel prices, labor costs, rent levels, import tariffs, fluctuations in foreign exchange rates and the capacity and utilization rates of carriers. As a result, our sourcing costs may vary considerably in the short-term and increase significantly if there are shortages at suppliers or carriers. We have recently seen inflationary tendencies that have led and/or may lead to a rise in logistics costs. There is no guarantee that we will be able to pass on an increase in sourcing and logistics costs to our customers through price increases. To the extent we seek to increase our prices, such price increases could adversely affect demand for our products. If competitors are able to offer lower prices, for example due to long-term agreements they may have with logistics providers, customers may demand that we also lower our prices irrespective of the actual development of our sourcing costs.

1.1.30 Our ability to reach our business plan goals will depend in part on our success in increasing our logistics efficiency.

Most of the products we sell have a recommended retail price of less than €20. Logistics costs account for a significant fraction of our total costs per unit sold, especially for digital channels. In order to increase our margins, it will be essential to decrease our logistics cost per item sold. Any failure to enhance our logistics efficiency may negatively impact our ability to reach our business plan goals.

1.1.31 We may be unable to efficiently manage our inventory levels, which may materially adversely affect our business and results of operations.

While trends in our industry change rather slowly, we may have products in stock that do not sell as expected. If we fail to correctly anticipate demand for our products or if we do not accurately anticipate the time it will take to obtain new inventory, we may not be able to avoid overstocking or understocking. If we underestimate demand, we may not be able to meet orders in a timely manner, which may result in a loss of customers. If we overestimate demand, we may experience excess inventories and may incur higher costs for maintaining such inventories and

could ultimately be forced to record losses for write offs on our inventories. In order to sell excess inventories, we may choose to offer products at significant discounts, which may adversely affect our profit margins and the level of prices we can demand for other products.

1.1.32 We depend on our personnel to grow and operate our business and may not be able to retain and replace existing personnel or to attract new personnel.

We are a founder-led business and depend on the continued input of our co-founders, Marcus Stahl and Patric Faßbender. We also depend upon the continued services and performance of our other officers and other key personnel. The unexpected departure or loss of any of them could have a material adverse effect on our business, financial condition and results of operations, and there can be no assurance that we will be able to attract or retain suitable replacements for such personnel in a timely manner or at all. We may also incur significant additional costs in recruiting and retaining suitable replacements.

Our success and growth strategy also depends on our ability to expand our business by identifying, attracting, recruiting, training, integrating, managing and motivating new and talented personnel, which may require significant time, investments, and management attention. Competition for talent is intense, particularly for creative functions and other qualified personnel in our industry. In addition, new employment and immigration regulations may adversely affect our ability to find the required personnel. The envisaged transaction will be transformative for us and, accordingly, there is a heightened risk that we may experience higher turnover than in the past.

1.1.33 We may fail to operate, maintain, integrate and upgrade our technology infrastructure, or to adopt and apply technological advances.

We are a technology company that relies heavily on its technology infrastructure. It may become increasingly difficult to maintain and improve the availability of our services, especially during peak usage times and as our product offering becomes more complex and the number of visitors increases. Any failure to effectively address capacity constraints, operate, maintain, integrate and upgrade our technology infrastructure, or to adopt and apply technological advances, may decrease our competitiveness, may harm our reputation and may lead to decrease in sales.

1.1.34 We may experience malfunctions or disruptions of our technology systems.

We rely on technology systems for our daily operations. We may not be able to correctly assess how prone to errors, ransomware or viruses our technology systems are. Any failure of or disruptions to our technology systems may lead to significant malfunctions and downtimes of our systems, as has occurred in the past. In addition, our management of malfunctions may be inadequate. If we cannot fix any malfunctions ourselves, we might have to pay third parties to either fix the malfunctions, remove any blockages or to license functioning software, which might prove costly.

We depend on certain third-party service providers to maintain our technology systems. If such service providers were to increase their prices, this could adversely affect our margins. In addition, if we were forced to switch service providers (e.g., because their software is no longer fully compatible with our technology platform), there is no guarantee that alternative service providers will be available to us or that we can manage the transition successfully.

As we continue to grow our business, we may be required to further scale our technology platform and technology systems, including by replacing outdated hardware and increasing the integration of our technology systems. Such changes may, however, be delayed or fail due to malfunctions or an inability to integrate new software and functions with our existing technology platform, resulting in disruptions to our operations and insufficient scale to support our future growth.

1.1.35 We may experience security breaches, loss of customer or supplier data and disruptions due to hacking, viruses, fraud and malicious attacks, other criminal activities or inadvertent or unintentional actions.

We use internet- and cloud-based applications and other technology systems through which we collect, maintain, transmit and store sensitive information about our customers, suppliers and other third parties as well as proprietary information, licensed content and business secrets. We also employ third-party service providers that store, process and transmit such information on our behalf, in particular e-mail addresses. Furthermore, we rely on encryption and authentication technology licensed from third parties to securely transmit sensitive and confidential information. While we take steps to protect the security, integrity and confidentiality of sensitive and confidential information, our security practices may be insufficient and third parties may access our technology systems without

authorization (e.g., through Trojans, spyware, ransomware or other malware attacks), which may result in unauthorized use or disclosure of such information. In particular, hackers might succeed in distributing unwanted content through our Tonies. Such attacks might lead to blackmailing attempts, forcing us to pay substantial amounts to release our captured data or resulting in the unauthorized release of such data. Given that techniques used in these attacks change frequently and often are not recognized until launched against a target, it may be impossible to properly secure our technology systems. In addition, technical advances or a continued expansion and increased complexity of our technology platform could increase the likelihood of security breaches.

Security breaches may also occur as a result of non-technical issues, including intentional or inadvertent breaches or mistakes by our employees or third-party service providers. Insufficient security practices, such as inadequate policies to enforce password complexity, the saving of username and password combinations on local browsers, the use of default credentials or their reuse coupled with the use of cloud services, the use of unauthorized and unprotected software as well as inadequate physical protection against unauthorized access may make our technology systems vulnerable and lead to unauthorized disclosure of sensitive information.

Any leakage of sensitive information could lead to a misuse of data (e.g., unsolicited emails or other messages based on spam lists fed with such data). Inefficient management of administrator and user accounts may increase the risk of fraud and malfunctions. Any breach could violate applicable privacy, data security and other laws, and cause significant legal and financial risks, negative publicity and adversely affect our business and reputation. In addition, we may need to devote significant resources to protect ourselves against security breaches or to address such breaches and there is no guarantee that our resources will be sufficient to do so. Furthermore, we provide certain information to third-party service providers who perform services for us. Consequently, we only have limited control over the protection of such information by the relevant third-party service providers and may be adversely affected by breaches and disruptions of their respective technology systems.

1.1.36 We are subject to various risks for which we may not be adequately insured.

While we have purchased what we consider to be market standard insurance coverage customary in our industry, such insurance does not cover all risks associated with our business. Accidents and other events, including interruptions or security breaches of our technology platform, could potentially lead to interruptions of our operations or cause us to incur significant costs, all of which may not be fully covered by our insurance policies. In addition, our insurance coverage is subject to various exclusions, retention amounts and limits. Of any of our insurance providers becomes insolvent, we may not be able to successfully claim payment from such insurance provider. In the future, we may not be able to obtain coverage at current levels, or at all, and premiums for our insurance may increase significantly.

1.1.37 Exchange rate fluctuations may adversely affect our results.

We currently incur substantial costs and generate revenue outside the Eurozone. Fluctuations in foreign exchange rates between the Euro, our reporting currency, and other currencies of countries where we sell or source our products, in particular the U.S. Dollar, the U.K. pound and the Swiss Franc, may result in significant increases or decreases in our reported operating results as expressed in Euro, our margins and in the reported value of our cash flows. Furthermore, depending on the movements of particular exchange rates, we may be adversely affected at a time when the same currency movements benefit some of our competitors.

1.1.38 If we are unable to accurately assess our performance through certain key performance indicators, this may adversely affect our ability to determine and implement appropriate strategies.

We assess the success of our business through a set of key performance indicators (“**Key Performance Indicators**”) as well as certain other financial and non-financial key performance indicators, such as the number of our active customers. Our Key Performance Indicators may not be comparable to similarly named indicators used by our competitors.

Capturing accurate data to calculate our Key Performance Indicators may be difficult, in particular due to our limited operating history. There is no guarantee that the information we have collected thus far is accurate or reliable. As a result, our Key Performance Indicators may not reflect our actual operating or financial performance and may not be reliable indicators of revenue or profitability. Potential investors should therefore not place undue reliance on these Key Performance Indicators in evaluating or making an investment in our shares. The management of our business depends on our Key Performance Indicators and other indicators derived from them, and if these are inaccurate, we may end up making bad business and strategic decisions. Furthermore, if we report

Key Performance Indicators that are significantly wrong, investors may lose confidence in the accuracy and reliability of information we report.

1.1.39 Our business plan numbers could differ materially from our actual results of operations and we may not achieve our long-term strategic goals.

We target, as a strategic goal, a medium term contribution margin of 40% for the Group and 47% in the DACH region and an adj. EBITDA margin of 16% for the Group and 35% for the DACH region. We have based our business plan and our strategic goals on a number of assumptions, which are beyond our control, relating to market development, trends and customer preferences, macro-economic developments, regulatory and legal environment, and the absence of unforeseen events. In addition, we have based our business plan and our strategic goals on various assumptions, which may, at least in part, be influenced by us, such as marketing, active customer base, return rate, geographic market expansion and product range expansion. Such assumptions are inherently subject to significant business, operational, economic and other risks. Accordingly, these assumptions may change or may not materialize at all. Should one or more of the assumptions underlying the business plan or our strategic goals prove to be incorrect, our actual results of operations could differ materially from such plan and goals. As we currently do not have a monthly financial reporting by country or segment, we cannot always accurately track our business goals by country or segment. Investors should therefore not place undue reliance on the business plan and our strategic goals.

1.1.40 Our business is subject to seasonal fluctuation, which may have a material impact on our results.

Our business is subject to significant seasonal fluctuation, with the Christmas and, to a lesser extent, Easter periods being the main drivers of our sales. In the future, such seasonality may become even more pronounced (e.g., if customers focus more strongly on certain special events). Seasonality makes it difficult for us to accurately forecast demand for our products and source sufficient volumes of these products. Any failure to anticipate high demand for our products and to meet such elevated demand prior to the Christmas or Easter holidays, or any event that might negatively impact our reputation during these periods, may significantly negatively impact our sales, cash flows and our results of operations and prospects. A failure of us to meet our selling expectations during these seasonal events may have long-term adverse effects on our business. If, for example, less Tonieboxes are sold during these seasonal events, such will also result in less Tonies being sold in subsequent periods.

1.1.41 Any failure to further expand our operations outside the regions in which we currently operate and to further broaden our geographic footprint may have a significant negative impact on our business or reported results.

In 2019, we generated 98% of our net revenue in the DACH region. In order to achieve our business plan, we will need to significantly broaden our geographic footprint. We currently target to achieve 25% of our 2025 net revenue in the DACH region, with the United States contributing 42%, the United Kingdom 13%, China and other 13% and France 8%. These targets are based on a number of assumptions, which are at least in part outside of our control and may prove to be wrong. For example, there is no guarantee that our products will be equally popular in other geographic regions or that our assumption about competition are correct. Accordingly, there is no guarantee that we will be able to achieve our revenue goals.

1.2 Key Regulatory, Legal and Tax Risks Related to Boxine

1.2.1 We are subject to numerous, complex and sometimes conflicting legal and regulatory regimes.

As of the date of this Prospectus, we have operations in seven countries in Europe and the United States and currently intend to expand our operations into other countries, including China. As a result, our business is already subject to numerous laws in different countries, including laws respect to privacy, data protection and data security as well as laws with respect to intellectual property protection, consumer protection, product liability and the labeling of our products, competition, anti-corruption and international sanctions.

While we are not aware of any material breaches of applicable laws and regulations, we cannot guarantee that we have always been in full compliance with them in the past and will be able to fully comply with them in the future. The violation of any of the laws and regulations applicable to us may result in litigation, damage claims from our customers, business partners and/or competitors as well as extensive investigations by governmental authorities and substantial fines being imposed on us. Even unfounded allegations of noncompliance may adversely affect our reputation and business.

Any changes in the legal framework applicable to our business could adversely affect our operations and profitability. If we continue to expand our business and geographic scope, we will become subject to a legal framework that is even more complex. Furthermore, the laws and regulations of various jurisdictions in which we operate or may operate in the future are evolving. Consequently, such laws and regulations may change and sometimes even conflict with each other, making it even harder to observe them.

At any time, authorities in the countries where we operate may require us to obtain additional, or extend existing, licenses, permits and approvals. However, there is no guarantee that we will be able to obtain these in a timely and cost effective manner. In addition, authorities may revoke existing licenses and we may not be aware of, or able to appeal, any such revocations in a timely manner, or at all.

1.2.2 *We are faced with demands by collecting societies and similar other organizations to pay fees.*

Devices that allow users to store or copy individual content, such as our Tonieboxes, are subject to fees in certain jurisdictions, including in Germany. We are currently in discussions with some of the collecting societies and similar other organizations, in particular, for the German market, with the government-mandated Central Organization for Private Recording Rights (*Zentralstelle für Private Überspielungsrechte*; “ZPÜ”), which most likely will result in us being required to pay a fee. In December 2020, the ZPÜ filed for an arbitration proceeding with the arbitration board of the German Patents and Trademarks Office (*Schiedsstelle beim Deutschen Patent- und Markenamt*), which is currently pending due to ongoing negotiations between ZPÜ and us. However, even after months’ of negotiations, there are still substantial differences of opinion between ZPÜ and us as which fee shall apply to our Tonieboxes. If our negotiations with ZPÜ fail, the arbitration proceeding will continue, which may result in us having to pay higher fees than the ones we had expected to negotiate with ZPÜ. The application of such higher fees could reduce our profit margin.

1.2.3 *We are faced with demands by performance rights organizations in several countries for the music content distributed by us through our content Tonie figurines.*

While we have entered into license agreements with content owners for our non-music content, negotiations regarding the conclusion of a license agreement with the competent performance rights organizations for music content in Germany, Austria, the United Kingdom and France are still ongoing. In the United States, our application for a statutory license is still pending. It is unclear whether we will be able to enter into license agreements for our music content on acceptable terms. If we do not succeed in entering into license agreements for our music content on terms which are economically acceptable to us, we may have to discontinue offering music content, which may make it more difficult for us to attract new customers and retain existing customers. Despite the fact that we have not yet entered into license agreements regarding the distribution of music content, we have been distributing such content without a license since the start of our operations. In particular, we have not entered into a license agreement with the German Society for musical performing and mechanical reproduction rights (*Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte*; “GEMA”), which administers the vast majority of musical reproduction rights on the German market. Even after several months of negotiations, we have not yet entered into a license agreement with GEMA due to differences of opinion as to what fees should apply. The only market in which we currently distribute music content with a license is Switzerland after being able to enter into a license agreement with the Swiss collecting society SUISA.

We may be liable to pay damages and fines and our management may be subject to further sanctions for having in the past distributed music content without a proper license in all countries in which we operate and for continuing to do so in all countries in which we operate with the exception of Switzerland which may lead to significant reputational damage.

1.2.4 *We may not be able to adapt our internal controls as well as our reporting, risk management and compliance procedures to the requirements of a public company.*

We are in the process of adapting our internal controls as well as our reporting and risk management procedures to the requirements of a publicly listed company, but there is no guarantee that we will be able to implement adequate procedures in a timely manner, or at all. We may be unable to detect and react to risks arising in the course of our business. Any failure to establish or maintain an effective system of internal controls over financial reporting could limit our ability to report our financial results accurately and in a timely manner or to detect and prevent fraud. We have adopted a group-wide risk management and compliance program that is aimed at preventing corruption, fraud and other criminal or other forms of non-compliance by our management, employees, consultants, agents and suppliers. Although our risk management and compliance organization continuously seeks to improve the effectiveness and efficiency of this program, such controls may prove to be

insufficient to prevent or detect non-compliant conduct. Non-compliance with applicable laws and regulations may harm our reputation and ability to compete and result in legal action, criminal and civil sanctions, or administrative fines and penalties (e.g., a loss of business licenses or permits) against us, members of our governing bodies and our employees. They may also result in damage claims by third parties or other adverse effects (e.g., class action lawsuits and enforcement actions by national and international regulators resulting in limitations to our business).

1.2.5 *We may not be able to adequately protect our intellectual property and trade secrets against infringements from third parties.*

We believe that our intellectual property (e.g., customer data, copyrights, brands, patents, trademarks, trade secrets and proprietary technology) is critical to our success. We have developed, and will continue to develop, a substantial number of proprietary software, processes and other know-how, including assortment related know how, that are of key importance to our operations. We may not be able to obtain effective protection for such intellectual property or other proprietary know-how in all relevant countries. In particular, our know-how protection concept may not satisfy the standards required by the laws implementing the EU Trade Secrets Directive (Directive (EU) 2016/943). Thus, our trade secrets may not enjoy protection under those laws.

There are still application processes pending for some intellectual property rights. Objections in the course of these application processes may result in reduced scopes of protection for such intellectual property rights. If the laws and regulations applicable to our intellectual property change, this may make it even more difficult to protect such intellectual property effectively.

In addition, we may be required to spend significant funds on monitoring and protecting our intellectual property and there is no guarantee that we can successfully discover all infringements, misappropriations or other violations of our intellectual property and pursue them successfully.

If we initiate litigation against infringements of our intellectual property, such litigation may prove costly and there is no guarantee that it will ultimately be successful and that the rulings we obtain will adequately remedy the damage we have suffered. Where we rely on contractual agreements to protect our intellectual property, such agreements may be found to be invalid or unenforceable. Furthermore, some of our intellectual property could be challenged or found invalid through administrative processes or litigation, and third parties may have independently developed or otherwise acquired equivalent intellectual property (or may do so in the future) that overlaps with our technology.

1.2.6 *We may be accused of infringing on the intellectual property of third parties.*

We depend on intellectual property for our business. Rights' owners or regulatory authorities may allege that intellectual property we use infringes on someone else's intellectual property, and we may therefore become subject to allegations and litigation (see "1.2.8 *We may be involved in litigation or other proceedings that could adversely affect our business.*"). We may infringe on intellectual property of third parties inadvertently, for example if service providers to which we outsource the production of content use intellectual property of third parties without a license. Even unfounded allegations of infringement may adversely affect our reputation and business and may require significant resources to defend against. If we try to obtain licenses from such third parties to settle any disputes, there is no guarantee that such licenses will be available to us on acceptable terms, or at all, in which case we may be required to alter our products and change the way we operate.

Some of the agreements we entered into with content licensors may contain clauses regarding the protection of their intellectual property licensed to us. A violation of these clauses, such as the unauthorized sub licensing or disclosure of a confidential source code, may require us to pay significant penalties, prevent us from utilizing such intellectual property in the future and may result in litigation against us (see "1.2.9 *We may be involved in litigation or other proceedings that could adversely affect our business.*").

Copyright owners receive remuneration for the content they create through various channels – not only through direct licensing, but also through other channels such as collective licensing and copyright levies. As these are structured very differently in different countries, we may face allegations that we are liable for such remuneration in current or future markets, for past and future sales of any of our products. In addition, the respective laws, regulations and tariffs could change, which may increase copyright owners' remuneration. Where the remuneration is determined in negotiations, we may not be able to agree on acceptable tariffs, in which case we may be required to change the commercial parameters of our activities in the respective country.

1.2.7 We may not be able to provide our international licensees with rights requested by them, which may render it more difficult for us to find international licensees.

In our own content productions we might risk in specific cases an incongruence between the rights acquired by us and those requested by our international licensees. This is in particular due to the diverging copyright systems in the United States and continental Europe. Whereas copyright is fully transferrable in the United States (“work made for hire”/“total buy-out”), this is not the case in continental Europe, where authors enjoy a very high level of protection and, thus, some rights, in particular moral rights, have to remain with the author and cannot be transferred.

1.2.8 We may be unable to acquire, utilize and maintain our trademarks.

We have registered various word and figurative trademarks and expect to register additional similar rights in the future. These rights are regulated by the relevant regulatory bodies and subject to trademark laws and other related laws in the jurisdictions in which we have registered them.

If we cannot obtain or maintain our existing or future word and figurative trademarks on reasonable terms, we may be forced to incur significant additional expenses or be unable to operate our business as intended. The laws protecting trademarks and similar proprietary rights could change, which may prevent us from using these rights as intended. In addition, we may not be able to prevent third parties from registering utilizing trademarks that interfere with those that we have registered.

1.2.9 We may be involved in litigation or other proceedings that could adversely affect our business.

In the ordinary course of our business activities, we are regularly exposed to various litigation, particularly in the areas of product warranty, intellectual property disputes, labor disputes and tax matters. Such litigation is subject to inherent uncertainties, and unfavorable rulings could require us to pay monetary damages or provide for an injunction prohibiting us from performing a critical activity (e.g., marketing certain products). Even if legal claims brought against us are without merit, defending such claims could be time-consuming and expensive, could divert management’s attention from other business concerns and we may decide to settle such claims, which may prove expensive to us.

1.2.10 We use standardized documents, contracts and terms and conditions, which increases the impact if any clause is held to be void.

We require customers to sign up to our terms and conditions when they activate the Toniebox. If our terms and conditions are found to contain provisions which are interpreted in a manner disadvantageous to us, or if any clauses are held to be void and thus replaced by statutory provisions which are disadvantageous to us, a large number of our contractual relationships could be affected. We also use standardized contracts, terms and conditions with our distributors. Important contractual relationships would be affected if contracts or terms and conditions were found to be void.

Standardized terms and conditions have to comply with the statutory laws on general terms and conditions (*allgemeine Geschäftsbedingungen*) in the different jurisdictions in which we operate, which means that in many jurisdictions they are subject to intense scrutiny by the courts. In the European Union, the standard is even stricter if such terms and conditions are used *vis-à-vis* consumers. As a general rule, standardized terms and conditions are invalid if they are not transparent, not clearly worded, unbalanced or discriminate against the respective other party. In addition, there have been constant changes regarding the legal framework applicable to such terms and conditions as well as the interpretation thereof by the courts. As a result, we cannot guarantee that all standardized terms and conditions we use currently comply and will continue to comply with these strict requirements. Even if terms and conditions are prepared with legal advice, it is impossible for us to guarantee that they are valid, given that changes may continue to occur in the laws applicable to such terms and conditions and/or their interpretation by the courts. If contracts, terms and conditions we use were held to be void, we also may face administrative fines.

1.2.11 Our business is subject to the general tax environment in Luxembourg and Germany as well as the jurisdictions in which we operate and any changes to this tax environment may increase our tax burden.

Our business is subject to the general tax environment in Luxembourg and Germany as well as the jurisdictions in which we operate. Our ability to use tax loss carryforwards, write-offs and other favorable tax provisions depends on national tax laws and their interpretation in these countries. Changes in tax legislation, administrative practices or case law could increase our tax burden and such changes might even occur retroactively. Furthermore, tax laws may be interpreted differently by the competent tax authorities and courts, and their interpretation may

change at any time, which could lead to an increase of our tax burden. In addition, court decisions are sometimes ignored by competent tax authorities or overruled by higher courts, which could lead to higher legal and tax advisory costs and create significant uncertainty.

As a result of tax audits or other review actions by the relevant tax authorities, we may be required to make significant additional tax payments. In particular, this may be the case with respect to the utilization of tax loss carryforwards, transfer pricing applied by the Group, including the documentation thereof, the tax residency of certain Group companies, including 468 SPAC, and changes in the Company's shareholding structure and past reorganizations as well as with respect to the tax treatment of stock options issued to our employees. Any tax assessments that deviate from our expectations or filings could lead to an increase in our tax burden and additional tax documentation costs or costs in relation to disputes. In addition, we may be required to pay interest on these additional taxes as well as late filing penalties.

Any of the foregoing could have a material adverse effect on our results of operations and financial condition.

1.2.12 One of our shareholders, or a group of our shareholders acting in concert, may, in the future, acquire control of the Company and become subject to mandatory takeover bid requirements, in which case our shareholders would have the choice between accepting the mandatory takeover bid or to remain invested in a company that will be controlled by one shareholder or a group of shareholders acting in concert, unless the CSSF grants a derogation.

Under Luxembourg law, any person acting alone or in concert who acquires 33.33% or more of our share capital with voting rights attached is required to launch a mandatory takeover bid for the remainder of our Shares. If a single shareholder or a group of shareholders acting in concert acquire more than 33.33% of our Shares, they will be subject to mandatory takeover bid requirements. Unless the shareholder or the group of shareholders acting in concert apply with the CSSF for a derogation from the mandatory takeover bid requirement and obtain such derogation from the CSSF, our other shareholders will have to choose between tendering their Shares or to remain invested in a company controlled by one shareholder or a group of shareholders acting in concert. In case the CSSF grants the derogation by such shareholder or group of shareholders acting in concert, there will be no mandatory takeover offer and our shareholders might not have the option to sell their Shares to such controlling shareholder or group of shareholders acting in concert.

1.3 Key Risks Related to the Public Shares

1.3.1 Risks related to the Public Shares

Upon conversion of the Public Warrants, the Sponsor Warrants and the Sponsor Shares into Public Shares, investors in the Public Shares may experience substantial dilution in amount of up to 21% (assuming the exercise of all Public Warrants and Sponsor Warrants and the conversion of all Sponsor Shares).

468 SPAC placed 10,000,000 Class A warrants to subscribe for one Public Share, ISIN LU2290524383 (the "**Public Warrants**"), and 6,400,000 Class B warrants subscribed by the Sponsor and the Co-Sponsors (each as defined below) (the "**Sponsor Warrants**"). Each Public Warrant and Sponsor Warrant entitles its holder to subscribe for one Public Share, with a stated exercise price of €11.50 (subject to customary anti-dilution adjustments). The Public Warrants and Sponsor Warrants will become exercisable 30 days after the consummation of the Business Combination (as defined below) and will expire five years from the date of the consummation of the Business Combination (as defined below), *i.e.*, November 26, 2021, or earlier upon redemption by the Company or liquidation.

Furthermore, following the consummation of the Business Combination (as defined below), the Sponsor and the Co-Sponsors hold 7,500,000 class B shares (the "**Sponsor Shares**"), which will convert one year after the consummation of the Business Combination (as defined below), *i.e.*, November 27, 2022, on a one-on-one basis into Public Shares or earlier if, at any time, the closing price of the Public Shares equals or exceeds €12.00 for any 20 trading days within any 30-trading day period.

The exercise of all Public Warrants and Sponsor Warrants and the conversion of all Sponsor Shares will substantially dilute the economic and voting rights of the existing holders of Public Shares (the "**Public Shareholders**") in an amount of 21% and accordingly reduce the value of their interests in the Company.

1.3.2 Risks related to the Listing

There is no guarantee that following the Business Combination a liquid market for the Public Shares will develop and persist.

The price of the Public Shares after the Business Combination (as defined below) may vary due to general economic conditions and forecasts, SPAC's and/or Boxine's general business condition and the release of financial information by SPAC and/or Boxine. Although the current intention of SPAC is to maintain a listing on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange for the Public Shares, there can be no assurance that SPAC will be able to do so in the future. If SPAC is unable to maintain a listing on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange, for instance because it can no longer pay the listing fees to the Frankfurt Stock Exchange, or because it is liquidated, then the liquidity and price of the Public Shares may be limited. In addition, the market for the Public Shares may not develop towards an active trading market or such development may not be maintained. Investors may be unable to sell their Public Shares unless a viable market can be established and maintained.

1.4 Key Risks Related to the Business Combination and the PIPE

1.4.1 *468 SPAC has no operating or financial history and its results of operations may differ significantly from the pro forma financial data.*

468 SPAC is a recently formed development stage company with no operating results, and it has not engaged in activities other than organizational activities. Because 468 SPAC lacks an operating history, investors will take the experience and track record of the members of 468 SPAC's management to a greater extent into account. The founder and sponsor of 468 SPAC is 468 SPAC Sponsors GmbH & Co. KG, an affiliate of Alexander Kudlich, Dr. Ludwig Ensthaler and Florian Leibert, founders of the fund 468 Capital GmbH & Co. KG (the "Sponsor"). The former members of the supervisory board of 468 SPAC, directly or through their affiliates, as well as Fabian Zilker (the "Co-Sponsor") have also provided funds to 468 SPAC as well.

1.4.2 *Alexander Kudlich, the then-CEO of the 468 SPAC, was the chairperson of Boxine's advisory board and an indirect investor in Boxine, the target company for 468 SPAC's de-SPAC transaction. While he has taken several measures that seek to avoid any potential conflicts of interest and to ensure that his role as CEO of 468 SPAC did not interfere with Boxine's decision-making process concerning the Business Combination (as defined below), there is no guarantee that he was free of conflicts of interest.*

Alexander Kudlich, the then-CEO of 468 SPAC, was the chairperson of Boxine's advisory board and an indirect investor (less than 1% on a fully diluted basis) in Boxine, the target company for 468 SPAC's de-SPAC transaction (the "Business Combination"). Similarly, Florian Leibert and Dr. Ludwig Ensthaler, then-members of the Management Board, were both indirect investors (less than 1% on a fully diluted basis) in Boxine, the target company of the Business Combination. Furthermore, Lea-Sophie Cramer, then-member of the Supervisory Board, was indirectly invested in Boxine in an amount of €200,000. It cannot be completely excluded that the personal and financial interests of the then-members of the Management Board and Supervisory Board may have influenced their motivation in identifying Boxine as a target business despite having taken several measures to avoid such a potential conflict of interest such as the abstention from voting on related matters in the respective corporate bodies. Besides, Alexander Kudlich, for the time until the consummation of the Business Combination, has rested his role as chairperson of Boxine's advisory board and he has not participated in any meetings of the advisory board, has not exercised his voting right as an advisory board member and has not received any information in his capacity as advisory board member from Boxine, other advisory board members or non-voting observers, especially concerning the Business Combination.

1.4.3 *Subsequent to the consummation of the Business Combination, 468 SPAC may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition, results of operations and share price, which could cause investors to lose some or all of their investment.*

Even though write downs, write offs, restructuring costs and other charges may be non-cash items and not have an immediate impact on 468 SPAC's liquidity, the fact that 468 SPAC reports charges of this nature could contribute to negative market perceptions about it or its Public Shares or Public Warrants. In addition, charges of this nature may cause 468 SPAC to violate net worth or other covenants to which it may be subject as a result of assuming pre-existing debt held by a target business or by virtue of it obtaining post-combination debt financing.

Any of the foregoing could have a material adverse effect on 468 SPAC's results of operations and financial condition.

1.4.4 Boxine is a private company about which little information is available, and despite 468 SPAC's management having conducted a due diligence review of Boxine, 468 SPAC's management board and supervisory board may not have properly valued the Boxine Group.

Despite 468 SPAC's management having conducted a due diligence review of the Boxine Group, 468 SPAC may not have identified all material issues or liabilities related to the Boxine Group. In this case, 468 SPAC may later be forced to write down or write off assets, restructure its operations or incur impairment or other charges that could result in its reporting losses.

1.4.5 Boxine's financial forecasts, which were prepared in connection with the Business Combination, may prove to be inaccurate.

Our financial forecasts depend, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control. There can be no assurance that our business will generate sufficient cash flow from operations and that the investments required to further drive revenue growth as anticipated can be effected.

As far as we rely on debt and equity financing, we cannot assure this to be available to us on favourable terms, or at all, in an amount sufficient to fund our liquidity needs.

2. GENERAL INFORMATION

2.1 Responsibility Statement

The Company assumes responsibility for the content of this Prospectus pursuant to the Prospectus Regulation and declares that the information contained in this Prospectus is, to the best of its knowledge, correct and contains no material omissions, and that it has taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of its knowledge, correct and contains no material omission likely to affect its import.

The Listing Agent (as defined below) makes no representation or warranty as to the accuracy or completeness of the information contained in the Prospectus.

2.2 Competent Supervisory Authority

The Prospectus for this listing has been approved by the CSSF in its capacity as competent authority under the Prospectus Regulation and the Luxembourg Prospectus Law for the purpose of the admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (General Standard), meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or the quality of the New Public Shares and investors should make their own assessment as to the suitability of investing in the New Public Shares. Application has been made to notify BaFin in accordance with the European passport mechanism set forth Article 25 para. 1 of the Prospectus Regulation.

This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>) and on the Company's website at www.tonies.com under the "Investor Relations" section. By approving this Prospectus, the CSSF gives no undertaking as to the economic or financial soundness of the transaction or the quality and solvency of the Company in line with the provisions of Article 6 para. 4 of the Luxembourg Prospectus Law.

The information on the websites does not form part of this Prospectus and has not been scrutinized or approved by the CSSF.

2.3 Purpose of this Prospectus

This Prospectus relates to the admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) of 84,847,586 New Public Shares with a par value of €0.016 each as part of (i) the issuance of 50,431,586 New Public Shares as consideration for the acquisition of all shares held by Höllenhunde GmbH ("**Höllenhunde**") in A. VI Beteiligungs GmbH ("**Beteiligungs GmbH**") and the acquisition of all shares in A. VI Holding GmbH ("**Holding GmbH**") from the shareholders of Holding GmbH (the "**Holding GmbH Shareholders**") from a capital increase in the amount of €806,905.38 against contributions in kind, resolved on by the Company's management board (the "**Management Board**") on November 24, 2021, and approved by the Company's supervisory board (the "**Supervisory Board**") on the same day, utilizing the authorized capital under the Company's articles of association (the "**Articles of Association**") (the "**Consideration Shares**") (ii) the issuance of 10,500,000 New Public Shares under the subscription agreements in connection with the Business Combination entered into by the Company with investors (the "**PIPE Investors**") in a private investment in public equity transaction (the "**PIPE Financing**") against payment of €10.00 per New Public Share, resolved on by the Management Board on November 24, 2021, and approved by the Supervisory Board on the same day, utilizing the authorized capital under the Articles of Association (the "**PIPE Shares**"), (iii) 16,400,000 New Public Shares issued to the Company's subsidiary, 468 SPAC I Issuance GmbH & Co. KG, to be used to grant Public Shares in case of the exercise of any of the 10,000,000 Public Warrants and 6,400,000 Sponsor Warrants (the "**Warrant Shares**"), (iv) the conversion of 7,500,000 Sponsor Shares on a one-on-one basis into 7,500,000 New Public Shares in accordance with the Promote Conversion (as defined below) (the "**Conversion Shares**") and (v) the issuance of 16,000 New Public Shares to Anna Dimitrova (the "**Board Shares**").

2.4 Information on the Company's Securities

The Company is a European company (*Societas Europaea*) and its affairs are governed by the Articles of Association, the applicable Luxembourg law and Council Regulation no 2157/2001 of 8 October 2001 on the Statute for a European company (SE). Pursuant to the Articles of Association, as of the date of this prospectus, the Company has an authorized capital allowing it to issue 639,118,414 Public Shares.

2.4.1 Shares

2.4.1.1 General

Prior to the Business Combination, the Company had issued 30,000,000 Public Shares and 7,500,000 Sponsor Shares, which were issued at a par value of €0.016 per share.

The Company placed the gross proceeds from the initial private placement of the Public Shares and Public Warrants (the “**Private Placement**”), which was completed on April 29, 2021, and the proceeds of the additional subscription of 900,000 Sponsor Warrants by the Sponsor and the Co-Sponsors to cover the effects of negative interest rates (the “**Additional Sponsor Subscription**”) into the escrow account (the “**Escrow Account**”) established by 468 I Advisors GmbH & Co. KG (“**468 I Advisors KG**”) with Joh. Berenberg, Gossler & Co. KG (“**Berenberg**”).

In connection with the Business Combination, the Company issued 50,431,586 New Public Shares to the Boxine Investors (as defined below), 10,500,000 New Public Shares as part of the PIPE Financing to the PIPE Investors, 16,400,000 New Public Shares to the Company’s subsidiary, 468 SPAC I Issuance KG, in case of an exercise of any of the 10,000,000 Public Warrants and 6,400,000 Sponsor Warrants and 16,000 to Anna Dimitrova, each from its authorized capital under Luxembourg law. In addition, 7,500,000 Sponsor Shares will convert into Public Shares at the latest on the trading day following the day of expiration of the Sponsor Lock-Up (as defined below). Hence, the share capital of the Company under its Articles of Association amounts to €1,837,561.38 and 114,847,586 Shares are outstanding including:

- 107,347,586 Public Shares; and
- 7,500,000 Sponsor Shares.

For any matter submitted to a vote of the shareholders, except as required by Luxembourg law, holders of Public Shares and holders of Sponsor Shares will vote together as a single class, with each share entitling the holder to one vote.

All Public Shares carry full dividend rights from the date of their issuance.

In the event of a liquidation, dissolution or winding up of the Company after the Business Combination, the shareholders are entitled to share *pro rata* in all assets remaining available for distribution to them after payment of liabilities.

Through the issuance of 77,347,586 New Public Shares in connection with the closing of the Business Combination, the dividend rights and voting rights of each existing holder of Public Shares were diluted by approximately 72%.

2.4.1.2 Sponsor Shares

The Sponsor Shares are designated as class B shares and, except as described below, are identical to the Public Shares and holders of Sponsor Shares have the same shareholder rights as holders of Public Shares, except that (i) the Sponsor Shares are subject to certain transfer restrictions, as described in more detail below, (ii) they are only entitled to a nominal dividend of €0.01 in the case distributions of profits are made by the Company (other than in a liquidation scenario), and (iii) the Sponsor Shares will automatically convert into Public Shares in accordance with the Promote Conversion.

The Sponsor Shares shall convert into Public Shares on the trading day following the day of expiration of the Sponsor Lock-Up (as defined below); while, notwithstanding the foregoing, any Sponsor Shares transferred by private sales or transfers made in connection with the consummation of the Business Combination at prices no greater than the par value of €0.016 per Sponsor Share, will be redeemed in exchange for the issuance of Public Shares upon the expiration of the Sponsor Lock-Up (the “**Promote Conversion**”). The Sponsor Shares will convert in accordance with the Promote Conversion on a one-on-one basis into Public Shares.

The Sponsor and the Co-Sponsors have committed not to transfer, assign, pledge or sell any of the Sponsor Shares and Sponsor Warrants other than to Permitted Transferees (as defined below) until the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Public Shares equals or exceeds €12.00 for any 20 trading days within any 30-trading day period (the “**Sponsor Lock-Up**”). Any Permitted Transferees

(as defined below) will be subject to the same restrictions as the Sponsor and the Co-Sponsors with respect to any Sponsor Shares and Sponsor Warrants.

The foregoing restrictions are not applicable to transfers (a) to the members of the Management Board or Supervisory Board or, in case an advisory board is established at the level of the Company, the members of such advisory board, any affiliates or family members of any members of the Management Board or Supervisory Board, any members or partners of the Sponsor or their affiliates, any affiliates of the Sponsor, or any employees of such affiliates; (b) in the case of an individual, by gift to a member of one of the individual's immediate family or to a trust, the beneficiary of which is a member of the individual's immediate family, an affiliate of such person or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales or transfers made in connection with the consummation of a Business Combination at prices no greater than the par value of €0.016 per Sponsor Share or the price for which the Sponsor Warrants were originally purchased; (f) in the form of pledges, charges or any other security interest granted to any lenders or other creditors, (g) of Sponsor Shares and Sponsor Warrants pursuant to enforcement of any security interest entered into in accordance with (f); (h) by virtue of the Sponsor's organizational documents upon liquidation or dissolution of the Sponsor; (i) to the Company for no value for cancellation in connection with the consummation of the Business Combination; (j) in the event of the liquidation of the Company prior to the consummation of the Business Combination; or (k) in the event of the completion of a liquidation, merger, share exchange or other similar transaction concerning the Company which results in all of the holders of Public Shares having the right to exchange their Public Shares for cash, securities or other property subsequent to the consummation of the Business Combination (the "**Permitted Transferees**"); provided, however, that in the case of clauses (a) through (g) these Permitted Transferees must enter into a written agreement agreeing to be bound by these transfer restrictions and the other restrictions included in a certain agreement between the Company and the Sponsor and the Co-Sponsors.

The Company's general shareholders' meeting resolved on April 15, 2021 to change the Sponsor Shares from redeemable shares to convertible shares.

2.4.2 Warrants

Pursuant to article 30.4 of the Articles of Association, the management board of the Company shall create a specific reserve in respect of the exercise of any Public Warrants and Sponsor Warrants issued by the Company (the "**Warrant Reserve**") and allocate and transfer sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant Reserve. The management board of the Company may, at any time, fully or partially convert amounts contributed to such Warrant Reserve to pay for the subscription price of any Public Shares to be issued further to an exercise of Public Warrants or Sponsor Warrants. The Warrant Reserve is not distributable or convertible prior to the exercise, redemption or expiration of all outstanding Public Warrants and Sponsor Warrants and may only be used to pay for the Public Shares issued pursuant to the exercise of such Public Warrants and Sponsor Warrants. Thereupon, the Warrant Reserve will be a distributable reserve.

2.4.2.1 Public Warrants

The Company has issued 10,000,000 Public Warrants. The Public Warrants will become exercisable 30 days after the consummation of a Business Combination. The Public Warrants will expire five years from the date of consummation of a Business Combination, or earlier upon redemption or liquidation. Except as described in more detail below, holders of Public Warrants may exercise their Public Warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price.

A holder of Public Warrants may exercise its warrants only for a whole number of Public Shares. The terms and conditions of the Public Warrants are available on the Company's website (www.tonies.com) under the "Investor Relations" section.

2.4.2.1.1 Redemption

Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants in the following two circumstances. We have established the following redemption criteria to permit a redemption call only if there is at the time of the call a significant premium to the Public Warrant exercise price or if we offer the possibility of a Make-Whole Exercise (as defined below).

The price of Public Shares issued upon such exercise may fall below the €18.00 or even the stated €11.50 Public Warrant exercise price after the redemption notice is issued. A decline in the price of the Public Shares will not result in the redemption notice being withdrawn or give rise to the right to withdraw an exercise notice.

2.4.2.1.1.1 Redemption of Public Warrants when the price per Public Share equals or exceeds €18.00

If, and only if, the closing price equals or exceeds €18.00 per Public Share for any 20 out of the 30 consecutive trading days ending three business days prior to the Company sending the redemption notice, the Company may redeem the Public Warrants

- in whole but not in part;
- at a price of €0.01 per Public Warrant; and
- upon a minimum of 30 days' prior written notice of redemption.

If the foregoing conditions are satisfied and we issue a notice of redemption of the Public Warrants, each holder of a Public Warrant will be entitled to exercise their warrant prior to the scheduled redemption date. In such case, the Public Warrants may be exercised on a cashless basis unless we elect to require exercise against payment of the exercise price in cash.

Upon exercise of the Public Warrants on a cashless basis, a Public Warrant holder will receive in aggregate a number of Public Shares equal to the number of Public Warrants validly exercised multiplied by the quotient of (i) the volume-weighted average price of the Public Shares as appearing on Bloomberg screen page HP (setting "Weighted Average Line") or any future successor screen page or setting of the Public Shares (the "**Share Price**") during a period of 20 consecutive trading days ending on the trading day immediately preceding the date on which the exercise of the Public Warrant is validly received by the Company (except in the event that Public Warrants are exercised following the receipt of a redemption notice by the Company, in which case the period of 20 consecutive trading days shall end on the date immediately preceding the date on which the redemption notice is issued by the Company) (the "**Averaging Period**") minus the exercise price, as it may have been adjusted pursuant to anti-dilution adjustments as described below, (ii) divided by the Share Price during the Averaging Period.

Upon exercise of the Public Warrants on a cash basis, by contrast, the holder of a Public Warrant will receive one Public Share against payment in cash of the exercise price, as it may have been adjusted pursuant to anti-dilution adjustments as described below.

2.4.2.1.1.2 Redemption of Public Warrants when the price per Public Share equals or exceeds €10.00 but is below €18.00

If, and only if, the closing price is below €18.00 per Public Share but equals or exceeds €10.00 per Public Share for any 20 out of the 30 consecutive trading days ending three business days prior to the Company sending the redemption notice, the Company may, subject to the availability of sufficient reserves to redeem the Public Warrants on a cashless basis, redeem the Public Warrants

- in whole but not in part;
- at a price of €0.01 per Public Warrant; and
- upon a minimum of 30 days' prior written notice of redemption.

If the foregoing conditions are satisfied and the Company issues a notice of redemption, each Public Warrant holder may exercise its Public Warrants prior to the scheduled redemption date, at such holder's election, in cash or on a cashless basis. The numbers in the table below represent the number of Public Shares that a holder of a Public Warrant will receive in case of a cashless exercise in connection with a redemption by us pursuant to this redemption feature, based on the "fair market value" of the Public Shares on the corresponding redemption date (assuming holders elect to exercise their Public Warrants and such warrants are not redeemed for €0.01 per Public Warrant), determined for these purposes based on the volume weighted average price of the Public Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of Public Warrants, and the number of months that the corresponding redemption date precedes the expiration date of the Public Warrants, each as set forth in the table below. We will provide the holders of Public Warrants with the final fair market value no later than one business day after the 10-trading day period described above ends (the "**Make-Whole Exercise**").

References above to Public Shares shall include a security other than Public Shares into which the Public Shares have been converted or exchanged for in the event we are not the surviving company in the Business

Combination. The numbers in the table below will not be adjusted when determining the number of Public Shares to be issued upon exercise of the Public Warrants if we are not the surviving entity following the Business Combination.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a Public Warrant or the exercise price of a Public Warrant is adjusted as set forth under “2.4.2.1.3 Anti-Dilution Adjustments” below. If the number of shares issuable upon exercise of a Public Warrant is adjusted, the adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a Public Warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a Public Warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a Public Warrant. If the exercise price of a Public Warrant is adjusted, (i) in the case of an adjustment pursuant to the fifth paragraph in “2.4.2.1.3 Anti-Dilution Adjustments” below, the adjusted share prices in the column headings will equal the unadjusted share price multiplied by a fraction, the numerator of which is the higher of the Market Value and the Newly Issued Price (both as defined below) as set forth “2.4.2.1.3 Anti-Dilution Adjustments” and the denominator of which is €10.00 and (ii) in the case of an adjustment pursuant to the second paragraph in “2.4.2.1.3 Anti-Dilution Adjustments” below, the adjusted share prices in the column headings will equal the unadjusted share price less the decrease in the exercise price of a warrant pursuant to such exercise price adjustment.

Redemption Date (period to expiration of Public Warrants)	Fair Market Value of Public Shares								
	≤€10.00	€11.00	€12.00	€13.00	€14.00	€15.00	€16.00	€17.00	≥€18.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	--	--	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of Public Shares to be issued for each Public Warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume weighted average price of the Public Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the Public Warrants is €11.00 per share, and at such time there are 57 months until the expiration of the Public Warrants, holders may choose to, in connection with this redemption feature, exercise their Public Warrants for 0.277 Public Shares for each whole Public Warrant. For an example, where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of Public Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the Public Warrants is €13.50 per share, and at such time there are 38 months until the expiration of the Public Warrant, holders may choose to, in connection with this redemption feature, exercise their Public Warrants for 0.298 Public Shares for each whole Public Warrant. In no event will the Public Warrants be exercisable on a cashless basis in connection with this redemption feature for more than 0.361 Public Shares per Public Warrant (subject to adjustment). Finally, as reflected in the table above, if the Public

Warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by us pursuant to this redemption feature, since they will not be exercisable for any Public Shares.

The redemption features are structured to allow for all of the outstanding Public Warrants to be redeemed when the Public Shares are trading at or above €10.00 per Public Share, which may be at a time when the trading price of the Public Shares is below the exercise price of the Public Warrants. We have established this redemption feature to provide the Company with the flexibility to redeem the Public Warrants without the warrants having to reach the €18.00 per share threshold. Holders choosing to exercise their Public Warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of Public Shares for their Public Warrants based on an option pricing model with a fixed volatility input as of the date of this Prospectus. This redemption right provides the Company with an additional mechanism by which to redeem all of the outstanding Public Warrants, and therefore have certainty as to our capital structure as the Public Warrants would no longer be outstanding and would have been exercised or redeemed. We will be required to pay the applicable redemption price to holders of Public Warrants if we choose to exercise this redemption right and it will allow the Company to quickly proceed with a redemption of the Public Warrants if it determines it is in the Company's best interest to do so. As such, the Company would redeem the Public Warrants in this manner when it believes it is in the Company's best interest to update the capital structure to remove the Public Warrants and pay the redemption price to the holders of Public Warrants.

As stated above, the Company can redeem the Public Warrants when the Public Shares are trading at a price starting at €10.00, which is below the exercise price of €11.50, because it will allow the Company to adjust its capital structure and cash position after the consummation of the Business Combination while providing holders of Public Warrants with the opportunity to exercise their Public Warrants on a cashless basis for the applicable number of shares. If the Company chooses to redeem the Public Warrants when the Public Shares are trading at a price below the exercise price of the Public Warrants, this could result in the holders of Public Warrants receiving fewer Public Shares than they would have received if they had had the ability to wait to exercise their Public Warrants for Public Shares if and when such Public Shares were trading at a price higher than the exercise price of €11.50.

No fractional Public Shares will be issued upon exercise. If, upon exercise, a holder of a Public Warrant would be entitled to receive a fractional interest in a Public Share, we will round down to the nearest whole number of the number of Public Shares to be issued to the holder. If, at the time of redemption, the Public Warrants are exercisable for a security other than the Public Shares (for instance, if the Company is not the surviving company in the Business Combination), the Public Warrants may be exercised for such security. At such time as the Public Warrants become exercisable for a security other than the Public Shares, the Company (or surviving company) will use its commercially reasonable efforts to list the security issuable upon the exercise of the Public Warrants.

2.4.2.1.2 Settlement

The Public Warrants were issued in bearer form. Holders of book-entry interests in the Public Warrants may exercise their Public Warrants through the relevant participant in Clearstream, Clearstream Banking and Euroclear Bank through which they hold the book-entry interests, following applicable procedures for exercise and payment. Upon issuance, the Public Shares will be credited to the accounts specified by the exercising holder.

If the holder of the Public Warrants has a right to elect either a cashless exercise of the Public Warrants or an exercise against payment in cash of the exercise price, such holder has to elect in which form to exercise the Public Warrants in the exercise form. In case of an exercise against payment in cash of the exercise price, such holder has to pay the exercise price, as it may have been adjusted pursuant to anti-dilution adjustments (as described in detail below). In case the Company elects to require exercise against payment in cash of the exercise price, the Company will inform the holder of the Public Warrants within three business days after receipt of the exercise form accordingly (unless the Company already exercised its right to elect to require exercise against payment in cash of the exercise price in its redemption notice).

The holders of the Public Warrants do not have the rights or privileges of holders of Public Shares and any voting rights until they exercise the Public Warrants and receive Public Shares. After the issuance of Public Shares upon exercise of the Public Warrants, each holder will be entitled to one vote for each Share held in the general shareholders' meeting of the Company.

No fractional Public Shares will be issued upon exercise of the Public Warrants. If, upon exercise of the Public Warrants, a holder would be entitled to receive a fractional interest in a Public Share, we will, upon exercise, round down to the nearest whole number the number of Public Shares to be issued to the holder of Public Warrants.

2.4.2.1.3 Anti-Dilution Adjustments

If the number of outstanding Public Shares is increased by a share dividend payable in Public Shares, or by a split-up of Public Shares or other similar event, then, on the effective date of such share dividend, split-up or similar event, the number of Public Shares issuable on exercise of each Public Warrant will be increased in proportion to such increase in the outstanding Public Shares. A rights offering to holders of Public Shares entitling holders to purchase Public Shares at a price less than the historical fair market value will be deemed a share dividend of a number of Public Shares equal to the product of (i) the number of Public Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Public Shares) and (ii) one minus the quotient of (x) the price per Public Share paid in such rights offering and (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for Public Shares, in determining the price payable for Public Shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) historical fair market value means the volume weighted average price of Public Shares as reported during the ten (10) trading day period ending on the trading day prior to the first date on which the Public Shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the Public Warrants are outstanding and unexpired, pay a dividend to the holders of Public Shares or make a distribution in cash, securities or other assets to the holders on account of such Public Shares (or other securities into which the Public Warrants are convertible), other than (a) as described above, (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the Public Shares during the fiscal year preceding the date of declaration of such dividend or distribution does not exceed €0.50 (as adjusted to appropriately reflect any other adjustments and excluding cash dividends or cash distributions that resulted in an adjustment to the exercise price or to the number of Public Shares issuable on exercise of each Public Warrant), but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than €0.50 per share, (c) to satisfy the redemption rights of the holders of Public Shares in connection with the Business Combination, (d) to satisfy the redemption rights of the holders of Public Shares in connection with a shareholder vote to amend the Articles of Association (A) to modify the substance or timing of our obligation to redeem 100% of our Public Shares if we do not complete the Business Combination within 24 months from the date of the admission to trading of the Public Shares, *i.e.*, April 30, 2021, or within three additional months if we sign a legally binding agreement with the seller of a target within the initial 24 months (the “**Business Combination Deadline**”) or (B) with respect to any other provisions relating to the rights of holders of the Public Shares, or (e) in connection with the redemption of the Public Shares upon our failure to complete the Business Combination, then the Public Warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each Public Share in respect of such event.

If the number of outstanding Public Shares is decreased by a consolidation, combination, reverse share split or reclassification of Public Shares or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of Public Shares issuable on exercise of each Public Warrant will be decreased in proportion to such decrease in outstanding Public Shares.

Whenever the number of Public Shares purchasable upon the exercise of the Public Warrants is adjusted, as described above, the Public Warrant exercise price will be adjusted by multiplying the Public Warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of Public Shares purchasable upon the exercise of the Public Warrants immediately prior to such adjustment and (y) the denominator of which will be the number of Public Shares so purchasable immediately thereafter.

In addition, if (x) we issue additional Public Shares or equity-linked securities for capital raising purposes in connection with the closing of the Business Combination (the “**Closing**”) at an issue price or effective issue price of less than €9.20 per Public Share (with such issue price or effective issue price to be determined in good faith by us) and, in the case of any such issuance to our Sponsor or its affiliates, without taking into account any Sponsor Shares held by the Sponsor and the Co-Sponsors or such affiliates, as applicable, prior to such issuance (the “**Newly Issued Price**”), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the Business Combination on the date of the consummation of the Business Combination, *i.e.*, November 26, 2021 (net of redemptions), and (z) the volume weighted average price of Public Shares during the 20 trading day period starting on the trading day prior to the day on which we consummate the Business Combination (the “**Market Value**”) is below €9.20 per share, (i) the exercise price of the Public Warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Newly Issued Price or the Market Value, (ii) the €18.00 per share redemption trigger price described above under

“2.4.2.1.1.1 Redemption of Public Warrants when the price per Public Share equals or exceeds €18.00” and “2.4.2.1.1.2 Redemption of Public Warrants when the price per Public Share equals or exceeds €10.00 but is below €18.00” will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price, and (iii) the €10.00 per share redemption trigger price described above under “2.4.2.1.1.2 Redemption of Public Warrants when the price per Public Share equals or exceeds €10.00 but is below €18.00” will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the Newly Issued Price.

In case of any reclassification or reorganization of the outstanding Public Shares (other than those described above or that solely affects the par value of such Public Shares), or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our outstanding Public Shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the Public Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Public Warrants and in lieu of the Public Shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of Public Shares or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Public Warrants would have received if such holder had exercised their Public Warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of Public Shares in such a transaction is payable in the form of Public Shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the holder of the Public Warrant properly exercises the Public Warrant within 30 days following public disclosure of such transaction, the Public Warrant exercise price will be reduced as specified in the terms and conditions of the Public Warrants based on the per share consideration minus the Black-Scholes Warrant Value (as defined in the terms and conditions of the Public Warrants) of the Public Warrant. The purpose of such exercise price reduction is to provide additional value to holders of the Public Warrants when an extraordinary transaction occurs during the exercise period of the Public Warrants pursuant to which the holders of the Public Warrants otherwise do not receive the full potential value of the Public Warrants.

2.4.2.2 Sponsor Warrants

The Sponsor and the Co-Sponsors have subscribed for an aggregate of 5,500,000 Sponsor Warrants for a purchase price of €1.50 per Sponsor Warrant (€8,250,000 in the aggregate) in a private placement that occurred prior to the initial listing of the Public Shares (the **“Sponsor Capital At-Risk”**). Further, the Sponsor and the Co-Sponsors have subscribed for an aggregate of 900,000 Sponsor Warrants in an additional private placement to cover the negative effect of negative interest rates on the amounts held in the Escrow Account.

From the consummation of the Business Combination, the Sponsor Warrants are subject to the same Sponsor Lock-Up as the Sponsor Shares and any Public Shares held by the Sponsor or the Co-Sponsors due to the exercise of Sponsor Warrants.

The Sponsor Warrants will not be redeemable so long as they are held by the Sponsor and the Co-Sponsors or their Permitted Transferees, it being specified that if some or all of Sponsor Warrants are held by other holders than the Sponsor and the Co-Sponsors or their Permitted Transferees, such Sponsor Warrants will be redeemable by the Company under the same terms and conditions as those governing the redemption of Public Warrants. The Sponsor and the Co-Sponsors, or Permitted Transferees, always have the option to exercise the Sponsor Warrants on a cashless basis (subject to the availability of sufficient reserves of the Company or if the Sponsor and the Co-Sponsors pay the par value for each Public Share to be received under such cashless exercise in cash). Otherwise, and except for that, the Sponsor Warrants have terms and provisions that are identical to the Public Warrants that were sold in the Private Placement. If the Sponsor Warrants are held by holders other than the Sponsor and the Co-Sponsors or Permitted Transferees, the Sponsor Warrants will be redeemable and exercisable by the holders on the same basis as the Public Warrants.

The Sponsor Warrants will become exercisable 30 days after the consummation of the Business Combination. The Sponsor Warrants will expire five years from the date of consummation of the Business Combination, or earlier upon redemption or liquidation. No fractional Public Shares will be issued. If the holder of Sponsor Warrants elects to exercise the Sponsor Warrants on a cashless basis, such holder of the Sponsor Warrants will receive in aggregate a number of Public Shares that is equal to the number of Sponsor Warrants being exercised multiplied with (i) the Share Price during the period of 20 consecutive trading days ending on the trading day immediately preceding the date on which the conversion exercise request is validly received, minus the exercise

price of the Sponsor Warrants and (ii) divided by the Share Price during the period of 20 consecutive trading days ending on the trading day immediately preceding the date on which the conversion exercise request is validly received.

The reason that the Company has agreed that the Sponsor Warrants may be exercisable on a cashless basis so long as they are held by the Sponsor and the Co-Sponsors or Permitted Transferees is because it is not known at this time whether they will be affiliated with the Company following the Business Combination. If they remain affiliated with the Company, their ability to sell the Company's securities in the open market will be significantly limited. The Company expects to have policies in place that prohibit insiders from selling the Company's securities except during specific periods of time. Even during such periods of time when insiders will be permitted to sell the Company's securities, an insider cannot trade in the Company's securities if he or she is in possession of material non-public information. Accordingly, unlike holders of Public Shares who could exercise their Public Warrants and sell the Public Shares received upon such exercise freely in the open market in order to recoup the cost of such exercise, the insiders could be significantly restricted from selling such securities. As a result, the Company believes that allowing the holders to exercise such Sponsor Warrants on a cashless basis is appropriate.

2.4.3 ISIN/WKN/Common Code/Stock Symbol

The ISIN, WKN, common code and stock symbol for the Public Shares are:

International Securities Identification Number (ISIN).....	LU2333563281
German Securities Identification Number (<i>Wertpapierkennnummer (WKN)</i>)	A3CM2W
Common Code.....	233356328
Stock Symbol	TNIE

The ISIN, WKN, common code and stock symbol for the Public Warrants are:

International Securities Identification Number (ISIN).....	LU2333564099
German Securities Identification Number (<i>Wertpapierkennnummer (WKN)</i>)	A3GRR1
Common Code.....	233356328
Stock Symbol	SPAW

2.4.4 Form, Certification of the Company's Shares and Public Warrants and Currency of the Securities Issued

After the Private Placement and listing of the Company's shares, the share capital of the Company amounted to €600,000 and was divided into 30,000,000 Public Shares and 7,500,000 Sponsor Shares with a par value of €0.016 each. After the PIPE Financing and the consummation of the Business Combination, the share capital of the Company amounts to €1,837,561.38 and is divided into 107,347,586 Public Shares and 7,500,000 Sponsor Shares with a par value of €0.016 each. The Public Shares are dematerialized shares. The Sponsor Shares are registered shares. The Public Warrants are represented by a global certificate that will be deposited with the LuxCSD Vault Operator.

The Company's shares are denominated in Euro.

1.4.6 Voting Rights, Dividend and Liquidation Rights

All Public Shares are entitled to one vote in the Company's general meeting. For all matters submitted to a vote of the shareholders, except as required by Luxembourg law, holders of Sponsor Shares and holders of Public Shares will vote together as a single class, with each share entitling the holder to one vote.

All Public Shares carry full dividend rights from the date of their issuance. Only after their conversion into Public Shares in accordance with the Promote Conversion will the Sponsor Shares carry full dividend rights.

2.5 Admission to the Frankfurt Stock Exchange and Commencement of Trading

Admission to trading of the New Public Shares is expected to be granted on November 26, 2021, and trading in the Consideration Shares, the PIPE Shares, the Warrant Shares, the Conversion Shares and the Board Shares is expected to commence on November 29, 2021.

The Public Shares are already admitted to trading on the Frankfurt Stock Exchange. The New Public Shares will be included in the existing quotation for the Public Shares on the day trading in the New Public Shares commences.

2.6 Auditor Report Concerning the Contribution In-Kind

Mazars Luxembourg S.A., with registered office at 5, Rue Guillaume J. Kroll, L-1882 Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) under number B 159962, the Company's independent auditor, prepared a valuation report concerning the contribution in-kind (the "**Contribution In-Kind Report**"), which is reprinted in this Prospectus on pages V-1 *et seq.* Mazars Luxembourg S.A.– Cabinet de révision agréé is a member of the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises*) which is the Luxembourg member of the International Federation of Accountants and is registered in the public register of approved audit firms held by the Commission de Surveillance du Secteur Financier as competent authority for public oversight of approved statutory auditors and audit firms.

2.7 Listing Agent

Joh. Berenberg, Gossler & Co. KG will act as listing agent in respect of the listing of the New Public Shares on the Frankfurt Stock Exchange. Its address is Neuer Jungfernstieg 20, 20354 Hamburg, Germany.

2.8 Cost of the Listing

The costs related to the listing of the New Public Shares are estimated to total approximately €0.9 million. Investors will not be charged with expenses by the Company or the Listing Agent.

2.9 Sources of Market Data

Unless otherwise specified, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which Boxine operates are based on the Company's assessments.

It should be noted, in particular, that reference has been made in this Prospectus to information concerning markets and market trends. Such information was obtained from different, publicly available sources. The Company has accurately reproduced such information and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Prospective investors are, nevertheless, advised to consider these data with caution. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative.

In addition, certain sources of market data included in this Prospectus or market data used in these sources were prepared before the pandemic spread of COVID-19 and have not been updated for the potential effects of this pandemic. The Company is not able to determine whether the third parties who have prepared such sources or market data will revise their estimates and projections due to the potential impact of COVID-19 on future market developments.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Company (see Section "*2.1 Responsibility Statement*"), the Company has not independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Company makes no representation or warranty as to the accuracy of any such information from third-party studies included in this Prospectus. In addition, prospective investors should note that the Company's own estimates and statements of opinion and belief are not always based on studies of third parties.

2.10 Forward-Looking Statements

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on our future earnings capacity, plans and expectations regarding our business and the general economic conditions to which we are exposed. Statements made using

words such as “predicts”, “forecasts”, “projects”, “plans”, “intends”, “endeavors”, “expects” or “targets” indicate forward-looking statements.

The forward-looking statements contained in this Prospectus are subject to opportunities, risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company’s present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause our actual results, including our financial condition and profitability, to differ materially from those expressed or implied in the forward-looking statements. These expressions can be found in various sections of this Prospectus, including wherever information is contained in this Prospectus regarding our plans, intentions, beliefs, or current expectations relating to our future financial condition and results of operations, plans, liquidity, business prospects, growth, strategy and profitability, investments and capital expenditure requirements, future growth in demand for our products as well as the economic and regulatory environment to which we are subject.

Future events mentioned in this Prospectus may not occur. Actual results, performance or events may turn out to be better or worse compared to the results, performance and events described in the forward-looking statements, in particular due to:

- changes in general economic conditions, including changes to the economic growth rate, political changes, changes in the unemployment rate, the level of consumer prices and wage levels;
- our ability to manage our growth and planned geographic expansion effectively;
- fluctuations in interest and currency exchange rates;
- changes in the competitive environment and in the level of competition;
- our ability to comply with applicable laws and regulations, in particular if such laws and regulations change, are abolished and/or new laws and regulations are introduced;
- our ability to maintain and enhance our reputation;
- the occurrence of accidents, natural disasters, fires, environmental damages or systemic delivery failures; and
- our ability to attract and retain qualified personnel.

Each of the factors listed above may be affected by the COVID-19 pandemic currently affecting virtually all member state of the European Economic Area as well as the United Kingdom and Switzerland, the global community and the global economy.

Moreover, it should be noted that all forward-looking statements only speak as of the date of this Prospectus and that the Company assumes no obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

The section “*I. Risk Factors*” contains a detailed description of various risks applicable to our business, the industry in which we operate, our management and potential conflicts of interest, our regulatory, legal and tax environment, the Public Shares and the Business Combination and the other factors that could adversely affect the actual outcome of the matters described in the Company’s forward-looking statements.

2.11 Documents Available for Inspection

For the period during which this Prospectus is valid, copies of the following documents are available for inspection during regular business hours at the Company’s registered office at 9, rue de Bitbourg, L-1273, Luxembourg, Luxembourg:

- the up to date memorandum and the Articles of Association;
- the financial statements of the Company and the Boxine Group; and
- the Business Combination Agreement.

For a period of ten years commencing on the date of this Prospectus, the abovementioned documents will also be available on the Company’s website at www.tonies.com under the “Investor Relations” section and at the Company’s offices at 9, rue de Bitbourg, L-1273, Luxembourg, Luxembourg. In accordance with the Luxembourg law of August 10, 1915 on commercial companies, as amended (the “**Luxembourg Company Law**”), the annual

financial accounts are also filed with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) and published in the Luxembourg Official Gazette (*Recueil Électronique des Sociétés et Associations*, “RESA”).

The Company’s future annual and interim reports will be available on the Company’s website (www.tonies.com) under the “Investor Relations” section and may be inspected at the Company’s registered office.

This Prospectus contains certain references to websites. The information on these websites does not form part of the Prospectus and has not been scrutinized or approved by the CSSF in its capacity as competent authority for the approval of publication of the Prospectus.

2.12 Alternative Performance Measures

Throughout this Prospectus, we present financial information and operating data that is not prepared in accordance with IFRS, or any other internationally accepted accounting principles, including EBITDA and Adjusted EBITDA (the “Alternative Performance Measures”).

Our EBITDA and Adjusted EBITDA are relevant for the assessment of the performance of our business as:

- EBITDA is our entering item to our Adjusted EBITDA and defined as the sum of (i) our earnings before interest and taxes (EBIT) and (ii) depreciation and amortization. We use EBITDA to assess the operating performance of our business as a whole including extraordinary items. EBITDA helps our investors monitor whether we are able to improve the performance of our underlying operations.
- Adjusted EBITDA shows our EBITDA as adjusted for (i) extraordinary expenses resulting from special projects and one-offs, (ii) extraordinary expenses resulting from own developed software and (iii) expenses resulting from share based payment. We use Adjusted EBITDA to assess the operating performance of our business as a whole adjusted for extraordinary items. Likewise, Adjusted EBITDA helps our investors monitor whether we are able to improve the performance of our underlying operations.

We present these Alternative Performance Measures because we use them to measure our operating performance and as a basis for our strategic planning, and because we believe that such Alternative Performance Measures will be used by investors and analysts to assess our performance. Such Alternative Performance Measures should not be considered as alternatives or substitutes for profit or loss for the period or other data from financial information prepared in accordance with IFRS, or as measures of profitability or liquidity. The Alternative Performance Measures do not necessarily indicate whether cash flows will be sufficient to fulfill cash requirements and may not be indicative of future results. Furthermore, the Alternative Performance Measures are not recognized under IFRS, should not be considered as substitutes for an analysis of operating results prepared in accordance with IFRS, and may not be comparable to similarly titled information published by other companies.

The following table shows the calculation of our EBITDA and Adjusted EBITDA for the periods indicated. We define EBITDA as the sum of (i) our earnings before interest and taxes (EBIT) and (ii) depreciation and amortization. We calculate Adjusted EBITDA by adjusting EBITDA for (i) extraordinary expenses resulting from special projects and one-offs, (ii) extraordinary expenses resulting from own developed software and (iii) expenses resulting from share based payment.

	For the six-month period ended June 30,	
	2021	2020
	(unaudited)	
	(in € thousand)	
Loss for the period	(16.7)	(7.1)
Tax income	2.5	1.4
Finance cost	(1.9)	(1.5)
Finance income	0.0	0.0
Earnings before interest and taxes (EBIT)	(17.3)	(7.0)
Depreciation and Amortization	(5.9)	(5.6)
EBITDA	(11.4)	(1.4)
Extraordinary expenses resulting from special projects and one-offs	1.0	0.7
Extraordinary expenses resulting from own developed software	1.6	0.8
Expenses resulting from share based payment	3.5	0.8
Adjusted EBITDA⁽¹⁾	(5.3)	0.9

(1) Unaudited.

For further information on the Alternative Performance Measures, see Section “*9.4 Key Financial Information and Operating Data*”.

3. EARNINGS AND DIVIDENDS PER SHARE, DIVIDEND POLICY

3.1 General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' entitlement to profits is determined based on their respective interests in the Company's share capital. Distributions of dividends for a given fiscal year, and the amount and payment date thereof, are decided by the general shareholders' meeting, which shall determine how the remainder of the Company's profits shall be used in accordance with the law and the Articles of Association upon recommendation of the management board.

Dividends may only be distributed from the Company's distributable amounts. Subject to the conditions provided for by Luxembourg Company Law, the amount of distributable amounts is equivalent to the amount of the profits at the end of the last fiscal year plus any profits carried forward and any amounts drawn from reserves or share premium which are available for that purpose, minus any losses carried forward and sums to be placed in reserves in accordance with the law or the Articles of Association.

As of June 30, 2021, the Company had no distributable capital reserve. Any dividend distribution from the distributable capital reserve is subject to the availability of distributable cash on the unconsolidated balance sheet of the Company.

In accordance with Luxembourg Company Law and the Articles of Association, the Company must allocate at least 5% of any annual net profit to a legal reserve account. Such contribution ceases to be compulsory as soon as and as long as the legal reserve reaches 10% of the Company's subscribed share capital but shall again be compulsory if the legal reserve falls below such 10% threshold. The legal reserve of the Company amounted to zero as of June 30, 2021.

In accordance with the Luxembourg Company Law and the Articles of Association, the remainder of any net profit is at the disposal of the general shareholders' meeting to be allocated as appropriate to a reserve, a provision fund, to be carried forward and/or to be distributed equally between all the shares, as the case may be, together with profits carried forward, distributable reserves and share premium. Subject to the conditions provided for by Luxembourg Company Law, Article 31 of the Articles of Association also authorizes the Management Board to make interim payments on accounts of dividends for a particular fiscal year to be deducted from profits or the available reserves. The Management Board must determine the amount and the date of payment of any such interim payments.

The payment of the dividends to a depository operating principally with a settlement organization in relation to transactions on securities, dividends, interest, matured capital or other matured monies of securities or of other financial instruments being handled through the system of such depository discharges the Company. Said depository shall distribute these funds to his depositors according to the amount of securities or other financial instruments recorded in their name. The Luxembourg Company Law and article 28.8 of the Articles of Association further provides that claims for dividends lapse in favor of the Company five years after the date on which such dividends were declared.

The Company does not have any dividend restrictions and special procedures for non-resident holders.

Details concerning any dividends resolved by the general shareholders' meeting and the paying agents named by the Company in each case will be published on the Company's website under www.tonies.com.

3.2 Dividend Policy and Earnings per Share

The Company currently intends to retain all available funds and any future earnings to support our operations and to finance the growth and development of our business. Therefore, the Company currently does not intend to pay dividends for the foreseeable future. Any future decision to pay dividends will be made in accordance with applicable laws and will, among other things, depend on our results of operations, financial condition, contractual restrictions and capital requirements.

No distributions of profits or reserves were made by 468 SPAC to its shareholders since its incorporation. In 2019 the Boxine Group declared and paid a one-time dividend amounting to €200,000 to Beteiligungs GmbH's shareholders. Prior to the Business Combination, Holding GmbH distributed reserves amounting to €5,249,166.67 to the Holding GmbH Shareholders.

The tax legislation of the shareholder's member states and/or other relevant jurisdictions and of the Company's country of incorporation may have an impact on the income received from the Public Shares.

See the sections "*21 Taxation in the Grand Duchy of Luxembourg*" and "*22 Taxation in the Federal Republic of Germany*" for an overview of the material tax consequences of the acquisition, holding, settlement, redemption and disposal of Public Shares and Public Warrants. Dividend payments are generally subject to withholding tax in Luxembourg.

4. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

Investors should read this section in conjunction with “8 Management’s Discussion and Analysis of Net Assets, Financial Condition and Results of Operations of the 468 SPAC Group”, “10 Management’s Discussion and Analysis of Net Assets, Financial Condition and Results of Operations of the Boxine Group” and the financial statements included in this Prospectus.

4.1 Capitalization

The following table sets forth (a) the capitalization of 468 SPAC I SE and its consolidated subsidiaries (the “468 SPAC Group”), Boxine Group and the sum of 468 SPAC Group and Boxine Group as of August 31, 2021, (b) adjustments for (i) the Capital Reorganization, (ii) the PIPE Financing, and (iii) other adjustments and (c) total numbers as adjusted for these effects.

	Boxine Group as of August 31, 2021	468 SPAC as of August 31, 2021	Sum total before adjustments ⁽¹⁾	Adjustments to reflect the Capital Reorganization ⁽²⁾	Adjustment to reflect the PIPE Financing ⁽³⁾	Other adjustments ⁽⁴⁾	Sum total after adjustments
				(unaudited) (in € thousand)			
Total current debt⁽⁵⁾	156,429	313,857	470,286	(296,979)	-	(44,583)	128,724
Thereof guaranteed.....	-	-	-	-	-	-	-
Thereof secured ⁽⁶⁾	16,551	-	16,551	-	-	-	16,551
Thereof unguaranteed/unsecured	139,878	313,857	453,735	(296,979)	-	(44,583)	112,173
Total non-current debt⁽⁷⁾	44,205	-	44,205	(5,743)	-	-	38,462
Thereof guaranteed.....	-	-	-	-	-	-	-
Thereof secured.....	-	-	-	-	-	-	-
Thereof unguaranteed/unsecured	44,205	-	44,205	(5,743)	-	-	38,462
Shareholder equity⁽⁸⁾	173,722	(9,694)	164,028	81,979	105,000	(23,043)	327,964
Share capital.....	100	120	220	1,187	168	-	1,575
Legal reserves.....	-	-	-	-	-	-	-
Other reserves ⁽⁹⁾	155,074	(9,814)	145,260	99,340	104,832	(23,043)	326,389
Non-controlling interests.....	18,548	-	18,548	(18,548)	-	-	-
Total⁽¹⁰⁾	374,356	304,163	678,519	(220,743)	105,000	(67,626)	495,150

(1) Reflects the sum of unaudited financial positions of 468 SPAC and Boxine Group before adjustments as of August 31, 2021.

(2) Reflects the adjustments related to the Business Combination, accounted for as a capital reorganization, between 468 SPAC and Boxine Group, after reflection of the redemption notices 468 SPAC received on November 11, 2021, including:

- the reclassification of €296,979 thousand carrying amount of 468 SPAC Class A Shares subject to redemption (liability) to 468 SPAC’s share capital and share premium of €480 thousand and €296,499 thousand, respectively;
- the adjustment for the 5,885 468 SPAC Class A shares redeemed by 468 SPAC Public Shareholders resulting in a decrease to 468 SPAC’s cash balance of €58,850 with a corresponding reduction to 468 SPAC’s share capital and share premium of €94 and €58,756, respectively;
- the adjustment to share capital and share premium after the transfer and contribution of all Holding GmbH’s shares held by Holding GmbH Shareholders and Beteiligungs GmbH’s shares held by Höllenhunde as of Closing to 468 SPAC in exchange for 50,431,586 new Public Shares of 468 SPAC and cash consideration of €214,941 thousand to Holding GmbH Shareholders and Höllenhunde, resulting in a decrease in non-controlling interests of €18,548 thousand, a net increase in share capital of €705 thousand and a decrease in share premium of €197,100 thousand. The net increase in share capital reflects a total increase in share capital of €807 thousand resulted from the share exchanges, reduced by eliminating Boxine Group’s historical share capital of €100 thousand;
- the elimination of the historical accumulated deficit of 468 SPAC of €10,894 thousand and decrease the combined company’s share premium accordingly;
- the preliminary estimated expense recognized, in accordance with IFRS 2, for the excess of the fair value of 468 SPAC shares deemed issued over the fair value of 468 SPAC identifiable net assets, adjusted for estimated transaction costs, including deferred underwriting and additional discretionary fees to be paid by 468 SPAC, acquired at the date of the Business Combination, resulting in a decrease in retained earnings of €119,395 thousand and an increase in share premium of €119,395 thousand, respectively. The fair value of the Public Shares deemed issued was estimated based on a market price of €10.57 per Public Share, as of November 11, 2021. The values are preliminary and will change based on fluctuations in the price of the Public Shares through the closing date;
- the 100% cash settlement of the Boxine VSP claim of the exercise by Boxine VSP Beneficiaries of their virtual participations pursuant to Boxine VSP Amendment Agreement in the amount of €5,743 thousand.

- (3) Reflects the proceeds of 105.0 million from the issuance and sale of 10,500,000 Public Shares at €10.0 (with a nominal value of €0.016 per share) per share in the PIPE Financing pursuant to the terms of the Subscription Agreements (as defined in Section 11.1), increasing cash and cash equivalents with corresponding increases to subscribed capital and capital reserve of €0.2 million and €104.8 million, respectively.
- (4) Reflects other adjustments related to the Business Combination including:
- the adjustment related to the payment of approximately €17,795 thousand of estimated and incremental costs incurred in connection with the Business Combination and PIPE Financing by Boxine Group and 468 SPAC subsequent to August 31, 2021, resulting in decreases in cash and cash equivalents of €17,795 thousand, share premium of €12,540 thousand and retained earnings of €5,255 thousand under the actual redemption, out of which (i) €10,308 thousand, including €8,250 thousand of deferred underwriting and additional discretionary fees related to 468 SPAC's IPO payable by 468 SPAC on completion of the Business Combination, will be paid and recorded in 468 SPAC's statement of profit or loss subsequent to August 31, 2021 and will be reclassified to share premium on the consolidated statement of financial position; (ii) €7,487 thousand will be paid by Boxine subsequent to August 31, 2021, resulting in a decrease to share premium of €2,232 thousand for equity issuance costs (namely, professional fees directly attributable to the shares deemed issued to 468 SPAC and PIPE Financing) and the remaining balance of €5,255 thousand as a decrease to retained earnings;
 - the settlement of Boxine Group's Vendor Loans as of Closing in the amount of approximately €44,583 thousand as of August 31, 2021 historically recognized in "Loans and borrowings (short term)" within current liabilities in the historical statement of financial position of Boxine Group.
 - the distribution of capital reserves at the Closing to Holding GmbH Shareholders which Holding GmbH Shareholders have previously injected in Holding GmbH and recognized in "Share premium" in the historical statement of financial position of Boxine Group. The distribution amount is estimated in the amount of approximately €5,248 thousand, equaling the amount of the Shareholder Loan Amount (such amount plus interest in the aggregate) on the date of the shareholders' resolution for this distribution which is expected to be on Nov 24, 2021.
- (5) Shown as "Current liabilities" in Boxine Group's unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021 and in 468 SPAC's audited consolidated interim statement of financial position as of August 31, 2021. In comparison to 468 SPAC's unaudited consolidated interim statement of financial position as of June 30, 2021, which is included in this prospectus, the "Redeemable Class A shares", "Class A warrants at fair value" and "Class B warrants at fair value" were reclassified from "Non-current liabilities" to "Current liabilities" as of August 31, 2021.
- (6) Related to financial indebtedness for which inventories have been provided as collateral.
- (7) Shown as "Non-current liabilities" in Boxine Group's unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021.
- (8) Shown as "Total equity" in 468 SPAC's audited consolidated interim statement of financial position as of June 30, 2021 and unaudited consolidated interim statement of financial position as of August 31, 2021 and Boxine Group's unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021.
- (9) The sum of "Share premium", "Accumulated deficit" and "Warrant reserve" as shown in 468 SPAC's audited consolidated interim statement of financial position as of June 30, 2021 and unaudited consolidated interim statement of financial position as of August 31, 2021 and the sum of "Share premium", "Translation reserve", "Retained earnings" and "Profit (Loss)" as shown in Boxine Group's unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021.
- (10) Shown as "Total equity and liabilities" in 468 SPAC's audited consolidated interim statement of financial position as of June 30, 2021 and unaudited consolidated interim statement of financial position as of August 31, 2021 and Boxine Group's unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021.

4.2 Indebtedness

The following table sets forth (a) the indebtedness of 468 SPAC Group, Boxine Group and the sum of 468 SPAC Group and Boxine Group as of August 31, 2021, (b) adjustments for (i) the Capital Reorganization, (ii) the PIPE Financing, and (iii) other adjustments and (c) total numbers as adjusted for these effects.

Except as otherwise disclosed in the following table, 468 SPAC Group did not have any long-term or short-term indebtedness as of August 31, 2021.

	Boxine Group as of August 31, 2021	468 SPAC as of August 31, 2021	Sum total before adjustments ⁽¹⁾	Adjustments to reflect the Capital Reorganization ⁽²⁾	Adjustment to reflect the PIPE Financing ⁽³⁾	Other adjustments ⁽⁴⁾	Sum total adjustments
				(unaudited)			
				(in € thousand)			
A. Cash ⁽⁵⁾	3,653	2,766	6,419	(220,743)	105,000	233,528	124,204
B. Cash equivalents.....	-	-	-	-	-	-	-
C. Other current financial assets ⁽⁶⁾	2,002	301,154	303,156	-	-	(301,154)	2,002
D. Liquidity (A)+(B)+(C).....	5,655	303,920	309,575	(220,743)	105,000	(67,626)	126,206

E.	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) ⁽⁷⁾	91,418	311,595	403,013	(296,979)	-	(44,583)	61,451
F.	Current portion of non-current financial debt ⁽⁸⁾	60	-	60	-	-	-	60
G.	Current financial indebtedness (E)+(F).....	91,478	311,595	403,073	(296,979)	-	(44,583)	61,511
H.	Net current financial indebtedness (G)-(D).....	85,823	7,675	93,498	(76,236)	(105,000)	23,043	(64,695)
I.	Non-current financial debt (excluding current portion and debt instruments) ⁽⁹⁾	321	-	321	-	-	-	321
J.	Debt instruments.....	-	-	-	-	-	-	-
K.	Non-current trade and other payables.....	-	-	-	-	-	-	-
L.	Non-current financial indebtedness (I)+(J)+(K).....	321	-	321	-	-	-	321
M.	Total financial indebtedness (H)+(L).....	86,144	7,675	93,819	(76,236)	(105,000)	23,043	(64,374)

- (1) Reflects the sum of unaudited financial positions of 468 SPAC and Boxine Group before adjustments as of August 31, 2021.
- (2) Reflects the adjustments related to the Business Combination, accounted for as a Capital Reorganization, between 468 SPAC and Boxine Group, after reflection of the redemption notices 468 SPAC received on November 11, 2021, including:
 - the reclassification of €296,979 thousand carrying amount of 468 SPAC Class A Shares subject to redemption (liability) to 468 SPAC's share capital and share premium of €480 thousand and €296,499 thousand, respectively;
 - the adjustment for the 5,885 468 SPAC Class A shares redeemed by 468 SPAC Public Shareholders resulting in a decrease to 468 SPAC's cash balance of €58,850 with a corresponding reduction to 468 SPAC's share capital and share premium of €94 and €58,756, respectively;
 - the adjustment to share capital and share premium after the transfer and contribution of all Holding GmbH's shares held by Holding GmbH Shareholders and Beteiligungs GmbH's shares held by Höllenhunde as of Closing to 468 SPAC in exchange for 50,431,586 new Public Shares of 468 SPAC and cash consideration of €214,941 thousand to Holding GmbH Shareholders and Höllenhunde, resulting in a decrease in non-controlling interests of €18,548 thousand, a net increase in share capital of €705 thousand and a decrease in share premium of €197,100 thousand. The net increase in share capital reflects a total increase in share capital of €807 thousand resulted from the share exchanges, reduced by eliminating Boxine Group's historical share capital of €100 thousand;
 - the 100% cash settlement of the Boxine VSP claim of the exercise by Boxine VSP Beneficiaries of their virtual participations pursuant to Boxine VSP Amendment Agreement in the amount of €5,743 thousand.
- (3) Reflects the proceeds of €105.0 million from the issuance and sale of 10,500,000 Public Shares at €10.0 (with a nominal value of €0.016 per share) per share in the PIPE Financing, increasing cash and cash equivalents with corresponding increases to subscribed capital and capital reserve of €0.2 million and €104.8 million, respectively.
- (4) Reflects other adjustments related to:
 - the liquidation and reclassification of €301,154 thousand of investment held in Escrow Account, which has been presented under current assets in 468 SPAC's historical statement of financial position as of August 31, 2021, to cash and cash equivalents that becomes available at the closing of the Business Combination;
 - the adjustment related to the payment of approximately €17,795 thousand of estimated and incremental costs, including approximately €8,250 thousand of deferred underwriting and additional discretionary fees related to 468 SPAC's IPO payable by 468 SPAC on completion of the Business Combination, incurred in connection with the Business Combination and PIPE Financing by Boxine Group and 468 SPAC subsequent to August 31, 2021, resulting in a decrease in cash and cash equivalents of €17,795 thousand;
 - the settlement of Boxine Group's Vendor Loans as of the Closing in the amount of approximately €44,583 thousand as of August 31, 2021 historically recognized in "Loans and borrowings (short term)" within current liabilities in the historical statement of financial position of Boxine Group.
 - the distribution of capital reserves at the Closing to Holding GmbH Shareholders which Holding GmbH Shareholders have previously injected in Holding GmbH and recognized in "Share premium" in the historical statement of financial position of Boxine Group. The distribution amount is estimated in the amount of approximately €5,248 thousand, equaling the amount of the Shareholder Loan Amount (such amount plus interest in the aggregate) on the date of the shareholders' resolution for this distribution which is expected to be on Nov 24, 2021.
- (5) Shown as "Cash and cash equivalents" in 468 SPAC's audited consolidated interim statement of financial position as of June 30, 2021 and unaudited consolidated interim statement of financial position as of August 31, 2021 and Boxine Group's unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021.
- (6) Shown as "Other assets (short term)" in Boxine Group's unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021 and "Cash in escrow" under "non-current assets" in 468 SPAC's audited consolidated interim statement of financial position as of June 30, 2021 and under "Current assets" in 468 SPAC's unaudited consolidated interim statement of financial position as of August 31, 2021.

- (7) Shown as “Loans and borrowings (short term)” in Boxine Group’s unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021 and “Redeemable Class A shares”, “Class A warrants at fair value” and “Class B warrants at fair value” presented under “Non-current liabilities” in 468 SPAC’s audited consolidated interim statement of financial position as of June 30, 2021 and presented under “Current liabilities” in 468 SPAC’s unaudited consolidated interim statement of financial position as of August 31, 2021.
- (8) Shown as “Lease liabilities (short term)” in Boxine Group’s unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021.
- (9) Shown as “Lease liabilities (long term)” in Boxine Group’s unaudited condensed consolidated interim statement of financial position as of June 30, 2021 and August 31, 2021. “Share-based payment liabilities (long term)” in Boxine Group’s unaudited condensed consolidated interim statement of financial position as of August 31, 2021 is not included, as they are not interest-bearing debts.

4.3 Contingent and Indirect Liabilities

The Company did not have any contingent or indirect liabilities as of the date of this Prospectus.

4.4 Statement on Working Capital

The Company is of the opinion that it has sufficient working capital to meet its due payment obligations for at least a period of 12 months from the date of this Prospectus.

Following consummation of the Business Combination, the Company has access to the proceeds in the Escrow Account and the working capital of Beteiligungs GmbH, as well as the ability to borrow additional funds, such as a working capital revolving debt facility or a longer-term debt facility. The Company is of the opinion and confident that these proceeds will provide the Company access to sufficient working capital on an ongoing basis.

4.5 Significant Changes in Financial Performance or Financial Position

On November 24, 2021, the Management Board of the Company resolved, among other things, to increase the share capital from €600,000 to €1,837,561.38 from its authorized capital. Also on November 26, 2021, the Company received 7,936 shares in Beteiligungs GmbH and 100,000 shares in Holding GmbH as a contribution-in-kind and €105 million from the PIPE Financing.

Other than that, there have been no significant changes to the financial performance or financial position of 468 SPAC Group between August 31, 2021 and the date of this Prospectus.

5. BUSINESS COMBINATION

5.1 General

On August 30, 2021, 468 SPAC, Boxine GmbH, Beteiligungs GmbH, at the time Boxine's sole shareholder, Höllenhunde, at the time one of Beteiligungs GmbH's shareholders, and Holding GmbH, the other shareholder of Beteiligungs GmbH (Holding GmbH together with Höllenhunde, the "**Beteiligungs GmbH Shareholders**") entered into the Business Combination Agreement and ancillary agreements, which provide for, among other things, the contribution of all shares in Holding GmbH into 468 SPAC by the shareholders of Holding GmbH ("**Holding GmbH Shareholders**" and together with Höllenhunde, the "**Boxine Investors**") and the contribution of all shares in Beteiligungs GmbH held by Höllenhunde into 468 SPAC both in exchange for New Public Shares in 468 SPAC (the "**Acquisition**").

For more information about the transactions contemplated in the Business Combination Agreement, please see the section entitled "*6. Business Combination Agreement and Ancillary Documents.*"

5.2 Effect of the Transactions on Existing 468 SPAC Equity in the Business Combination

Subject to the terms and conditions of the Business Combination Agreement and ancillary agreements, the Business Combination results in (i) the issuance of 42,380,118 New Public Shares to the Holding GmbH Shareholders, (ii) the issuance of 8,051,468 New Public Shares to Höllenhunde and (iii) the issuance of 10,500,000 New Public Shares to the PIPE Investors.

5.3 Treatment of Boxine Group's Virtual Share Program

Beteiligungs GmbH has in place a virtual employee participation scheme for certain employees of the Boxine Group as incentive plans for employees, key management and other beneficiaries (the "**Boxine VSP**"). Under the Boxine VSP, Beteiligungs GmbH has allocated virtual participations in Beteiligungs GmbH to certain members of its key management and other beneficiaries (the "**Boxine VSP Beneficiaries**"), providing them in case of an exit event with a contractual claim against Beteiligungs GmbH for a certain cash payment.

After the execution of the Business Combination Agreement, Beteiligungs GmbH, 468 SPAC and the Boxine VSP Beneficiaries entered into an amendment of the Boxine VSP to, *inter alia*, modify the vesting schedule and trigger events under the Boxine VSP (the "**Boxine VSP Amendment Agreement**"). Pursuant to the Boxine VSP Amendment Agreement, the Boxine VSP Beneficiaries are entitled to exercise at or immediately following the commencement of the Business Combination, *i.e.*, November 26, 2021, a portion of their virtual participations (approximately €6 million in the aggregate) in Beteiligungs GmbH in accordance with the terms and conditions of the Boxine VSP Amendment Agreement. If and to the extent Boxine VSP Beneficiaries exercise such portion of their virtual participations in Beteiligungs GmbH at or immediately following the commencement of the Business Combination, they will be entitled to receive certain cash payments in accordance with the terms of the Boxine VSP, as amended by the Boxine VSP Amendment Agreement (all such cash payments together, the "**Boxine VSP Closing Payout Amount**"), provided that Beteiligungs GmbH has the ability to elect, in its sole discretion, to settle the Boxine VSP Closing Payout Amount in whole or in part instead of through a cash payment either exclusively through the issuance of new Public Shares to the relevant Boxine VSP Beneficiaries or a combination of cash and the issuance of new Public Shares to the relevant Boxine VSP Beneficiaries, in each case as set forth in the Boxine VSP Amendment Agreement.

5.4 Repayment of Shareholder and Vendor Loans

On January 21, 2021, Holding GmbH, as lender, granted a shareholder loan to Beteiligungs GmbH, as borrower, under a certain shareholder loan agreement providing for an interest rate of 6% p.a. (the "**Shareholder Loan**"). On August 27, 2021, the outstanding principal amount under the Shareholder Loan amounted to €5,000,000, and the outstanding principal amount plus accrued interest amounted to €5,175,833.33 in the aggregate (the aggregate principal amount plus accrued interest outstanding under the Shareholder Loan from time to time, the "**Shareholder Loan Amount**").

In order to allow the proceeds from the repayment of the Shareholder Loan to be distributed to the Holding GmbH Shareholders, in conjunction with the Business Combination, the Holding GmbH Shareholders resolved by way of a shareholders' resolution on (i) the dissolution of capital reserves in the amount of the Shareholder Loan Amount on the date of the shareholders' resolution (such amount plus interest in the aggregate, the "**Distribution Amount**") followed by (ii) the distribution of the Distribution Amount. Concurrently therewith, the Holding

GmbH Shareholders, as lenders, will grant a loan to Holding GmbH, as borrower, under a certain loan agreement (the “**Back-to-Back Shareholder Loan**”) with the principal amount being equal to the Distribution Amount and providing for an interest rate of 6% p.a. (the “**Back-to-Back Shareholder Loan Amount**” (*i.e.*, the Back-to-Back Shareholder Loan Amount shall be equal to the Shareholder Loan Amount).

On October 4, 2019, certain former shareholders of Boxine, as lenders, granted vendor loans to Beteiligungs GmbH, as borrower, under certain vendor loan agreements, each providing for an interest rate of 6% p.a. (the “**Vendor Loan**” and the borrowers under the respective Vendor Loan, each a “**Borrower**” and the lenders under the respective Vendor Loan, each a “**Lender**”). On August 27, 2021, the outstanding principal amount under the Vendor Loan amounted to EUR 40,000,000, and the outstanding principal amount plus accrued interest amounts to EUR 44,580,000 in the aggregate (the aggregate principal amount plus accrued interest outstanding under the Vendor Loan from time to time, the “**Vendor Loan Amount**”).

Of the Vendor Loan Amount, a total of €4.0 million (or €4.4 million including accrued interest) was repaid at the end of September 2021 when the Vendor Loan was due. The remainder was prolonged. For a majority of this amount outstanding the maturity was extended to the earlier of (i) closing of the business combination agreement with 468 SPAC I SE or (ii) end of February 2022. An amount of €1.4 million has a maturity until December 31, 2021, while an amount of €16.8 million has a maturity until March 31, 2022.

In order to allow Beteiligungs GmbH to partly repay the Vendor Loan, if and to the extent the Vendor Loan becomes due and payable prior to the Closing of the Business Combination, on July 8, 2021, Beteiligungs GmbH entered into a bridge loan facility in the amount of €30,000,000, and on September 22, 2021, in the amount of €7,000,000 (the “**Bridge Loan**”). As of August 27, 2021, the outstanding drawn amount under the Bridge Loan amounted to €30,000,000, and the outstanding drawn amount plus accrued interest amounted to €30,247,916.67 in the aggregate (the aggregate drawn amount plus accrued interest outstanding under the Bridge Loan from time to time, the “**Bridge Loan Amount**”).

After Closing, 468 SPAC will downstream, as is necessary, cash to Boxine, and Boxine shall pay on behalf of the respective Borrowers such euro amount that is required to repay the respective Borrower’s portion of the Shareholder Loan Amount and the Vendor Loan Amount to the respective Lender.

After Closing, 468 SPAC will downstream, as is necessary, cash to Holding GmbH, and Holding GmbH shall pay the euro amount that is required to repay the Back-to-Back Shareholder Loan Amount to the Holding GmbH Shareholders from the cash proceeds received as a result of the repayment of the Shareholder Loan from Beteiligungs GmbH to Holding GmbH.

5.5 Ownership Structure of 468 SPAC after the Consummation of the Business Combination

Upon consummation of the Business Combination: (i) 468 SPAC’s holders of public shares (other than the PIPE Investors) will own approximately 30.5% of 468 SPAC’s outstanding shares; (ii) the PIPE Investors will own approximately 10.7% of 468 SPAC’s outstanding shares; (iii) the Sponsor and Co-Sponsors will own approximately 7.6% of 468 SPAC’s outstanding shares; and (iv) the Boxine Investors will own approximately 51.2% of 468 SPAC’s outstanding shares. These levels of ownership reflect that (A) 5,885 Public Shares are redeemed by 468 SPAC’s holders of public shares, (B) 10,500,000 New Public Shares are issued to the PIPE Investors in connection with the PIPE Financing (as defined below), (C) Beteiligungs GmbH Shareholders represent 100% of the issued and outstanding shares of Beteiligungs GmbH and (D) Holding GmbH Shareholders represent 100% of the issued and outstanding shares of Holding GmbH.

The ownership percentages with respect to 468 SPAC following the Business Combination do not take into account the warrants to purchase 468 SPAC Public Shares that will remain outstanding immediately following the Business Combination.

The following table illustrates the ownership structure in 468 SPAC immediately following the consummation of the Business Combination.

	Share Ownership in 468 SPAC ⁽¹⁾	
	Number of Shares	Percentage of Outstanding Shares
468 SPAC Public Shareholders ⁽²⁾	29,994,115	30.5
PIPE Investors	10,500,000	10.7
468 SPAC Sponsor and Co-Sponsors	7,500,000	7.6

	Share Ownership in 468 SPAC ⁽¹⁾	
	Number of Shares	Percentage of Outstanding Shares
Boxine Investors	50,431,586	51.2
Total	98,425,701⁽³⁾	100%⁽³⁾

- (1) The ownership structure presented in this table shows the total number of shares issued by the Company in connection with the Business Combination other than Public Shares held as treasury shares by the Company or any of its subsidiaries as these treasury shares carry no voting and profit participation rights in the Company.
- (2) Reflects 5,885 Public Shares redeemed in connection with the Business Combination.
- (3) Figure does not include treasury shares held by the Company or its subsidiaries and hence deviates from the total number of shares outstanding presented otherwise in the Prospectus.

5.6 Background of the Business Combination

468 SPAC has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or the United Kingdom or Switzerland in the form of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transactions. The agreed Business Combination was the result of an extensive search for potential transactions utilizing the global network of 468 SPAC's management team. The terms of the Business Combination Agreement are the result of extensive negotiations among the representatives of 468 SPAC and the Boxine Investors.

On April 29, 2021, 468 SPAC completed its private placement of 30,000,000 units at a price of €10.00 per unit generating gross proceeds of €300,000,000 (the "**Private Placement**"). Each unit consisted of one Public Share and 1/3 Public Warrant to subscribe for a Public Share. In conjunction with the Private Placement, 468 SPAC completed an additional private placement of 5,500,000 Sponsor Warrants at a price of €1.50 per Sponsor Warrant to the 468 SPAC Sponsor and Co-Sponsors as well as an additional private placement to the Sponsor and Co-Sponsors consisting of 900,000 Sponsor Warrants to cover the negative effect of negative interest rates on the amounts held in the Escrow Account.

Since the completion of the Private Placement, 468 SPAC considered a number of potential target businesses with the objective of consummating a business combination. Representatives of 468 SPAC contacted, and were contacted by, a number of individuals and entities with respect to potential business combination opportunities. 468 SPAC primarily considered businesses that it believed could benefit from the substantial expertise, experience and network of its management team, that 468 SPAC determined have a competitive advantage in the markets in which they operate and that have attractive growth prospects.

In the process that led to identifying Boxine Group as an attractive business combination opportunity, 468 SPAC's management team evaluated a number of different potential business combination targets and, in connection with such evaluation, 468 SPAC entered into non-disclosure agreements with respect to other potential business combination targets (other than the Boxine Group).

On May 21, 2021, 468 SPAC, Boxine and the Holding GmbH Shareholders entered into a non-disclosure agreement and started negotiations on the terms and conditions of a potential business combination.

Pursuant to the mutual non-disclosure agreement, Boxine provided the representatives of 468 SPAC with access to an online data room for purposes of 468 SPAC conducting business, financial, tax and legal due diligence with respect to Boxine Group.

Between May 22, 2021 and the date of the execution of the Business Combination Agreement, 468 SPAC conducted business, financial, tax and legal due diligence with respect to Boxine Group.

On June 2, 2021, 468 SPAC and Boxine entered into, and executed, a letter of intent (the "**LoI**") with a non-binding term sheet. After the execution of the LoI, 468 SPAC, Boxine and the Boxine Investors entered into negotiations of the Business Combination Agreement.

On June 17, 2021, 468 SPAC published an ad hoc release with respect to the execution of the LoI. The ad hoc contained a description of the envisaged business combination between 468 SPAC and Boxine and release of the envisaged PIPE Financing in an amount of up to €100 million.

On August 30, 2021, 468 SPAC and certain investors executed definitive documentation with respect to the PIPE Financing, which provided for binding subscriptions to purchase an aggregate of 10,500,000 Public Shares at €10.00 per share.

On August 30, 2021, the parties to the Business Combination Agreement entered into the Business Combination Agreement and certain ancillary agreements.

On August 30, 2021, 468 SPAC issued an ad hoc release announcing the execution of the Business Combination Agreement and the PIPE Financing and 468 SPAC and Boxine issued a joint press release.

On November 15, 2021, 468 SPAC's extraordinary shareholders' meeting voted in favor of the proposed Business Combination.

In connection with the Business Combination, 5,885 Public Shares (approximately 0.02% of the then outstanding Public Shares) were redeemed by the holders of Public Shares.

5.7 468 SPAC's Reasons for the Business Combination

468 SPAC's Management Board, in evaluating the Business Combination, consulted with its legal counsel, financial and accounting advisors and other advisors. In reaching its resolution (i) that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination are advisable, fair to and in the best interests of 468 SPAC and its shareholders and (ii) to recommend that the shareholders adopt the Business Combination Agreement and approve the Business Combination, the 468 SPAC Management Board considered and evaluated a number of factors, including, but not limited to, the factors discussed below. In light of the number and wide variety of factors considered in connection with its evaluation of the Business Combination, 468 SPAC's Management Board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its determination and supporting its decision. 468 SPAC's Management Board viewed its decision as being based on all of the information available and the factors presented to and considered by it. In addition, individual members of 468 SPAC's Management Board may have given different weight to different factors. This explanation of 468 SPAC's reasons for the Business Combination and all other information presented in this section may be forward-looking in nature and, therefore, should be read in light of the factors discussed under "2.10 Forward-Looking Statements".

468 SPAC's Management Board considered a number of factors pertaining to the Business Combination as generally supporting its decision to enter into the Business Combination Agreement and the transactions contemplated thereby, including but not limited to, the following material factors:

- **Scalable tech-enabled business model.** Boxine performs in the specific tech and technology-enabled sector of direct to consumer business. Boxine's businesses focuses on specializing in niche products and tailors its customer experience and products to specific target groups.
- **Outstanding market position due to unique branding or pioneering technology.** Boxine is among the market leaders in its respective markets with a superior value proposition, which is built on unique branding and pioneering technologies that truly offers innovation.
- **Proven business case with strong growth outlook and attractive margin potential.** Boxine provides for a proven business case with a strong growth outlook and attractive margin potential. Boxine has an industry-leading margin potential in combination with a clear path to profitable growth.
- **True tech company with state-of-the-art tech stack.** Boxine is a true technology company with state-of-the-art tech stacks that has a clear advantage over businesses with legacy technology. We believe this allows for a sustainable competitive advantage and builds the foundation for a highly scalable backend which is key for predictable growth.
- **Top-tier investor base in the late-stage / pre-IPO phase.** Boxine has a top-tier investor base, is in a late-stage / pre-IPO phase and has already attracted and convinced other industry leaders of the future potential of the underlying business model.
- **Founder-led businesses with enthusiastic management.** Boxine is founder-led and Boxine's management has strong entrepreneurial ambition to take its business to the next level, exhibits the highest degree of dedication and takes ownership to deliver on clearly defined growth ambitions.

- **Specific background of 468 SPAC Sponsor and Founders adds further value.** 468 SPAC believes that the specific background, network and know-how of 468 SPAC's Management Board adds further value for Boxine.

468 SPAC's Management Board also considered a variety of uncertainties and risks and other potentially negative factors concerning the Business Combination, including, but not limited to, the following:

- **Benefits Not Achieved.** The risk that the potential benefits of the Business Combination may not be fully achieved, or may not be achieved within the expected timeframe.
- **Liquidation of 468 SPAC.** The risks and costs to 468 SPAC if the Business Combination is not completed, including the risk of diverting management focus and resources from other businesses combination opportunities, which could result in 468 SPAC being unable to effect a business combination within the Business Combination Deadline and force 468 SPAC to liquidate.
- **Exclusivity.** The fact that the LoI includes an exclusivity provision that prohibits 468 SPAC from soliciting other business combination proposals, which restricts 468 SPAC's ability, so long the exclusivity is in effect, to consider other potential business combinations prior to the expiry of the Business Combination Deadline.
- **Shareholder Vote.** The risk that 468 SPAC's shareholders may fail to provide the respective votes necessary to effect the Business Combination.
- **Closing Conditions.** The fact that consummation of the Business Combination is conditioned on the satisfaction of certain closing conditions that are not within 468 SPAC's control.
- **Litigation.** The possibility of litigation challenging the Business Combination could indefinitely enjoin consummation of the Business Combination.
- **Fees and Expenses.** The fees and expenses associated with completing the Business Combination.
- **Other Risks.** Various other risks associated with the Business Combination, the business of 468 SPAC and the business of Boxine described under the section entitled "Risk Factors."

In addition to considering the factors described above, 468 SPAC's Management Board also considered that 468 SPAC Founders may have interests in the Business Combination as individuals that are in addition to, and that may be different from, the interests of 468 SPAC's shareholders (see "5.8 Interests of Certain Persons in the Business Combination").

468 SPAC's Management Board concluded that the potential benefits that it expected 468 SPAC and its shareholders to achieve as a result of the Business Combination outweighed the potentially negative factors associated with the Business Combination. Accordingly, 468 SPAC's Management Board determined that the Business Combination Agreement and the Business Combination, were advisable, fair to, and in the best interests of, 468 SPAC and its shareholders.

5.8 Interests of Certain Persons in the Business Combination

The Sponsor and Co-Sponsors may have interests in the Business Combination that are different from, or in addition to, those of other 468 SPAC shareholders generally. 468 SPAC's Management Board was aware of and considered these interests, among other matters, in evaluating and negotiating the Business Combination, and in recommending to 468 SPAC shareholders that they approve the Business Combination proposal.

These interests include:

- the fact that Sponsor and Co-Sponsors have agreed not to redeem any shares held by them in connection with a shareholder vote to approve a proposed Business Combination;
- the fact that 468 SPAC's Sponsor and Co-Sponsors paid an aggregate of €1,200,000 for the Sponsor Shares and such securities will have a significantly higher value at the time of the Business Combination which would be valued at approximately €96,000,000;
- the fact that 468 SPAC's Sponsor and Co-Sponsors paid an aggregate of €8,250,000 for their 5,500,000 Sponsor Warrants and that such Sponsor Warrants will only become exercisable following the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Public Shares equals or exceeds €12.00 for any 20 trading days within any 30-trading day period; however, pursuant to

the Business Combination Agreement, the Sponsor and the Co-Sponsors have in addition agreed to the 468 SPAC Sponsors Lock-Up (please see “6.4.4 468 SPAC Sponsors Lock-Up”);

- the fact that 468 SPAC’s Sponsor and Co-Sponsors paid an aggregate of €1,350,000 for 900,000 Sponsor Warrants to cover the effect of negative interest rates on the amounts held in the Escrow Account;
- the fact that 468 SPAC Sponsor and Co-Sponsors paid an additional purchase price for the Sponsor Shares in the aggregate of €1,080,000 to cover the remuneration of the members of the 468 SPAC management Board and due diligence cost in connection with the Business Combination;
- the fact that 468 SPAC Sponsor and Co-Sponsors will lose their entire investment in 468 SPAC and will not be reimbursed for any out-of-pocket expenses if an initial business combination is not consummated by April 30, 2021;
- the fact that Alexander Kudlich, Dr. Ludwig Ensthaler and Florian Leibert have relations to Boxine as they hold less than 1% on a fully diluted basis in Boxine through investments in indirect shareholders of Boxine and Alexander Kudlich was the chairperson of the advisory board (*Beirat*) of Boxine (for the time until the consummation of the Business Combination his role has rested and he has not participated in any meetings of the advisory board, has not exercised his voting right as an advisory board member and has not received any information in his capacity as advisory board member from Boxine, other advisory board members or non-voting observers, especially concerning the Business Combination); and
- the fact that Lea-Sophie Cramer has relations to Boxine as she is invested in the amount of €200,000 in Boxine through investments in indirect shareholders of Boxine.

However, these interests may have influenced the members of the 468 SPAC Management Board in making their recommendation that 468 SPAC shareholders should vote in favor of the approval of the Business Combination.

5.9 Transaction Expenses

The parties to the Business Combination Agreement have agreed to cap the expenses incurred in connection with the Business Combination to be charged to the combined entity (*i.e.*, 468 SPAC I SE to be renamed tonies SE) at €20 million.

5.10 Sources and Uses for the Business Combination

The following tables summarize the sources and uses for funding the Business Combination:

Sources & Uses

Sources	(in € mm)	Uses	(in € mm)
Boxine Investors Roll-Over Equity.....	510	Boxine Investors Roll-Over Equity.....	510
PIPE Financing.....	105	Primary Proceeds ⁽²⁾	170
Public Shareholders ⁽¹⁾	300	Secondary Proceeds ⁽³⁾	210
Sponsor Promote.....	75	Sponsor Promote.....	75
		Transaction Fees ⁽⁴⁾	20
		Secondary Proceeds for Höllenhunde	
		Escrow Account (as defined below).....	5
Total sources	990	Total uses	990

(1) Reflecting redemptions in the amount of 5,885 Public Shares by 468 SPAC’s public shareholders.

(2) The portion of the cash proceeds in connection with the consummation of the Business Combination and the PIPE Financing actually allocated to the Company to use in its sole discretion.

(3) The Actual Cash Consideration (as defined below) received by the Boxine Investors.

(4) Reflects transaction costs (*i.e.*, fees for financial and legal advisors, public communications advisors as well as miscellaneous expenses, *e.g.*, holding of the extraordinary general meeting) to be charged by the parties of the Business Combination Agreement to the combined entity (*i.e.*, 468 SPAC I SE to be renamed tonies SE).

5.11 Certain Tax Consequences of the Business Combination

Please see Sections “21. Taxation in the Grand Duchy of Luxembourg” and “22. Taxation in the Federal Republic of Germany.”

5.12 Accounting Treatment of the Business Combination

The Boxine Group will be treated as accounting acquirer under the Business Combination. For accounting and financial reporting purposes, please see Section “0. 23. *Financial INFORMATION.*”

6. BUSINESS COMBINATION AGREEMENT AND ANCILLARY DOCUMENTS

6.1 General Description of the Business Combination Agreement

On August 30, 2021, 468 SPAC, Boxine, Beteiligungs GmbH, Boxine's sole shareholder, Höllenhunde, at the time one of Beteiligungs GmbH's shareholders, and Holding GmbH, at the time the other shareholder of Beteiligungs GmbH (Holding GmbH together with Höllenhunde, the "**Beteiligungs GmbH Shareholders**") entered into the Business Combination Agreement and ancillary agreements, which provide for, among other things, the contribution of all shares in Holding GmbH into 468 SPAC by the shareholders of Holding GmbH ("**Holding GmbH Shareholders**" and together with Höllenhunde, the "**Boxine Investors**") and the contribution of all shares in Beteiligungs GmbH into 468 SPAC held by Höllenhunde in each case in exchange for New Public Shares in 468 SPAC and a potential cash consideration.

6.2 Consideration to Boxine Investors in the Business Combination

Subject to the terms and conditions of the Business Combination Agreement, the consideration to be received by the Boxine Investors in connection with the Business Combination will be equal to (i) €725,000,000 minus the Aggregate Vested Boxine VSP Amount (as defined below) divided by (ii) €10.00 (the "**Total Consideration**").

The Business Combination Agreement defines the "**Aggregate Vested Boxine VSP Amount**" as an amount equal to the Boxine VSP Closing Payout Amount and in no case less than the sum of all claims of the Boxine VSP Beneficiaries under the Boxine VSP, as amended by the Boxine VSP Amendment Agreement, that are vested under the Boxine VSP, as amended by the Boxine VSP Amendment Agreement, at the closing commencement date of the Business Combination, *i.e.*, November 26, 2021, the date of the approval of this Prospectus (the "**Closing Commencement Date**").

The Total Consideration for the Boxine Investors will consist of (i) an aggregate cash amount of up to €210,000,000 plus the Höllenhunde Escrow Amount (as defined below) in the amount of €5,000,000 (the "**Maximum Cash Consideration**") which is subject to a reduction in case of redemptions from the shareholders of 468 SPAC in connection with the Business Combination and (ii) an aggregate number of newly issued Public Shares determined by dividing the difference between the Total Consideration and the Actual Cash Consideration (as defined below) by €10.00 (the "**Consideration Shares**") (*i.e.*, the sum of the Actual Cash Consideration referred to in item (i) and the aggregate value of the Consideration Shares (assuming a value per Public Share of €10.00) referred to in item (ii) together shall always be equal to the Total Consideration), provided that no fractional shares shall be issued and fractions shall be rounded down to the next whole number of newly issued Public Shares.

The Maximum Cash Consideration shall be reduced in case it is required to redeem Public Shares of the Public Shareholders as a result of Public Shareholders exercise their redemption right in connection with the Business Combination (the resulting € cash amount (which might be €0.00 but not lower) being the "**Actual Cash Consideration**"), provided that the Höllenhunde Escrow Amount (as defined below) forming part of the Actual Cash Consideration shall not be reduced on a pro rata basis in case the Actual Cash Consideration is lower than the Maximum Cash Consideration.

6.3 Representation and Warranties

Under the Business Combination Agreement, Boxine made customary representations and warranties to 468 SPAC relating to, among other things: organization and qualification; capitalization; authorization; financial statements; absence of undisclosed liabilities; consents and requisite governmental approvals; permits; material contracts; absence of certain changes; operation of business during COVID-19; litigation; compliance with applicable laws; equity incentive plans; intellectual property; labor matters; insurance; tax matters; broker fees; real and personal property; transactions with affiliates; data privacy and security; environmental matters; solvency; ownership of assets; subsidies; customers; information supplied for the Prospectus, estimated transaction expenses and product liability.

Beteiligungs GmbH made customary representations and warranties to 468 SPAC and Boxine relating to, among other things: ownership of Boxine shares; rights to Boxine shares; Beteiligungs GmbH's business; organization and qualification; authorization; consent and requisite government approvals; proceedings; investment representations; broker fees; financial statements; absence of undisclosed liabilities and transaction with affiliates.

Höllenhunde made customary representations and warranties to 468 SPAC and Boxine relating to, among other things: ownership of Beteiligungs GmbH's shares; rights to Beteiligungs GmbH's shares; organization and qualification; authorization; consent and requisite government approvals; proceedings; investment representations and broker fees.

Holding GmbH made customary representations and warranties to 468 SPAC and the other parties relating to, among other things: ownership of Beteiligungs GmbH's shares; rights to Beteiligungs GmbH's shares; organization and qualification; authorization; consent and requisite government approvals; proceedings; investment representations; broker fees; financial statements; no undisclosed liabilities and transaction with affiliates.

468 SPAC made customary representations and warranties to Boxine relating to, among other things: organization and qualification; authorization; consents and requisite government approvals; brokers fees; information supplied for this Prospectus; issuance of shares; capitalization; escrow account; transaction with affiliates; litigation; compliance with applicable law; internal controls; listing; financial statements; prior business operation; no undisclosed liabilities; tax matters; investigation PIPE Financing and estimated transaction expenses.

6.4 Lock-Up Undertakings

6.4.1 Höllenhunde Lock-up

Höllenhunde covenants and agrees with each of the other parties of the Business Combination Agreement that it will not, and will not agree to transfer, assign, pledge or sell any of its Consideration Shares during the period commencing on the date of the Business Combination Agreement and ending three hundred and sixty (360) days after Closing (as defined below) (the "**Höllenhunde Lock-Up**").

6.4.2 Höllenhunde Shareholders Lock-up

Pursuant to the Höllenhunde Shareholders Support Agreement (as defined below) each of the Höllenhunde Shareholders covenants and agrees that they will not, and will not agree to transfer, assign, pledge or sell any of their shares held in Höllenhunde during the period commencing on the date of this Agreement and ending three hundred and sixty (360) days after Closing (as defined below) (the "**Höllenhunde Shareholders' Lock-Up**").

6.4.3 Holding GmbH Shareholders' Lock-Up

Pursuant to the Holding GmbH Shareholder Support Agreement (as defined below) each of the Holding GmbH Shareholders covenants and agrees that they will not, and will not agree to transfer, assign, pledge or sell any of their Consideration Shares during the period commencing on the date of this Agreement and ending three hundred and sixty (360) days after Closing (as defined below) (the "**Holding GmbH Shareholders' Lock-Up**").

In addition to the exemptions set forth in the Holding GmbH Shareholder Support Agreement, (i) the Holding GmbH Shareholders' Lock-Up will not restrict Holding GmbH Shareholders from, either directly or indirectly, selling, transferring or otherwise disposing of any Consideration Shares to a third party if the third-party acquirer agrees to be bound by the Holding GmbH Shareholders' Lock-Up for the remaining term and (ii) the Holding GmbH Shareholders' Lock-Up will cease to apply for a specified number of Consideration Shares if certain minimum cash consideration thresholds are not met and in case and as soon the closing price of the Public Shares equals or exceeds €12.00 at any point in time following 180 days after the closing of the Business Combination (the "**Closing**").

6.4.4 468 SPAC Sponsors Lock-Up

In addition to the lock-up periods and terms for Sponsor Shares and Sponsor Warrants under the Sponsor Agreement, 468 SPAC Sponsors entered into the Voting and Non-Redemption Agreement pursuant to which the 468 SPAC Sponsors covenant and agree that the Sponsor Shares will be subject to a three hundred sixty (360) day lock-up post-Closing (the "**468 SPAC Sponsors Lock-Up**"), provided that (i) if and when the closing price for the Public Shares equals or exceeds €12.00 for any 20 trading days within a 30 trading days period at any point in time after the Closing, 5% of the initial shareholding of the 468 SPAC Sponsors will be released from the 468 SPAC Sponsors Lock-Up and (ii) if and when the Boxine Investors have received the amount of €210,000,000 as cash consideration and, if necessary, a sale of Consideration Shares in accordance with the exception from the Holding GmbH Shareholders' Lock-Up, an additional 20% of the initial shareholding of the 468 SPAC Sponsors (including Public Shares issued upon exercise of the Sponsor Warrants) will be released from the 468 SPAC

Sponsors Lock-Up. After three hundred sixty (360) days after Closing, 25% of the initial shareholding of 468 SPAC Sponsors (including Public Shares issued upon exercise of the Sponsor Warrants) will be released from the 468 SPAC Sponsors Lock-Up each quarter.

6.4.5 General Exceptions

Furthermore, the lock-up undertakings contain certain general exceptions.

The Höllenhunde Lock-Up, the Höllenhunde Shareholders' Lock-Up, the Holding GmbH Shareholders' Lock-Up and the 468 SPAC Sponsors Lock-Up, respectively, will not restrict Höllenhunde, the Höllenhunde Shareholders, the Holding GmbH Shareholders and the 468 SPAC Sponsors, respectively, from, either directly or indirectly, selling, transferring or otherwise disposing of any Consideration Shares, (i) by means of an over-the-counter transaction at any time to affiliates, provided that such affiliates have agreed in advance to be bound by the foregoing restrictions for the remaining lock-up period, (ii) disposal in accordance with a court order or as required by law or regulation, (iii) pursuant to a general offer made to all holders of Public Shares made in accordance with takeover regulations on terms which treat all such holders alike, (iv) for the purposes of pledging, charging or otherwise granting any security interest over any Consideration Shares or assigning any rights in relation to any Consideration Shares (a "Security Interest") to or for the benefit of any finance provider(s), including any margin loan lender(s) (and if applicable, its or their permitted assignees and transferees) or any security agent or trustee on its or their behalf, in connection with a financing arrangement, including a margin loan, (v) only applicable to the Transaction Shareholders' Lock-Up and the 468 SPAC Sponsors Lock-Up (and not to the Höllenhunde Shareholder Lock-Up), for the purposes of selling, transferring and/or appropriating Consideration Shares pursuant to and following any enforcement of the Security Interest, or (vi) for the purposes of selling, transferring or granting a Security Interest over (or enforcing such Security Interest by way of transfer, sale and/or appropriation) any Consideration Shares that have previously been transferred, sold and/or appropriated to or by any person in accordance with (v) above, provided that in the case of (iv) through (vi), in relation to such Consideration Shares each transferee or purchaser has agreed in advance to be bound by the foregoing restrictions for the remaining lock-up period.

6.5 Material Adverse Effect

Under the Business Combination Agreement, certain representations and warranties of Boxine and 468 SPAC, are qualified in whole or in part by materiality thresholds. In addition, certain representations and warranties of Boxine, Beteiligungs GmbH, Höllenhunde, Holding GmbH and 468 SPAC are qualified in whole or in part by a material adverse effect standard for purposes of determining whether a breach of such representations and warranties has occurred. Pursuant to the Business Combination Agreement, material adverse effect means a failure of the respective warranties to be true and correct in all respects as of the Closing Commencement Date, as if made anew as of the Closing Commencement Date (except to the extent that any such representation and warranty is explicitly made as of any specific date other than the Signing Date or Closing Commencement Date, in which case such representation and warranty shall be true and correct in all material respects only as of such specific date) if such breach or breaches of the respective warranties (i) has had or can be reasonably expected to have, individually or in the aggregate, a material adverse effect on the respective warrantor and/or (ii) does or can reasonably be expected to, individually or in the aggregate, prevent or delay the ability of the respective warrantor to consummate the Business Combination as contemplated by the Business Combination Agreement and the ancillary documents.

6.6 Conditions to Closing of the Business Combination

6.6.1 Conditions to Each Party's Obligations

The obligations of the parties to the Business Combination Agreement to consummate the transactions contemplated by the Business Combination Agreement are subject to the satisfaction or, if permitted by applicable law, waiver by all of the parties of the following conditions:

- delivery of the financial statements to be provided;
- receipt of the 468 SPAC's shareholder approval;
- receipt of the Contribution In-Kind Report (for details on the report please refer to pages V-1 *et seq.*);
- completion of any required stock exchange and regulatory review, including by the CSSF and the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*); and

- no order has been issued or any other action taken permanently enjoining, restraining or otherwise prohibiting the Acquisition by competent authorities.

6.6.2 Conditions to Boxine, Beteiligungs GmbH, Höllenhunde, Holding GmbH and the Holding GmbH Shareholders Obligations

The obligations of each of Boxine, Beteiligungs GmbH, Höllenhunde, Holding GmbH and the Holding GmbH Shareholders to consummate the Transactions contemplated by the Business Combination Agreement are subject to the satisfaction or, if permitted by applicable law, waiver by Boxine, of the following further conditions:

- (i) 468 SPAC fundamental representations (*i.e.*, the representations and warranties with regard to organization and qualification, authorization, broker fees and capitalization) are true and correct in all material respects as of the date of the Business Combination Agreement, *i.e.*, August 30, 2021, and as of the Closing Commencement Date, as if made anew as of the Closing Commencement Date (except to the extent that any such representation and warranty is made of an earlier date, in which case such representation and warranty has to be true and correct in all material respects as of such earlier date), and (ii) the representations and warranties of 468 SPAC contained in the Business Combination Agreement are true and correct (without giving effect to any limitation as to materiality or 468 SPAC material adverse effect or any similar limitation set forth in the Business Combination Agreement) in all respects as the Closing Commencement Date, as if made anew as of the Closing Commencement Date (except to the extent that any such representation and warranty is made of an earlier date, in which case such representation and warranty has to be true and correct in all material respects as of such earlier date), except where the failure of such representations and warranties to be true and correct, taken as a whole, does not cause a 468 SPAC material adverse effect;
- 468 SPAC has performed and complied in all material respects with the covenants and agreements required to be performed or complied with by it under the Business Combination Agreement at or prior to the Closing;
- no 468 SPAC material adverse effect has occurred; and
- there being at least an amount in cash available in 468 SPAC (including PIPE proceeds) of €190 million, after exercise of redemption rights by the 468 SPAC shareholders; it being understood between 468 SPAC and the other parties that Boxine will make use of its right to waive this condition if, following good faith considerations, consultation with the Holding GmbH Shareholders and exercising reasonable judgment, Boxine remains of the opinion that the Business Combination is fair to, and in the best interest of, the Company.

6.6.3 Conditions to 468 SPAC's Obligations

The obligations of 468 SPAC to consummate the transactions contemplated by the Business Combination Agreement are subject to the satisfaction or, if permitted by applicable law, waiver by 468 SPAC of the following further conditions:

- (i) the Boxine fundamental representations, the Beteiligungs GmbH fundamental representations, the Höllenhunde fundamental representations, the Holding GmbH fundamental representations and the Holding GmbH Shareholders fundamental representations shall be true and correct (without giving effect to any limitation as to materiality or Boxine material adverse effect, Beteiligungs GmbH material adverse effect, Höllenhunde material adverse effect, Holding GmbH material adverse effect, Holding GmbH Shareholders material adverse effect or any similar limitation set forth in the relevant representation and warranty contained herein or in the Holding GmbH Shareholder Support Agreement (as defined below), as the case may be) in all material respects as of the Closing Commencement Date as if made anew as of the Closing Commencement Date (except to the extent that any such representation and warranty is explicitly made as of any other specific date, in which case such representation and warranty shall be true and correct in all material respects only as of such specific date), and (ii) the Boxine warranties, the Beteiligungs GmbH warranties, the Höllenhunde warranties and the Holding GmbH warranties and the Holding GmbH Shareholders' warranties, other than the Boxine fundamental representations, the Beteiligungs GmbH fundamental representations, the Höllenhunde fundamental representations, the Holding GmbH fundamental representations and the Holding GmbH Shareholders fundamental representations shall be true and correct in all respects as of the Closing Commencement Date as if made anew as of the Closing Commencement Date (except to the extent that any such representation and warranty is explicitly made as of any specific date other than the Signing Date or Closing Commencement Date, in which case such representation and warranty shall be true and correct in all material respects only

as of such specific date), except, where the failure of such representations and warranties to be true and correct, taken as a whole, does not constitute a Boxine material adverse effect, a Beteiligungs GmbH material adverse effect, a Höllenhunde material adverse effect, a Holding GmbH material adverse effect or an Holding GmbH Shareholders material adverse effect, as applicable;

- Boxine, Beteiligungs GmbH, Höllenhunde, Holding GmbH and the Holding GmbH Shareholders have performed and complied in all material respects with the covenants and agreements required to be performed or complied with by Boxine, Beteiligungs GmbH, Höllenhunde, Holding GmbH and the Holding GmbH Shareholders at or prior to the Closing as set forth in the Business Combination Agreement or in the Holding GmbH Shareholder Support Agreement, as the case may be;
- no Boxine material adverse effect has occurred;
- no Beteiligungs GmbH material adverse effect has occurred;
- no Höllenhunde material adverse effect has occurred;
- no Holding GmbH material adverse effect has occurred; and
- no Holding GmbH Shareholders material adverse effect has occurred.

6.6.4 Frustration of Closing Conditions

Neither 468 SPAC nor Boxine may rely on the failure of any condition to be satisfied if such failure was caused by such party's failure to act in good faith or to take such actions as may be necessary to cause the conditions of the other party to be satisfied.

6.7 Covenants of the Parties

6.7.1 Covenants Relating to all Parties

The parties to the Business Combination Agreement made certain covenants under the Business Combination Agreement, including, among others, the following:

6.7.1.1 Efforts to Consummate

To use commercially reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary or advisable to consummate and make effective as promptly as practicable the transactions contemplated by the Business Combination Agreement.

To keep each other apprised of the status of matters relating to any consent of any governmental entity contemplated by the Business Combination Agreement or any ancillary document.

6.7.1.2 Public Announcements

None of the parties or any of their respective representatives shall issue any press releases or make any public announcements with respect to the Business Combination Agreement or the Acquisition contemplated hereby without the prior written consent of the other parties.

6.7.1.3 Preparation of Business Combination Prospectus

As promptly as reasonably practicable following the execution of the Business Combination Agreement, 468 SPAC and Boxine will prepare and mutually agree upon, and 468 SPAC will file with the CSSF, this Prospectus.

Each of the parties to the Business Combination Agreement will use commercially reasonable best efforts to ensure that none of the information related to such party or any of such party's representatives, supplied by or on such party's behalf for inclusion or incorporation by reference in the Prospectus will, at the time this Prospectus is filed with the CSSF, at each time at which it is amended, or at the time it is approved, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

6.7.1.4 PIPE Investment; PIPE Documents; Cooperation

Each of Boxine and 468 SPAC shall take, or cause to be taken, all reasonable actions and do, or cause to be done, all things necessary, proper or advisable to consummate the transactions contemplated by the Subscription Agreements (as defined below), including maintaining in effect such Subscription Agreements (as defined below) and shall use its commercially reasonable efforts to: (i) satisfy in all material respects on a timely basis all conditions and covenants applicable to such party in such Subscription Agreements (as defined below) and otherwise comply with its obligations thereunder and (ii) in the event that all conditions in such Subscription Agreements (as defined below) (other than conditions that such party or any of its affiliates waive the satisfaction of and other than those conditions that by their nature are to be satisfied at the Closing) have been satisfied, consummate transactions contemplated by such Subscription Agreements (as defined below) at or prior to Closing.

6.7.1.5 Post-Closing Cooperation; Further Assurances

Following the Closing, each party shall, on the request of any other party, execute such further documents, and perform such further acts, as may be reasonably necessary or appropriate to give full effect to the allocation of rights, benefits, obligations and liabilities contemplated by the Business Combination Agreement and the transactions contemplated thereby.

6.7.2 Covenants Relating to Boxine

Boxine made certain additional covenants under the Business Combination Agreement, including, among others, the following:

6.7.2.1 Conduct of Business of Boxine

Subject to certain exceptions, prior to Closing, Boxine will, and will cause its subsidiaries to, except as expressly contemplated by the Business Combination Agreement or any ancillary document, as required by applicable law or as consented to by 468 SPAC, use commercially reasonable best efforts to (i) operate the business of Boxine and the group companies in the ordinary course of business consistent with past practice (including recent past practice in light of COVID-19) in all material respects and (ii) maintain and preserve intact the business organization, assets and properties of Boxine and its subsidiaries, taken as a whole.

Subject to certain exceptions, prior to Closing, Boxine will, and will cause its subsidiaries to, except as expressly contemplated by the Business Combination Agreement or any ancillary document, as required by applicable law or as consented to by 468 SPAC, not do any of the following:

- adopt any amendments, supplements, restatements or modifications to any governing documents of Boxine;
- declare, set aside, make or pay a dividend on, or make any other distribution or payment in respect of equity securities of Boxine and the group companies or repurchase or redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any outstanding equity securities of Boxine or any group company, other than dividends or distributions, declared, set aside or paid by any of the Boxine's subsidiaries or any subsidiary that is wholly owned by Boxine;
- merge, consolidate, combine or amalgamate Boxine or any Boxine subsidiary with any person or purchase or otherwise acquire any corporation, partnership, association or other business entity or organization or division thereof;
- adjust, split, combine, subdivide, recapitalize, reclassify or otherwise amend any terms of any shares or series of equity securities of Boxine or any Boxine subsidiaries;
- sell, assign, abandon, lease, license or otherwise dispose of any material assets or properties of Boxine or any Boxine subsidiaries or, subject or incur any lien over any material assets or properties of Boxine or any Boxine subsidiaries;
- cancel or compromise any claim or indebtedness or settle any pending or threatened action;
- transfer, issue, sell, grant or otherwise directly or indirectly dispose of, or subject to a lien, any (i) equity securities of Boxine or any Boxine subsidiary or (ii) any options, warrants, rights of conversion or other rights, agreements, arrangements or commitments obligating Boxine or any Boxine subsidiary to issue, deliver or sell any equity securities;

- enter into any new line of business;
- enter into, modify in any material respect or terminate any material contract other than in the ordinary course of business consistent with past practice;
- acquire any ownership interest in any real property other than in the ordinary course of business;
- make any loans, advances or capital contributions to, or guarantees for the benefit of, or any investments in any persons;
- except as required for the consummation of the Business Combination Agreement (i) amend, modify, adopt, enter into or terminate any material equity incentive plan of Boxine or any Boxine subsidiary or any material benefit or compensation plan, policy, program or contract, (ii) increase the compensation or benefits payable to any current or former director, manager, officer, employee, individual independent contractor or other service providers of Boxine or any Boxine subsidiary subject to a certain threshold or (iii) waive or release any noncompetition, non-solicitation, no-hire, non-disclosure or other restrictive covenant obligation of any current or former director, manager, officer, employee, individual independent contractor or other service providers of Boxine or any Boxine subsidiary, or (iv) initiate any proceeding with respect to any current or former director, manager, officer, employee, individual independent contractor or other service provider of Boxine or any Boxine subsidiary;
- make, change or revoke any election concerning taxes, enter into any tax closing agreement, settle any Tax claim or assessment, or consent to any extension or waiver of the limitation period applicable to or relating to any tax claim or assessment, other than any such extension or waiver that is obtained in the ordinary course of business;
- enter into any settlement, conciliation or similar contract, the performance of which would involve the payment by Boxine or any Boxine subsidiary in excess of €1,000,000, in the aggregate;
- authorize, recommend, propose or announce an intention to adopt, or otherwise effect, a plan of complete or partial liquidation, dissolution, restructuring, recapitalization, reorganization or similar transaction involving Boxine or any Boxine subsidiary;
- change any methods of accounting in any material respect, other than changes that are made in accordance with changes of the applicable accounting standards;
- enter into any contract with any broker, finder, investment banker in connection with the Business Combination under which such person is or will be entitled to any brokerage fee, finders' fee or other commission in connection with the Business Combination;
- except in the ordinary course of business consistent with past practice, (i) grant to or acquire from, or agree to grant to or acquire any intellectual property rights that is material to Boxine or any Boxine subsidiary, (ii) dispose of, abandon or permit to lapse any rights to any company registered intellectual property or (iii) disclose any material trade secret of Boxine to any person who has not entered into a written confidentiality agreement and is not otherwise subject to confidentiality obligations;
- voluntarily fail to maintain, cancel or materially change coverage under any insurance policy maintained with respect to Boxine or any Boxine subsidiary and their assets and properties;
- settle, compromise, withdraw, or commence any claim, litigation or other proceedings with a value in excess of €1,500,000.

6.7.2.2 Exclusive Dealing

Boxine will not, and will cause its representatives not to, directly or indirectly (i) solicit, initiate, encourage (including by means of furnishing or disclosing information), facilitate, discuss or negotiate, directly or indirectly, any inquiry, proposal or offer (written or oral) to (a) acquire, in one transaction or a series of transactions, all or a substantial portion of any of the assets of Boxine or any Boxine subsidiary, the equity securities of Boxine or any Boxine subsidiary or the businesses of Boxine or any Boxine subsidiary (whether by merger, consolidation, recapitalization, purchase or issuance of equity securities, purchase of assets, tender offer or otherwise), or (b) make an equity or similar investment in any Boxine subsidiary or their respective affiliates (item (a) or (b), a “**Boxine Acquisition Proposal**”); (ii) furnish or disclose any non-public information to any person in connection with, or that could reasonably be expected to lead to, a Boxine Acquisition Proposal; (iii) enter into any contract regarding a Boxine Acquisition Proposal; (iv) prepare or take any steps in connection with a public offering of any equity securities of any group company (or any successor to or parent company of any group company); or (v)

otherwise cooperate in any way with, or assist or participate in, or facilitate or encourage any effort or attempt by any person to do or seek to do any of the foregoing or seek to circumvent this provision (please refer to sections “6.7.3.7 *Exclusive Dealing*”, “6.7.4.3 *No Solicitation*”, “6.7.5.3 *No Solicitation*”, “6.7.6.3 *No Solicitation*”, “6.13.2 *Höllenhunde Shareholder Support Agreement*” and “6.13.3 *Holding GmbH Shareholder Support Agreement*” for the respective other parties of the Business Combination Agreement and the ancillary agreements).

6.7.3 *Covenants Relating to 468 SPAC*

468 SPAC made certain additional covenants under the Business Combination Agreement, including, among others, the following:

6.7.3.1 *468 SPAC Shareholder Approval*

468 SPAC had, as promptly as practicable following the execution of the Business Combination Agreement and with the aim of a closing in November 2021, at a time at which information in relation to Boxine that must be disclosed in connection with convening notice has been made available by Boxine, duly convened, and had given notice of, an extraordinary general meeting (the “**468 SPAC Shareholder Approval Meeting**”) for the purpose of obtaining the 468 SPAC shareholders’ approval and, if applicable, any approvals related thereto. 468 SPAC has (i) recommend to its shareholders (A) the approval of the Business Combination on the terms set forth in the Business Combination Agreement and the transactions contemplated hereby; and (B) the adoption and approval of any other proposals reasonably agreed by 468 SPAC and Boxine as necessary or appropriate in connection with the consummation of the transactions contemplated by the Business Combination Agreement and the ancillary documents and (ii) use commercially reasonable best efforts to take all actions necessary (in its discretion or at the request of Boxine) to obtain the 468 SPAC shareholders’ approval at the 468 SPAC Shareholder Approval Meeting.

6.7.3.2 *Conduct of Business of 468 SPAC*

Subject to certain exceptions, prior to closing, 468 SPAC will, and will cause its subsidiaries to, except as expressly contemplated by the Business Combination Agreement or any ancillary document, as required by applicable law or as consented to by Boxine, use commercially reasonable best efforts to (i) operate the business of 468 SPAC and the group companies in the ordinary course of business consistent with past practice (including recent past practice in light of COVID-19) in all material respects and (ii) maintain and preserve intact the business organization, assets and properties of 468 SPAC and its subsidiaries, taken as a whole.

468 SPAC will not except as expressly contemplated by the Business Combination Agreement or any ancillary document, as required by applicable law or as consented to by the Company, do any of the following:

- adopt any amendments, supplements, restatements or modifications to the Escrow Agreement, the terms and conditions of 468 SPAC’s warrants or the governing documents of 468 SPAC;
- establish or acquire any affiliates or subsidiaries;
- declare, set aside, make or pay a dividend on, or make any other distribution or payment in respect of, any equity securities of 468 SPAC or any of its subsidiaries, or repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any outstanding equity securities of 468 SPAC or any of its affiliates
- merge, consolidate, combine or amalgamate 468 SPAC with any person or purchase or otherwise acquire any corporation, partnership, association or other business entity or organization or division thereof;
- split, combine or reclassify any of its capital stock or other equity securities or issue any other security in respect of, in lieu of or in substitution for shares of its capital stock;
- incur, create or assume any indebtedness, except for indebtedness for transaction expenses and except for indebtedness for borrowed money in an amount not to exceed €1,500,000 in the aggregate that is incurred to fund actual obligations due and payable prior to the Closing;
- make any loans or advances to, or capital contributions in, any other person, other than to, or in, 468 SPAC or any of its subsidiaries;
- issue any equity securities of 468 SPAC or any of its subsidiaries or grant any additional options, warrants or stock appreciation rights with respect to equity securities of the foregoing of 468 SPAC or any of its wholly owned subsidiaries;

- (i) put in place, amend, modify, adopt, enter into or terminate any material equity incentive plan or any material benefit or compensation plan, policy, program or contract that would be an equity incentive plan if in effect as of the signing date of the Business Combination Agreement or the terms of service, employment or engagement of any director, manager, officer, employee, individual independent contractor or other service providers of the 468 SPAC who has an annual aggregate compensation (including bonus payments and awards) in excess of €500,000.00, (ii) increase the compensation or benefits payable to any current or former director, manager, officer, employee, individual independent contractor or other service providers of 468 SPAC by more than 10% (measured based on the compensation or benefits as of the signing date of the Business Combination Agreement) who has an annual aggregate compensation (including bonus payments and awards) in excess of €500,000.00, or (iii) waive or release any non-competition, non-solicitation, no-hire, non-disclosure or other restrictive covenant obligation of any current or former director, manager, officer, employee, individual independent contractor or other service providers of 468 SPAC, or (iv) initiate any Proceeding with respect to any current or former director, manager, officer, employee, individual independent contractor or other service provider of the 468 SPAC;
- enter into, renew, modify or revise any related party transaction;
- engage in any activities or business, or incur any material liabilities;
- authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution;
- make, change or revoke any election concerning taxes, enter into any tax closing agreement, settle any tax claim or assessment, or consent to any extension or waiver of the limitation period applicable to or relating to any tax claim or assessment;
- change any of 468 SPAC's methods of accounting in any material respect, other than changes that are made in accordance with changes of the applicable accounting standards;
- enter into any contract with any broker, finder, investment banker in connection with the Business Combination under which such person is or will be entitled to any brokerage fee, finders' fee or other commission in connection with the Business Combination.

6.7.3.3 468 SPAC Equity Plans

New equity participation plans shall be proposed to, and adopted by, the relevant corporate bodies of 468 SPAC in any event the latest upon (i) the Closing with regard to the Höllenhunde Shareholders and (ii) the holding of 468 SPAC's annual general meeting to be held in 2022 with regard to new employees and such employees that are not or not sufficiently covered by the Boxine VSP.

6.7.3.4 Public Filings; Frankfurt Stock Exchange Listing

468 SPAC will:

- keep current and timely file all reports required to be filed or furnished with the CSSF and otherwise comply in all material respects with its reporting obligations under applicable laws;
- use commercially reasonable best efforts to ensure that (i) 468 SPAC remains listed as a public company and (ii) the 468 SPAC Shares and the 468 SPAC Warrants remain listed on the Frankfurt Stock Exchange; and
- take all actions necessary or advisable to effect the admission and the introduction to trading on the Frankfurt Stock Exchange of shares issued in connection with the Business Combination to the HTG Investors, the holders of virtual options and the PIPE Investors, in each case as promptly as practicable following the Business Combination.

6.7.3.5 Escrow Account

Upon satisfaction or, to the extent permitted by applicable law, waiver of the closing conditions to the Business Combination Agreement and provision of notice thereof to the escrow agent,

- on or prior to the Closing Commencement Date, 468 SPAC shall (a) cause the documents, opinions and notices required to be delivered to Joh. Berenberg, Gossler & Co. KG pursuant to the escrow agreement

to be so delivered and (b) make all appropriate arrangements to cause Joh. Berenberg, Gossler & Co. KG to (x) pay the amounts due to the managers of 468 SPAC's initial public offering for their deferred listing commissions and (y) immediately thereafter, release all remaining amounts that shall be freely available to 468 SPAC in accordance with the escrow agreement, and

- thereafter, the Escrow Account shall terminate, except as otherwise provided therein.

6.7.3.6 Indemnification; Directors' and Officers' Insurance

If the Closing occurs, 468 SPAC shall cause all rights to indemnification and advancement of expenses and all limitations on liability existing in favor of any employee, officer or director of 468 SPAC prior to the Closing, and 468 SPAC and Boxine after the Closing, to survive the consummation of the Business Combination and continue in full force and effect and be honored by 468 SPAC after the Closing.

After the Closing, 468 SPAC shall maintain in effect the exculpation, indemnification and advancement of expenses provisions of (i) any certificate of incorporation, by-laws or similar organizational documents of 468 SPAC as in effect immediately prior to the Closing and (ii) any indemnification agreements of 468 SPAC or Boxine with any of their respective directors, officers or employees as in effect immediately prior to the Closing, and in each case shall not amend, repeal or otherwise modify any such provisions in any manner that would adversely affect the rights thereunder of any individuals who at the Closing were current or former directors, officers or employees of any of such companies.

6.7.3.7 Exclusive Dealing

468 SPAC will not, and will cause its representatives not to, directly or indirectly (i) solicit, initiate, encourage (including by means of furnishing or disclosing information), facilitate, discuss or negotiate, directly or indirectly, any inquiry, proposal or offer (written or oral) to (a) acquire, in one transaction or a series of transactions, all or a material portion of any of the assets of 468 SPAC, the equity securities of 468 SPAC or the businesses of 468 SPAC (whether by merger, consolidation, recapitalization, purchase or issuance of equity securities, purchase of assets, tender offer or otherwise) or (b) make an equity or similar investment in 468 SPAC or their affiliates (item (a) or (b), a "**468 SPAC Acquisition Proposal**"); (ii) furnish or disclose any non-public information to any person in connection with, or that could reasonably be expected to lead to, a 468 SPAC Acquisition Proposal; (iii) enter into any contract regarding an 468 SPAC Acquisition Proposal; or (iv) otherwise cooperate in any way with, or assist or participate in, or facilitate or encourage any effort or attempt by any person to do or seek to do any of the foregoing or seek to circumvent this provision.

6.7.4 Covenants relating to Beteiligungs GmbH

Beteiligungs GmbH made certain additional covenants under the Business Combination Agreement, including, among others, the following:

6.7.4.1 Corporate Actions

Beteiligungs GmbH unconditionally and irrevocably agrees that it shall at any meeting of the shareholders of Boxine, and in any action by written consent of the shareholders of Boxine or otherwise undertaken in connection with or as contemplated by the Business Combination Agreement, the ancillary documents or the transactions contemplated hereby and thereby, and in accordance with the terms and subject to the conditions of the Boxine's governing documents, Beteiligungs GmbH shall, if a meeting is held, use its best efforts to appear at the meeting, in person, remotely, or by proxy, or otherwise cause its Boxine shares (to the extent such Boxine shares are entitled to vote on or provide consent with respect to such matter) to be counted as present thereat for purposes of establishing a quorum, and Beteiligungs GmbH shall vote or provide consent (or cause to be voted or consented), in person, remotely or by proxy, regardless of Beteiligungs GmbH's attendance at such meeting, all of the Boxine shares (to the extent the Boxine Shares are entitled to vote on or provide consent with respect to such matter):

- to approve and adopt, and instruct the management of Boxine to grant written consent to, the Business Combination Agreement, the ancillary documents and the transactions contemplated hereby and thereby;
- in any other circumstances upon which a consent, waiver or other approval may be required under Boxine's governing documents or under any agreements between Boxine and its shareholders to implement the Business Combination Agreement, the ancillary documents or the transactions contemplated hereby and thereby, to vote, consent, waive or approve all of such Beteiligungs GmbH's Boxine shares held at such time in favor thereof;

- against any merger agreement, merger, consolidation, combination, sale of substantial assets, reorganization, recapitalization, dissolution, liquidation or winding up of or by Boxine; and
- against any proposal, action or agreement that, to the knowledge of Beteiligungs GmbH, would (i) impede, frustrate, prevent or nullify any provision of the Business Combination Agreement, the ancillary documents or the transactions contemplated hereby and thereby or (ii) result in a breach in any respect of any covenant, representation, warranty or any other obligation or agreement of Boxine under the Business Combination Agreement or the ancillary documents.

6.7.4.2 No Inconsistent Agreements

Beteiligungs GmbH covenants and agrees that Beteiligungs GmbH will not (i) enter into any voting agreement or voting trust with respect to any of its Boxine shares that is inconsistent with its obligations pursuant to the Business Combination Agreement, (ii) grant a proxy or power of attorney with respect to any of its Boxine shares that is inconsistent with its obligations pursuant to the Business Combination Agreement, or (iii) enter into any agreement or undertaking that is otherwise inconsistent with, or would restrict, limit or interfere with, or prohibit or prevent it from satisfying, its obligations pursuant to the Business Combination Agreement.

6.7.4.3 No Solicitation

Beteiligungs GmbH agrees not to, directly or indirectly, (i) initiate, solicit or knowingly encourage or knowingly facilitate any inquiries or requests for information with respect to, or the making of, any inquiry regarding, or any proposal or offer that constitutes, or could reasonably be expected to result in or lead to, any Boxine Acquisition Proposal, (ii) engage in, continue or otherwise participate in any negotiations or discussions concerning, or provide access to its properties, books and records or any confidential information or data to, any person relating to any proposal, offer, inquiry or request for information that constitutes, or could reasonably be expected to result in or lead to, any Boxine Acquisition Proposal, (iii) approve, endorse or recommend, or propose publicly to approve, endorse or recommend, any Boxine Acquisition Proposal, (iv) execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, confidentiality agreement, merger agreement, acquisition agreement, exchange agreement, joint venture agreement, partnership agreement, option agreement or other similar agreement for or relating to any Boxine Acquisition Proposal or (v) resolve or agree to do any of the foregoing. Beteiligungs GmbH also agrees that immediately following the execution of the Business Combination Agreement Beteiligungs GmbH will, and will use commercially reasonable efforts to cause its representatives to, cease any solicitations, discussions or negotiations with any person (other than the parties and their respective representatives) conducted heretofore in connection with an Boxine Acquisition Proposal or any inquiry or request for information that could reasonably be expected to lead to, or result in, an Boxine Acquisition Proposal.

6.7.4.4 No Transfer

Each Beteiligungs GmbH agrees not to, directly or indirectly, (i) sell, offer to sell, or agree to sell, transfer, hypothecate, pledge, encumber, assign, hedge, swap, convert, grant any option to purchase or otherwise dispose of or agree to dispose of (including by merger (including by conversion into securities or other consideration), by tendering into any tender or exchange offer, by testamentary disposition, by operation of law or otherwise), either voluntarily or involuntarily with respect to any of the Boxine shares (collectively, “**Boxine Share Transfer**”), or enter into any contract or option with respect to the Boxine Share Transfer of, any of the Boxine Shareholder’s Boxine Shares, (ii) publicly announce any intention to effect any transaction specified in clause (i), or (iii) take any action that would make any representation or warranty of the Boxine Shareholder contained herein untrue or incorrect or have the effect of preventing or disabling the Boxine Shareholder from performing its obligations under the Business Combination Agreement; provided, however, that nothing herein will prohibit a Boxine Share Transfer to an affiliate of the Boxine Shareholder.

6.7.5 *Covenants relating to Höllenhunde*

Höllenhunde made certain additional covenants under the Business Combination Agreement, including, among others, the following:

6.7.5.1 Corporate Actions

Höllenhunde unconditionally and irrevocably agrees that it shall at any meeting of the shareholders of Beteiligungs GmbH, and in any action by written consent of the shareholders of Beteiligungs GmbH or otherwise undertaken in connection with or as contemplated by the Business Combination Agreement, the ancillary

documents or the transactions contemplated hereby and thereby, and in accordance with the terms and subject to the conditions of the Beteiligungs GmbH's governing documents, Höllenhunde shall, if a meeting is held, use its best efforts to appear at the meeting, in person, remotely, or by proxy, or otherwise cause its Beteiligungs GmbH's shares (to the extent such Beteiligungs GmbH shares are entitled to vote on or provide consent with respect to such matter) to be counted as present thereat for purposes of establishing a quorum, and Höllenhunde shall vote or provide consent (or cause to be voted or consented), in person, remotely or by proxy, regardless of Höllenhunde's attendance at such meeting, all of the Beteiligungs GmbH's shares (to the extent the Beteiligungs GmbH's shares are entitled to vote on or provide consent with respect to such matter):

- to approve and adopt, and instruct the management of Beteiligungs GmbH to grant written consent to, the Business Combination Agreement, the ancillary documents and the transactions contemplated hereby and thereby;
- in any other circumstances upon which a consent, waiver or other approval may be required under Beteiligungs GmbH governing documents or under any agreements between Beteiligungs GmbH and its shareholders to implement the Business Combination Agreement, the ancillary documents or the transactions contemplated hereby and thereby, to vote, consent, waive or approve all of such Höllenhunde's Beteiligungs GmbH shares held at such time in favor thereof;
- against any merger agreement, merger, consolidation, combination, sale of substantial assets, reorganization, recapitalization, dissolution, liquidation or winding up of or by Beteiligungs GmbH; and
- against any proposal, action or agreement that, to the knowledge of Höllenhunde, would (i) impede, frustrate, prevent or nullify any provision of the Business Combination Agreement, the ancillary documents or the transactions contemplated hereby and thereby or (ii) result in a breach in any respect of any covenant, representation, warranty or any other obligation or agreement of Boxine under the Business Combination Agreement or the ancillary documents.

6.7.5.2 No Inconsistent Agreements

Höllenhunde covenants and agrees that Höllenhunde will not (i) enter into any voting agreement or voting trust with respect to any of its Beteiligungs GmbH shares that is inconsistent with its obligations pursuant to the Business Combination Agreement, (ii) grant a proxy or power of attorney with respect to any of its Beteiligungs GmbH shares that is inconsistent with its obligations pursuant to the Business Combination Agreement, or (iii) enter into any agreement or undertaking that is otherwise inconsistent with, or would restrict, limit or interfere with, or prohibit or prevent it from satisfying, its obligations pursuant to the Business Combination Agreement.

6.7.5.3 No Solicitation

Höllenhunde agrees not to, directly or indirectly, (i) initiate, solicit or knowingly encourage or knowingly facilitate any inquiries or requests for information with respect to, or the making of, any inquiry regarding, or any proposal or offer that constitutes, or could reasonably be expected to result in or lead to, any Boxine Acquisition Proposal, (ii) engage in, continue or otherwise participate in any negotiations or discussions concerning, or provide access to its properties, books and records or any confidential information or data to, any person relating to any proposal, offer, inquiry or request for information that constitutes, or could reasonably be expected to result in or lead to, any Boxine Acquisition Proposal, (iii) approve, endorse or recommend, or propose publicly to approve, endorse or recommend, any Boxine Acquisition Proposal, (iv) execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, confidentiality agreement, merger agreement, acquisition agreement, exchange agreement, joint venture agreement, partnership agreement, option agreement or other similar agreement for or relating to any Boxine Acquisition Proposal or (v) resolve or agree to do any of the foregoing. Höllenhunde also agrees that immediately following the execution of the Business Combination Agreement Höllenhunde will, and will use commercially reasonable efforts to cause its representatives to, cease any solicitations, discussions or negotiations with any person (other than the parties and their respective representatives) conducted heretofore in connection with an Boxine Acquisition Proposal or any inquiry or request for information that could reasonably be expected to lead to, or result in, an Boxine Acquisition Proposal.

6.7.5.4 No Transfer

Höllenhunde agrees not to, directly or indirectly, (i) sell, offer to sell, or agree to sell, transfer, hypothecate, pledge, encumber, assign, hedge, swap, convert, grant any option to purchase or otherwise dispose of or agree to dispose of (including by merger (including by conversion into securities or other consideration), by tendering into any tender or exchange offer, by testamentary disposition, by operation of law or otherwise), either voluntarily or

involuntarily with respect to any of the Beteiligungs GmbH Shares (collectively, “**Beteiligungs GmbH Share Transfer**”), or enter into any Contract or option with respect to the Beteiligungs GmbH Share Transfer of, any of the Beteiligungs GmbH Shares, (ii) publicly announce any intention to effect any transaction specified in clause (i), or (iii) take any action that would make any representation or warranty of Höllenhunde contained herein untrue or incorrect or have the effect of preventing or disabling Höllenhunde from performing its obligations under this Agreement.

6.7.6 Covenants relating to Holding GmbH

Holding GmbH made certain additional covenants under the Business Combination Agreement, including, among others, the following:

6.7.6.1 Corporate Actions

Holding GmbH unconditionally and irrevocably agrees that it shall at any meeting of the shareholders of Beteiligungs GmbH, and in any action by written consent of the shareholders of Beteiligungs GmbH or otherwise undertaken in connection with or as contemplated by the Business Combination Agreement, the ancillary documents or the transactions contemplated hereby and thereby, and in accordance with the terms and subject to the conditions of the Beteiligungs GmbH’s governing documents, Holding GmbH shall, if a meeting is held, use its best efforts to appear at the meeting, in person, remotely, or by proxy, or otherwise cause its Beteiligungs GmbH shares (to the extent such Beteiligungs GmbH shares are entitled to vote on or provide consent with respect to such matter) to be counted as present thereat for purposes of establishing a quorum, and Holding GmbH shall vote or provide consent (or cause to be voted or consented), in person, remotely or by proxy, regardless of Holding GmbH’s attendance at such meeting, all of the Beteiligungs GmbH shares (to the extent the Beteiligungs GmbH Shares are entitled to vote on or provide consent with respect to such matter):

- to approve and adopt, and instruct the management of Beteiligungs GmbH to grant written consent to, the Business Combination Agreement, the ancillary documents and the transactions contemplated hereby and thereby;
- in any other circumstances upon which a consent, waiver or other approval may be required under Beteiligungs GmbH’s governing documents or under any agreements between Beteiligungs GmbH and its shareholders to implement the Business Combination Agreement, the ancillary documents or the transactions contemplated hereby and thereby, to vote, consent, waive or approve all of such Holding GmbH’s Beteiligungs GmbH shares held at such time in favor thereof;
- against any merger agreement, merger, consolidation, combination, sale of substantial assets, reorganization, recapitalization, dissolution, liquidation or winding up of or by Beteiligungs GmbH; and
- against any proposal, action or agreement that, to the knowledge of Holding GmbH, would (i) impede, frustrate, prevent or nullify any provision of the Business Combination Agreement, the ancillary documents or the transactions contemplated hereby and thereby or (ii) result in a breach in any respect of any covenant, representation, warranty or any other obligation or agreement of Beteiligungs GmbH under the Business Combination Agreement or the ancillary documents.

6.7.6.2 No Inconsistent Agreements

Holding GmbH covenants and agrees that Holding GmbH will not (i) enter into any voting agreement or voting trust with respect to any of its Beteiligungs GmbH shares that is inconsistent with its obligations pursuant to the Business Combination Agreement, (ii) grant a proxy or power of attorney with respect to any of its Beteiligungs GmbH shares that is inconsistent with its obligations pursuant to the Business Combination Agreement, or (iii) enter into any agreement or undertaking that is otherwise inconsistent with, or would restrict, limit or interfere with, or prohibit or prevent it from satisfying, its obligations pursuant to the Business Combination Agreement.

6.7.6.3 No Solicitation

Holding GmbH agrees not to, directly or indirectly, (i) initiate, solicit or knowingly encourage or knowingly facilitate any inquiries or requests for information with respect to, or the making of, any inquiry regarding, or any proposal or offer that constitutes, or could reasonably be expected to result in or lead to, any Boxine Acquisition Proposal, (ii) engage in, continue or otherwise participate in any negotiations or discussions concerning, or provide access to its properties, books and records or any confidential information or data to, any person relating to any

proposal, offer, inquiry or request for information that constitutes, or could reasonably be expected to result in or lead to, any Boxine Acquisition Proposal, (iii) approve, endorse or recommend, or propose publicly to approve, endorse or recommend, any Boxine Acquisition Proposal, (iv) execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, confidentiality agreement, merger agreement, acquisition agreement, exchange agreement, joint venture agreement, partnership agreement, option agreement or other similar agreement for or relating to any Boxine Acquisition Proposal or (v) resolve or agree to do any of the foregoing. Holding GmbH also agrees that immediately following the execution of the Business Combination Agreement Holding GmbH will, and will use commercially reasonable efforts to cause its representatives to, cease any solicitations, discussions or negotiations with any person (other than the parties and their respective representatives) conducted heretofore in connection with an Boxine Acquisition Proposal or any inquiry or request for information that could reasonably be expected to lead to, or result in, an Boxine Acquisition Proposal.

6.7.6.4 No Transfer

Holding GmbH agrees not to, directly or indirectly, (i) effect a Beteiligungs GmbH Share Transfer, or enter into any contract or option with respect to the Beteiligungs GmbH Share Transfer of, any of Holding GmbH's Beteiligungs GmbH shares, (ii) publicly announce any intention to effect any transaction specified in clause (i), or (iii) take any action that would make any representation or warranty of Holding GmbH contained herein untrue or incorrect or have the effect of preventing or disabling Holding GmbH from performing its obligations under this Agreement.

6.8 Termination

The Business Combination Agreement may be terminated, and the transactions contemplated by the Business Combination Agreement may be abandoned at any time prior to Closing of the Business Combination:

- by mutual written consent of 468 SPAC and Boxine;
- by 468 SPAC, if
 - any of the representations or warranties by Boxine, Beteiligungs GmbH, Höllenhunde, and Holding GmbH are not true and correct; or
 - Boxine, Beteiligungs GmbH, Höllenhunde, Holding GmbH or the Holding GmbH Shareholders have failed to perform any covenant or agreement on the part of Company, Beteiligungs GmbH, Höllenhunde, Holding GmbH or Holding GmbH Shareholders set forth in the Business Combination Agreement (including an obligation to consummate Closing of the transaction);

such that, in each case, the conditions to Closing set forth in the Business Combination Agreement could not be satisfied,

and

- the breach or breaches causing such representations or warranties not to be true and correct, or the failures to perform any covenant or agreement, as applicable, is (or are) not cured or cannot be cured within the earlier of (i) thirty (30) days after written notice thereof is delivered to Boxine, and (ii) the Termination Date (as defined below);

provided, however, that 468 SPAC is not then in breach of the Business Combination Agreement so as to prevent any of the conditions to Closing set forth in the Business Combination Agreement from being satisfied;

- by Boxine, if
 - any of the representations or warranties by 468 SPAC are not true and correct; or
 - 468 SPAC has failed to perform any covenant or agreement on the part of 468 SPAC set forth in the Business Combination Agreement (including an obligation to consummate the Closing);

such that, in each case, the conditions to Closing set forth in the Business Combination Agreement could not be satisfied

and

- the breach or breaches causing such representations or warranties not to be true and correct, or the failures to perform any covenant or agreement, as applicable, is (or are) not cured or cannot be cured

within the earlier of (i) thirty (30) days after written notice thereof is delivered to 468 SPAC and (ii) the Termination Date (as defined below);

provided, however, that Boxine is not then in breach of the Business Combination Agreement so as to prevent any of the conditions to Closing set forth in the Business Combination Agreement from being satisfied;

- by either 468 SPAC or Boxine, if any governmental entity will have issued an order or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by the Business Combination Agreement and such order or other action has become final and non-appealable;
- by either 468 SPAC or Boxine, if 468 SPAC's extraordinary shareholders' meeting has been held (including any adjournment thereof) and concluded, the 468 SPAC shareholders have duly voted, and the approval of 468 SPAC shareholders was not obtained; or
- by either 468 SPAC or Boxine, if the transactions contemplated by the Business Combination Agreement has not been consummated on or prior to the date that is six (6) calendar months after the date of this Agreement (the "**Termination Date**"), provided that
 - the right to terminate the Business Combination Agreement pursuant to this provision will not be available to 468 SPAC if 468 SPAC's breach of any of its respective covenants or obligations under the Business Combination Agreement has proximately caused the failure to consummate the transactions contemplated by the Business Combination Agreement on or before the Termination Date; and
 - the right to terminate the Business Combination Agreement pursuant to provision will not be available to Boxine if Boxine's breach of any of its covenants or obligations under the Business Combination Agreement has proximately caused the failure to consummate the transactions contemplated by the Business Combination Agreement on or before the Termination Date.

6.9 Sole Remedy

The sole remedy for a breach of any party to the Business Combination Agreements' warranties is the right to terminate (*kündigen*) the Business Combination Agreement. Any remedies against any party of the Business Combination Agreement for any inaccuracy of the respective parties warranties or otherwise are exclusively governed by the Business Combination Agreement and the termination right as described above is the sole and exclusive remedy for breach of any warranties. To the extent permitted by mandatory law, any other rights and remedies in connection with the Business Combination Agreement or any ancillary document are excluded.

6.10 Expenses

The fees and expenses incurred in connection with the Business Combination Agreement, the ancillary documents and the transactions contemplated thereby, including the fees and disbursements of counsel, financial advisors and accountants, will be paid by the party incurring such fees or expenses.

6.11 Governing Law and Dispute Resolution

The Business Combination Agreement and the rights and obligations of the parties thereunder is governed by, and construed in accordance with, the laws of the Federal Republic of Germany, excluding conflict of laws rules.

All disputes arising under or in connection with the Business Combination Agreement will be exclusively and finally settled in accordance with the rules of arbitration of the German Arbitration Institute (*DIS*) which are in force on the date of the commencement of the arbitration without recourse to the ordinary courts of law. The place of the arbitration will be Frankfurt am Main, Germany. The arbitral tribunal will consist of three arbitrators. The language of the arbitral proceedings will be English.

6.12 Amendments

The Business Combination Agreement may be amended or modified only by a written agreement (unless a stricter form is required) executed by the parties to the Business Combination Agreement.

6.13 Ancillary Documents

This section describes the material provisions of certain of the additional agreements that were entered into concurrently with the Business Combination Agreement, which are referred to herein as the “ancillary documents,” but does not purport to describe all of the terms thereof.

6.13.1 Subscription Agreements

In connection with the execution of the Business Combination Agreement, 468 SPAC entered into subscription agreements (the “**Subscription Agreements**”) with the PIPE Investors as part of the PIPE Financing, pursuant to which the PIPE Investors agreed to subscribe for and purchase, and 468 SPAC agreed to issue and sell to such investors, an aggregate of 10,500,000 New Public Shares at €10.00 each for gross proceeds of €105,000,000 on the Closing. The Subscription Agreements also contain other customary representations, warranties, escrow account waiver provisions and agreements of the parties thereto.

An amount of €5,000,000 of the PIPE proceeds will be (i) placed at Closing in a blocked account held in the name of Höllenhunde for the time of the Höllenhunde Lock-Up and (ii) only be released to Höllenhunde after the expiry of the Höllenhunde Lock-Up or if, and to the extent required, tax liabilities for Höllenhunde resulting from or in connection with the Business Combination become due and payable during the period of the Höllenhunde Lock-Up (the “**Höllenhunde Escrow Amount**”).

The closings under the Subscription Agreements will occur substantially concurrently with the closing of the Business Combination and are conditioned on such closing and on other customary closing conditions as set out below:

The following conditions precedent: (i) no suspension of the qualification of the Public Shares for offering or sale or trading in any jurisdiction or initiation of any proceedings for any of such purposes; (ii) there is not in force any governmental order, statute, rule or regulation enjoining or prohibiting the consummation of the Business Combination or the transactions under the Subscription Agreement; and (iii) all conditions precedent to the closing of the Business Combination under the Business Combination Agreement shall have been (a) satisfied, other than those conditions under the Business Combination Agreement that, by their nature, are to be satisfied at the closing of the Business Combination or (b) waived by the party who is the beneficiary of such condition(s) in the Business Combination Agreement and (c) the closing of the Business Combination is scheduled to occur concurrently with or on the same date as the closing under the Subscription Agreement.

The obligation of the Company to consummate the issuance and sale of the Public Shares pursuant to the Subscription Agreement is subject to the satisfaction or waiver of the condition (i) that all representations and warranties of the PIPE Investor contained in this Subscription Agreement are true and correct in all material respects; (ii) a subscription form for the Public Shares has been provided by the PIPE Investor to the Company, and (iii) receipt of the subscription amount by the Company no later than one business day prior to the closing date specified in the closing notice sent to each PIPE Investor.

The obligation of the PIPE Investor to consummate the subscription of the Public Shares pursuant to the Subscription Agreement is subject to (i) the satisfaction or waiver of the condition that all representations and warranties of the Company contained in the Subscription Agreement are true and correct in all material respects; (ii) the Company has performed and complied in all material respects with all covenants and agreements required by the Subscription Agreement to be performed or complied with by it at or prior to the closing of the Business Combination; and (iii) the consummation of the closing constitutes a reaffirmation by the Company of each of the representations, warranties, covenants and agreements to the PIPE Investor contained in the Subscription Agreement as of the closing.

The Subscription Agreements will be terminated, and be of no further force and effect, upon the earlier to occur of (i) the termination of the Business Combination Agreement in accordance with its terms, (ii) the mutual written agreement of the parties thereto and Boxine and (iii) on March 30, 2022, if the closing has not occurred by such date.

6.13.2 Höllenhunde Shareholder Support Agreement

On August 30, 2021, Marcus Stahl, Patric Faßbender (together with Marcus Stahl, the “**Höllenhunde Shareholder**”), Boxine and 468 SPAC entered into a support agreement with respect to the Business Combination and the Business Combination Agreement (the “**Höllenhunde Shareholder Support Agreement**”). Pursuant to the Höllenhunde Shareholder Support Agreement, the Höllenhunde Shareholders agreed, among others, (i) to take

all necessary actions that may be reasonably requested in order to consummate the Business Combination, (ii) to the Höllenhunde Shareholders' Lock-Up and (iii) to a non-competition and non-solicitation covenant, in each case, subject to customary exceptions, for a period of three years starting as of the Closing.

6.13.3 Holding GmbH Shareholder Support Agreement

On August 30, 2021, the Holding GmbH Shareholders, Boxine and 468 SPAC entered into a support agreement with respect to the Business Combination and the Business Combination Agreement (the "**Holding GmbH Shareholder Support Agreement**"). Pursuant to the Holding GmbH Shareholder Support Agreement, the Holding GmbH Shareholders agreed, among others, to (i) transfer (contribute) all of their respective Holding GmbH Shares to (into) 468 SPAC in exchange for a consideration of New Public Shares and a certain cash amount, (ii) take all necessary actions that may be reasonably requested in order to consummate the Business Combination, (iii) the Holding GmbH Shareholders' Lock-Up, and (iv) make certain customary representations and warranties with regard to their shares in Holding GmbH Shares relating to, among other things: ownership of Holding GmbH shares; rights to Holding GmbH shares; Holding GmbH; organization and qualification; authority; consents and requisite government approval; no violations; proceedings; investment representations; and broker fees.

6.13.4 Voting and Non-Redemption Agreement

On August 30, 2021, the Sponsor, the Co-Sponsors, 468 SPAC, and Boxine entered into a voting and non-redemption and reimbursement agreement. The agreement obligates the Sponsor and the Co-Sponsors to be present at the extraordinary shareholders' meeting and to vote in favor of the Business Combination Agreement and the Business Combination, when presented to the extraordinary shareholders' meeting and in favor of any other matter reasonably necessary to the consummation of the Acquisition contemplated by the Business Combination. The Sponsor and the Co-Sponsor waive their redemption rights under their respective Sponsor Shares. Further, the Sponsor and the Co-Sponsors agreed to the 468 SPAC Sponsors Lock-Up. Moreover, the Sponsor and the Co-Sponsors covenant and agree that they will waive any right of adjustment to the conversion ratio set forth in the Articles of Association or any other documents and/or agreements concluded between the Sponsor, the Co-Sponsors and 468 SPAC or any other anti-dilution or similar protection with respect to the Sponsor Shares related to the Business Combination and other transactions, with the result that Sponsor Shares will convert into Public Shares at a ratio of one Sponsor Share for one Public Share. Finally, the Sponsor and the Co-Sponsors made customary representations and warranties to Boxine relating to, among other things: organization; due authorization; ownership; no conflict; and no litigation. Further, the Founders agreed not to transfer any Shares or any warrants of 468 SPAC owned or held at the date of the agreement.

7. SELECTED FINANCIAL INFORMATION OF THE 468 SPAC GROUP

The following table sets forth the 468 SPAC Group's selected historical and other financial information, which is taken or derived from the 468 SPAC Group's audited interim consolidated financial statements as of June 30, 2021 and for the period from March 29, 2021 to June 30, 2021, beginning on page F-1 of this Prospectus, and the 468 SPAC Group's accounting records or internal reporting systems. The audited interim consolidated financial statements of the 468 SPAC Group as of June 30, 2021 and for the period from March 29, 2021 to June 30, 2021 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Where financial information in the following table is labeled "audited", this means that it has been taken from the 468 SPAC Group's audited consolidated financial statements mentioned above. The label "unaudited" is used in the following table to indicate financial information that has not been taken from the 468 SPAC Group's audited consolidated financial statements mentioned above but has been taken either from 468 SPAC Group's unaudited consolidated interim financial statements mentioned above or 468 SPAC Group's accounting records or internal reporting systems, or has been calculated based on figures from the aforementioned sources.

The selected historical financial data should be read in conjunction with, and is qualified in its entirety by reference to, the section entitled "8 Management's Discussion and Analysis of Net Assets, Financial Condition and Results of Operations of the 468 SPAC Group" as well as with the interim financial statements and the related notes thereto contained elsewhere in this Prospectus.

468 SPAC was recently incorporated and has not conducted any operations other than organizational activities, the preparation and execution of the Private Placement and its listing and the identification of Boxine as target for the Business Combination and subsequent negotiations to date, so only a statement of consolidated financial position data is presented. There has been no significant change in the 468 SPAC Group's financial or trading position since the date of the financial statements.

Statement of interim consolidated financial position data

	<u>As of June 30, 2021</u>
	(audited)
	(in € thousand)
Total equity and liabilities	304,885.1
Total liabilities	315,106.0
Total equity	(10,221.0)

8. MANAGEMENT'S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE 468 SPAC GROUP

The financial information contained in the following tables is taken from the 468 SPAC Group's audited interim consolidated financial statements as of June 30, 2021 and for the period from March 29, 2021 to June 30, 2021.

The audited interim consolidated financial statements of the 468 SPAC Group's as of June 30, 2021 and for the period from March 29, 2021 to June 30, 2021 have been prepared in accordance with IFRS.

Where financial information in the following tables is labeled "audited", this means that it has been taken from the 468 SPAC Group's audited consolidated financial statements mentioned above. The label "unaudited" is used in the following table to indicate financial information that has not been taken from the 468 SPAC Group's audited consolidated financial statements mentioned above but has been taken from the 468 SPAC Group's accounting records or internal reporting system, or has been calculated based on figures from the aforementioned sources.

8.1 Overview

468 SPAC is a *Societas Europaea*, formed on March 18, 2021 under the laws of Luxembourg. 468 SPAC was formed as a special purpose acquisition company to engage in a merger or acquisition with an unidentified company or companies or other entity or person. 468 SPAC was formed for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or in the United Kingdom or Switzerland in the technology or technology-enabled sector with a focus on the sub-sectors marketplaces, direct-to-consumer (D2C), and software & artificial intelligence (the "**Targeted Technology Sectors**") through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction. The Business Combination is effected using new equity of 468 SPAC issued to (i) the Boxine Investors against contribution in-kind of all of shares outstanding held by Höllenhunde in Beteiligungs GmbH and all shares outstanding in Holding GmbH and (ii) the PIPE Investors in return for the PIPE Financing in the aggregate amount of €105 million.

Until 468 SPAC consummated the Business Combination, substantially all of its assets consisted of cash received from the gross proceeds of its Private Placement, proceeds from the sale of Sponsor Warrants and Sponsor Shares (the Sponsor Capital At-Risk and the Additional Sponsor Subscription) and the Deferred Listing Commissions. All of the proceeds from the Private Placement and the Additional Sponsor Subscription have been transferred to 468 I Advisors KG and have been deposited in the Escrow Account by 468 I Advisors KG. The additional purchase price for the Sponsor Shares was used, *inter alia*, to cover the remuneration of the management team of the 468 SPAC and due diligence cost in connection with the Business Combination. The Sponsor Capital At-Risk was used to finance the 468 SPAC Group's working capital requirements (including due diligence costs in connection with the Business Combination) and expenses for the Private Placement and listing, except for Deferred Listing Commissions (as defined below), that will, if and when due and payable, be paid from the Escrow Account. The proceeds of the Additional Sponsor Subscription were partly used to cover negative interest paid on the proceeds held in the Escrow Account to allow for a redemption at €10.00 per Public Share.

8.2 Results of Operations

Prior to the Business Combination, 468 SPAC Group has neither engaged in any operations other than organizational activities, including the identification of potential target companies for the Business Combination and the preparation for the initial private placement and listing. Following the initial private placement and listing, the 468 SPAC Group did not generate any operating revenues. 468 SPAC Group did not generate non-operating income in the form of interest income through its subsidiary 468 I Advisors KG earned through the Escrow Account. Furthermore, 468 SPAC Group had to pay an amount of €339,684.21 to cover the effects of negative interest rates on the initial private placement proceeds held in the Escrow Account, which were covered by the Additional Sponsor Subscription. Following the initial private placement, 468 SPAC Group incurred increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses in connection with the Business Combination.

The following table provides financial information from the financial statements.

	<u>For the period March 29 – June 30, 2021</u> (audited) (in € thousand)
Revenue	–
Operating Loss.....	(1,378.0)
Profit/(Loss) for the period.....	<u>(11,421.0)</u>

8.3 Selected Items from the Interim Consolidated Statements of Financial Position

The following table presents financial information from the interim consolidated statement of financial position.

	<u>As of June 30, 2021</u> (audited) (in € thousand)
Assets	
Non-current assets	
Cash in escrow	301,254.5
Current assets	
Cash and cash equivalents	3,630.5
Total assets	<u>304,885.1</u>
Equity	
Share capital.....	120.0
Share premium.....	817.6
Accumulated deficit.....	(11,421.0)
Warrant reserve.....	262.4
Non-controlling interests	–
Total equity.....	<u>(10,221.0)</u>

8.4 Liquidity and Capital Resources

The following table sets forth the cash flows data of the 468 SPAC Group:

	<u>For the period March 29 – June 30, 2021</u> (audited) (in € thousand)
Net cash flows from operating activities.....	(21.6)
Net cash flows from financing activities.....	304,863.4
Cash and cash equivalents.....	3,630.5

The 468 SPAC Group's liquidity needs were satisfied until the consummation of the Business Combination from the Sponsor Capital At-Risk.

The €9.33 million available to 468 SPAC Group outside of the Escrow Account were sufficient to cover the expenses for the Private Placement and listing (€6.7 million), except for Deferred Listing Commissions (as defined below), that will be paid from the Escrow Account. 468 SPAC Group's primary liquidity requirements, which have been incurred until October 20, 2021, include approximately €1.0 million for expenses for the due diligence and investigation of Boxine Group and for legal, accounting and other expenses associated with structuring, negotiating and documenting the Business Combination; €150,000 as a reserve for liquidation expenses; €155,000 for legal and accounting fees relating to our regulatory reporting obligations; and approximately €860,000 for miscellaneous expenses and reserves, including compensation payable to the members of the management team. The 468 SPAC Group has not incurred any expenses beyond the amounts mentioned above. 468 SPAC had no need to raise additional funds following the initial private placement in order to meet the expenditures required for operating its business.

9. SELECTED HISTORICAL FINANCIAL INFORMATION OF BOXINE GROUP

The financial information contained in the following tables is taken or derived from Holding GmbH's audited consolidated financial statements as of and for the fiscal year ended December 31, 2020, the audited consolidated financial statements of Boxine GmbH as of and for the fiscal years ended December 31, 2018 and December 31, 2019, and the unaudited condensed consolidated interim financial statements of Holding GmbH as of and for the six months ended June 30, 2021, as well as Holding GmbH's accounting records or internal reporting systems.

The audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020 have been prepared in accordance with IFRS. The financial statements of Boxine GmbH as of and for the fiscal years ended December 31, 2018 and December 31, 2019, were prepared in accordance with the German Commercial Code (Handelsgesetzbuch and other applicable laws, together "German GAAP"). The unaudited condensed consolidated interim financial statements of Holding GmbH have been prepared in accordance with IFRS for interim financial reporting (IAS 34). Günther R. Rotteveel has audited in accordance with Section 317 of the German Commercial Code (Handelsgesetzbuch) and German generally accepted standards for financial statement audits and issued a German-language unqualified independent auditor's report (uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers) with respect to the audited consolidated financial statements of Boxine GmbH as of and for the fiscal years ended December 31, 2018 and December 31, 2019. KPMG AG Wirtschaftsprüfungsgesellschaft has audited in accordance with Section 317 of the German Commercial Code (Handelsgesetzbuch) and German generally accepted standards for financial statement audits and issued a German-language unqualified independent auditor's report (uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers) with respect to the audited consolidated financial statements of Holding GmbH's financial statements as of and for the fiscal year ended December 31, 2020, and. The aforementioned audited consolidated financial statements and the English-language translation of the independent auditor report thereon are included in this Prospectus.

Unless indicated otherwise, all financial information with respect to the fiscal year ended December 31, 2018 presented in the text, tables and discussion is taken from the comparable financial information included in the audited consolidated financial statements of Boxine GmbH as of and for the fiscal year ended December 31, 2019.

Where financial information in the following tables is labeled "audited", this means that it has been taken from the audited consolidated financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited consolidated financial statements mentioned above but has been taken either from Holding GmbH's unaudited condensed consolidated interim financial statements mentioned above or Holding GmbH's accounting records or internal reporting systems, or has been calculated based on figures from the aforementioned sources.

Unless indicated otherwise, all financial information presented in the text and tables included in this Prospectus is shown in millions of Euro (in € million). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") signifies that the relevant figure is not available or zero, while a zero ("0.0") signifies that the relevant figure has been rounded to zero.

9.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income

The following table shows selected financial information taken from Holding GmbH's consolidated statement of profit or loss and other comprehensive income prepared in accordance with IFRS for the periods indicated:

	For the fiscal year ended December 31,	For the short fiscal year from July 12, until December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽¹⁾	2021	2020
	(audited)		(unaudited)	
	(in € million)		(in € million)	
Revenue.....	134.6	45.7	61.8	45.9
Changes in inventories.....	8.4	(25.7)	14.9	4.0
Cost of materials.....	(75.5)	(13.8)	(39.1)	(23.8)
Gross profit.....	67.5	6.2	37.6	26.1
Licensing costs.....	(23.1)	(7.3)	(12.8)	(9.5)
Gross profit after licensing costs.....	44.4	(1.1)	24.8	16.6
Other income.....	0.6	0.2	0.0	0.0
Personnel expenses.....	(15.6)	(1.9)	(14.0)	(6.0)
Other expenses.....	(35.8)	(9.8)	(22.2)	(12.0)
Earnings before interest, taxes, depreciation and amortization (EBITDA).....	(6.5)	(12.6)	(11.4)	(1.4)
Depreciation and amortization.....	(11.3)	(3.4)	(5.9)	(5.6)
Earnings before interest and taxes (EBIT).....	(17.8)	(16.0)	(17.3)	(7.0)
Finance costs.....	(3.5)	(1.0)	(1.9)	(1.5)
Earnings before tax (EBT).....	(21.3)	(16.9)	(19.2)	(8.5)
Tax income.....	3.1	6.0	2.5	1.4
Profit (loss) for the period.....	(18.2)	(10.9)	(16.7)	(7.1)
Exchange differences on translation to presentation currency.....	0.1	(0.0)	(0.0)	(0.0)
Total comprehensive income for the period.....	(18.1)	(11.0)	(16.7)	(7.2)
<i>thereof attributable to:</i>				
<i>Owners of the Company.....</i>	<i>(16.2)</i>	<i>(9.2)</i>	<i>(14.8)</i>	<i>(6.4)</i>
<i>Owners of the Company (through anticipated acquisitions/ NCI-Put).....</i>	<i>–</i>	<i>(0.5)</i>	<i>–</i>	<i>–</i>
<i>Non-controlling interests.....</i>	<i>(2.0)</i>	<i>(1.2)</i>	<i>(1.8)</i>	<i>(0.8)</i>

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

The following table shows selected financial information taken from Boxine GmbH's consolidated income statement prepared in accordance with German GAAP for the periods indicated:

	For the fiscal year ended December 31,	
	2019	2018
	(audited)	
	(in € million)	
Revenue.....	101.7	60.5
Increase or decrease in finished goods and work in progress.....	(2.0)	11.2
Other own work capitalized.....	–	0.7
Other income.....	0.8	0.1
Cost of materials.....	(55.6)	(48.3)
<i>Thereof:</i>		
Cost of raw materials, supplies and purchased goods.....	(54.9)	(47.7)
Cost of purchased services.....	(0.7)	(0.6)
Personnel expenses.....	(6.7)	(3.7)
<i>Thereof:</i>		
Wages and salaries.....	(5.5)	(3.0)
Social security, post-employment and other employee benefit costs ...	(1.2)	(0.7)

	For the fiscal year ended December 31,	
	2019	2018
	(audited) (in € million)	
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	(1.4)	(1.1)
Other operating expenses.....	(44.4)	(16.8)
Other interest and similar income	–	0.0
Interest and similar expenses.....	(1.2)	(0.9)
Income taxes	3.1	(0.0)
Earnings after taxes.....	(5.8)	1.8
Net income/loss for the financial year	(5.8)	1.8

9.2 Consolidated Statement of Financial Position

The following table shows selected financial information taken from Holding GmbH's consolidated statement of financial position prepared in accordance with IFRS for the periods indicated:

	As of December 31,		As of June 30,
	2020	2019 ⁽¹⁾	2021
	(audited) (in € million)		(unaudited) (in € million)
Property, plant and equipment.....	5.3	1.8	4.8
Right of use assets.....	0.5	0.2	0.4
Intangible assets (excl. Goodwill).....	125.5	132.5	124.6
Goodwill.....	162.2	162.2	162.2
Deferred tax assets	4.4	4.3	5.5
Non-current assets	297.9	301.1	297.6
Inventories.....	23.1	12.7	40.0
Trade receivables	16.9	17.1	5.8
Other assets (short term).....	3.3	3.0	12.3
Cash and cash equivalents	9.1	6.8	2.2
Current assets.....	52.3	39.6	60.3
Total assets.....	350.2	340.7	357.9
Share capital.....	0.1	0.1	0.1
Share premium.....	203.2	193.1	203.2
Translation reserve.....	0.0	(0.0)	0.0
Retained earnings.....	(9.9)	(0.1)	(26.1)
Profit (loss).....	(16.2)	(9.7)	(14.8)
Equity attributable to owners of the company	177.2	183.3	162.4
Non-controlling interests	21.3	23.3	19.4
Total equity.....	198.5	206.5	181.9
Loans and borrowings (long term)	–	40.6	–
Lease liabilities (long term).....	0.3	0.1	0.3
Share-based payment liabilities (long term)	3.5	–	6.9
Deferred tax liabilities	37.3	40.0	35.9
Non-current liabilities	41.1	80.7	43.2
Income tax liabilities.....	0.8	1.2	0.5
Loans and borrowings (short term)	57.8	17.6	71.6
Lease liabilities (short term).....	0.1	0.1	0.1
Trade payables (short term).....	24.9	13.5	28.5
Other liabilities (short term)	13.8	11.2	16.4
Provisions (short term)	13.2	9.7	15.8
Current liabilities.....	110.5	53.5	132.8
Total liabilities.....	151.6	134.1	176.0
Total equity and liabilities	350.2	340.7	357.9

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

The following table shows selected financial information taken from Boxine GmbH's consolidated balance sheet prepared in accordance with German GAAP for the periods indicated:

	As of December 31,	
	2019	2018
	(audited) (in € million)	
Intangible assets	4.4	5.0
Property, plant and equipment.....	1.8	1.3
<i>Thereof:</i>		
Technical equipment and machinery	1.5	1.1
Other equipment, operating and office	0.3	0.2
Financial assets	–	0.0
Fixed assets	6.2	6.3
Inventories.....	12.7	14.1
<i>Thereof:</i>		
Raw materials and supplies.....	2.6	2.0
Work in process.....	1.1	0.6
Finished goods and merchandise	9.0	11.4
Receivables and other assets	18.3	14.3
<i>Thereof:</i>		
Trade receivables	17.3	13.6
Receivables from affiliated companies.....	–	0.4
Other assets	1.0	0.3
Cash and cash equivalents	0.8	2.5
Current Assets	31.8	30.9
Prepaid expenses.....	0.9	0.1
Deferred tax assets	4.3	–
Total assets	43.3	37.3
Subscribed capital	0.1	0.1
Capital reserve	9.0	9.0
Foreign currency translation differences	(0.1)	–
Retained earnings/accumulated deficit.....	(4.3)	(5.8)
Net income/loss for the year.....	(5.8)	1.8
Equity	(1.1)	5.1
Tax provisions.....	1.2	0.0
Other provisions.....	19.2	4.0
Provisions	20.4	4.0
Liabilities to banks.....	7.5	9.9
Trade payables	12.4	15.5
Liabilities to affiliated companies	–	0.0
Liabilities to shareholders.....	1.4	1.4
Other liabilities	2.5	1.4
Liabilities	23.9	28.2
Total equity and liabilities	43.3	37.3

9.3 Consolidated Statement of Cash Flows

The following table shows selected financial information taken from Holding GmbH's consolidated statement of cash flows prepared in accordance with IFRS for the periods indicated:

	For the fiscal year ended December 31,	For the short fiscal year from July 12, until December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽¹⁾	2021	2020
	(audited) (in € million)		(unaudited) (in € million)	
Profit (loss) for the period	(18.2)	(10.9)	(16.7)	(7.1)
Depreciation and amortization	11.3	3.4	5.9	5.6
Interest (income) expenses	3.5	1.0	1.9	1.5
Income taxes	(3.1)	(6.0)	(2.5)	(1.4)
EBITDA	(6.5)	(12.6)	(11.4)	(1.4)
Decrease (increase) in trade receivables	0.2	(7.9)	11.1	9.4
Decrease (increase) in inventories	(10.4)	24.9	(17.0)	(5.0)
Increase (decrease) in trade payables	11.3	(8.7)	3.6	0.3
Decrease (increase) in net working capital	1.1	8.3	(2.3)	4.7
Loss on disposal of property, plant and equipment	(0.0)	0.0	–	–
Decrease (increase) in other assets	(0.3)	0.1	(10.2)	(0.9)
Increase (decrease) in other provisions	3.5	12.2	2.6	1.6
Increase (decrease) in other liabilities	2.6	(4.1)	3.5	(2.7)
Increase (decrease) in share-based payment liabilities	3.5	0.0	3.5	0.8
Other non-cash (income) expenses	0.0	0.4	(0.2)	0.0
Cash flow from operating activities	3.8	4.4	(14.5)	2.0
Acquisition of subsidiaries, net of cash acquired	0.0	(198.0)	–	–
Purchase of property, plant and equipment	(3.5)	(0.2)	(0.9)	(1.2)
Acquisition of intangible assets	(4.2)	(0.8)	(3.5)	(1.9)
Cash flow from investing activities	(7.7)	(199.0)	(4.4)	(3.1)
Proceeds from issue of share capital by shareholders of the parent company	10.4	193.3	0.0	10.4
Proceeds from borrowings	6.4	15.0	12.1	5.3
Repayments of borrowings	(10.4)	(6.2)	0.0	(10.4)
Interest paid	(0.2)	(0.4)	(0.1)	(0.1)
Payment of lease liabilities	(0.1)	(0.0)	(0.1)	(0.1)
Dividends Paid	0.0	(0.1)	0.0	0.0
Cash flow from financing activities	6.1	201.5	12.0	5.2
Net increase in cash	2.2	6.9	(6.9)	4.0
Change in cash resulting from exchange rate differences	0.1	(0.0)	(0.0)	(0.0)
Net cash at the beginning of the period	6.8	0.0	9.1	6.8
Net cash at end of the period	9.1	6.8	2.2	10.9

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

The following table shows selected financial information taken from Boxine GmbH's consolidated statement of cash flow prepared in accordance with German GAAP for the periods indicated:

	For the fiscal year ended December 31,	
	2019	2018
	(audited) (in € million)	
Consolidated profit/loss for the period including share of profit of non-controlling interests	(5.8)	1.8
(+/-) Depreciation/amortization/(reversal of) impairment losses on fixed assets	1.4	1.1
(+/-) Increase/decrease in provisions.....	15.2	3.7
(+/-) Other non-cash expenses/income.....	3.0	0.0
(-/+) Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	(7.7)	(23.0)
(+/-) Increase/decrease in trade payables and other liabilities not attributable to investing of financing activities	(4.3)	10.6
(-/+) Gain/loss on disposal of fixed assets.....	1.1	0.0
(+/-) Interest expense/income.....	1.2	0.8
(+/-) Income tax expense/income.....	(1.9)	0.0
(-/+) Income taxes paid	0.0	(0.0)
Cash flow from operating activities	2.2	(4.9)
(-) Acquisition of intangible assets	(1.3)	(2.5)
(-) Acquisition of property, plant and equipment	(1.1)	(0.7)
(-) Acquisition of financial assets	0.0	(0.0)
(+) Interest received	0.0	0.0
Cash flow from investing activities.....	(2.4)	(3.2)
(+) Proceeds from issue of share capital by shareholders of the Parent Company	0.0	0.5
(+) Proceeds from issue of bonds and from loans and borrowings	0.0	10.3
(-) Interest paid.....	(1.1)	(0.9)
Cash flow from financing activities	(1.1)	10.0
Net increase/decrease in cash and cash equivalent	(1.3)	1.8
(+/-) Consolidation-related changes	(0.3)	0.0
(+/-) Effect of movements in exchange rates and remeasurements on cash held	(0.1)	0.0
(+) Cash and cash equivalents at the beginning of the period	2.5	0.7
Cash and cash equivalents at the end of the period	0.8	2.5

9.4 Key Financial Information and Operating Data

Boxine Group generates its revenue through its activities as a seller of Tonies, Tonieboxes and their respective product features and add-ons. The revenue comprises income from selling the products and from related services, all of which are generated globally. As the Boxine Group operates with the same product around the world throughout its whole business, the Management Board reviews operating results, makes decisions about resources to be allocated and assesses performance on an entity wide level. Hence, all of Boxine Group's assets, liabilities as well as the relevant profit measure (adjusted EBITDA) are thus only allocable to the one segment and monitored accordingly. To the extent we may decide to steer the Boxine Group based on more than one segment in the future, we currently expect that we would continue use adjusted EBITDA as segment measure of profitability.

With respect to Boxine Group's primary performance indicator, adjusted EBITDA was calculated on the basis of Boxine Group's loss for the period:

	For the six-month period ended June 30,	
	2021	2020
	(unaudited)	
	(in € thousand)	
Loss for the period	(16.7)	(7.1)
Tax income.....	2.5	1.4
Finance cost	(1.9)	(1.5)
Finance income	0.0	0.0
Earnings before interest and taxes (EBIT)	(17.3)	(7.0)
Depreciation and Amortization	(5.9)	(5.6)
EBITDA	(11.4)	(1.4)
Extraordinary expenses resulting from special projects and one-offs.	1.0	0.7
Extraordinary expenses resulting from own developed software.....	1.6	0.8
Expenses resulting from share based payment.....	3.5	0.8
Adjusted EBITDA⁽¹⁾	(5.3)	0.9

(1) Unaudited.

10. MANAGEMENT'S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE BOXINE GROUP

Investors should read the following management's discussion and analysis of net assets, financial condition and results of operations in conjunction with the Sections "1. Risk Factors", "5. Business Combination" and "12. Business Description".

The financial information contained in the following tables is taken or derived from Holding GmbH's audited consolidated financial statements as of and for the fiscal year ended December 31, 2020, the audited consolidated financial statements of Boxine GmbH as of and for the fiscal years ended December 31, 2018 and December 31, 2019, and the unaudited condensed consolidated interim financial statements of Holding GmbH as of and for the six months ended June 30, 2021, as well as Holding GmbH's accounting records or internal reporting systems.

The audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020 have been prepared in accordance with IFRS. The financial statements of Boxine GmbH as of and for the fiscal years ended December 31, 2018 and December 31, 2019, were prepared in accordance with German GAAP. The unaudited condensed consolidated interim financial statements of Holding GmbH have been prepared in accordance with IFRS for interim financial reporting (IAS 34). Günther R. Rotteveel has audited in accordance with Section 317 of the German Commercial Code (Handelsgesetzbuch) and German generally accepted standards for financial statement audits and issued a German-language unqualified independent auditor's report (uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers) with respect to the audited consolidated financial statements of Boxine GmbH as of and for the fiscal years ended December 31, 2018 and December 31, 2019. KPMG AG Wirtschaftsprüfungsgesellschaft has audited in accordance with Section 317 of the German Commercial Code (Handelsgesetzbuch) and German generally accepted standards for financial statement audits and issued a German-language unqualified independent auditor's report (uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers) with respect to the audited consolidated financial statements of Holding GmbH's financial statements as of and for the fiscal year ended December 31, 2020, and. The aforementioned audited consolidated financial statements and the English-language translation of the independent auditor report thereon are included in this Prospectus.

Unless indicated otherwise, all financial information with respect to the fiscal year ended December 31, 2018 presented in the text, tables and discussion is taken from the comparable financial information included in the audited consolidated financial statements of Boxine GmbH as of and for the fiscal year ended December 31, 2019.

Where financial information in the following tables is labeled "audited", this means that it has been taken from the audited consolidated financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited consolidated financial statements mentioned above but has been taken either from Holding GmbH's unaudited condensed consolidated interim financial statements mentioned above or Holding GmbH's accounting records or internal reporting systems, or has been calculated based on figures from the aforementioned sources.

Unless indicated otherwise, all financial information presented in the text and tables included in this Prospectus is shown in millions of Euro (in € million). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") signifies that the relevant figure is not available or zero, while a zero ("0.0") signifies that the relevant figure has been rounded to zero.

10.1 Overview

Our vision is to become the world's largest interactive audio platform for kids in the world. We offer a smart, connected audio player, the Toniebox. The audio content is stored in our Tonies cloud and downloaded and unlocked through our Tonie figurines, which allow not only for an offline usage but also offer our customers an extensive and constantly growing choice of over 300 exciting characters, triggering steady usage and repurchases, comparable to a razor-blade business model, and thereby building brand loyalty. After having focused on the DACH region in the first years following our start of operations in 2016, we have now expanded into the United Kingdom, Ireland, the United States and, most recently, France. As of June 30, 2021, more than 2.4 million Tonieboxes were activated and more than 25 million Tonies sold to customers (*source: Company information*).

We have created a new product category. Our products are positioned at the intersection of four large consumer markets, video gaming, traditional toys and games, connected audio and video streaming. All of these markets are large and, based on Company information, generally expected to grow strongly over the medium term. The video gaming market had a global size of €136 billion in 2020 and we expect this market to grow at a compound annual growth rate (“CAGR”) of 7% between 2020 and 2025 (*source: Euromonitor*). The traditional toys and games markets had a global trading volume of €70 billion in 2020 and we expect this market to grow at a 3% CAGR between 2020 and 2025. The market for connected audio had a global size of €16 billion in 2020 and is predicted to increase by a CAGR of 10% between 2020 and 2025. Finally, the market for video streaming had a global size of €52 billion in 2020. Between 2020 and 2025, we expect that this market will grow at a CAGR of 10% (*source: The Boston Consulting Group*).

We have created an ecosystem tailored to the needs of young families by providing a playful, safe and screen-free audio experience. Our ecosystem centers around the Toniebox, a smart, connected audio player, which has been designed with the ambition of making it the first connected device to enter a child’s room. Content is unlocked through Tonies figurines. We offer a constantly growing choice, currently including over 300 exciting characters, which are triggering steady usage and repurchases, thus strengthening brand loyalty. We secure content through licensing agreements with content owners. For license-free songs and stories, we also use in-house recordings, which helps us increase our margins.

We have outsourced the production of our Tonieboxes to a supplier in China, with a second supplier in Hungary expected to be added later in 2021, and we have outsourced the production of our Tonies figurines to three suppliers in Tunisia and China, with a fourth Chinese supplier currently being added. Our dense distribution network is characterized by an omni-channel, but online focused, approach, relying mainly on offline distribution channels, but also on large e-commerce marketplaces as well as our own website. We currently rely on four distribution centers, one located in Germany, one in the United States (and intend to open two additional distribution centers in the United States) and one in the United Kingdom and intend to add one distribution center in France. Our marketing strategy focuses primarily on brand building as well as efficient customer acquisition.

Since our start of operations in 2016, we have achieved significant size and scale. As of June 30, 2021, more than 2.4 million Tonieboxes had been activated. Approximately 80% of them are used at least once every month, which also includes those activated in 2016. Furthermore, 25 million Tonies have been sold since the start of our operations (*source: Company information*). In 2020, our revenue was €134.6 million and our EBIT loss was €17.8 million.

For more information about the transactions contemplated in the Business Combination Agreement, please see the section entitled “6. *Business Combination Agreement and Ancillary Documents.*”

10.2 Our Business Model

We generate revenue from the initial sale of our Tonieboxes and follow on purchases of Tonies and accessories.

- **Toniebox:** The Toniebox is a smart, connected audio player, using our patented hardware. The sale of a Toniebox marks the start of the customer journey through our ecosystem.
- **Tonies:** Tonies are figurines that can be placed at the top of the Toniebox. Each Tonie contains a download code, serving as a key to unlock content. Historically, each sale of a Toniebox triggered on average repeat purchases of about 20 Tonies within 4.5 years from the sale of the relevant Toniebox.
- **Digital library:** Our digital library broadens our offer and makes sales of content independent from the sale of a physical Tonie.
- **Accessories:** Accessories, such as adjacent products and merchandising, allow us to benefit from additional opportunities to monetize our brand.

10.3 Key Factors Affecting our Results of Operations, Financial Condition and Cash Flows

The key factors discussed below have significantly affected our results of operations, financial condition and cash flows during the periods for which financial information is included in the Prospectus, and we believe that these factors will continue to affect us in the future:

10.3.1 Development of the Market

Our products define a new product category. As such, in new markets, we are required to create awareness for our products and offerings. The adjacent connected audio, streaming as well as kids gaming and toys segments, which are expected to grow at CAGRs between 3% and 13% between 2020 and 2025 are expected to provide significant tailwinds for the development of our operations.

10.3.2 Addressable Geographic Market

We started offering our products in the DACH region in 2016. In 2019, we expanded our operations to the United Kingdom and Ireland. In 2020, we entered the United States and in September 2021 France. Our strategy envisages that we continue to expand our geographic footprint, both, as we have done in the past, with full local teams on the ground, as well as, which will be a new approach for us, with a direct-to-customer focused, light touch model, which we believe may position us to grow more quickly.

Expansion into new geographic markets requires us to acquire additional licenses, adapt our offering to additional languages, adapt our content range to local preferences and to differentiate us from local competition. These factors affect the speed at which we are able to expand our geographic scope. They also mean that we typically have to incur upfront costs related to entering a new market.

10.3.3 Product Range

The Toniebox and the Tonies form the basis of our ecosystem. We constantly seek to expand and adapt the available Tonies to offer the most relevant and popular content. We also seek to tap into additional revenue streams by offering digital library content and Tonie-themed accessories.

10.3.4 Cost of Materials

Our costs of goods sold are largely variable and depend on the volume of sales. As we grow our business and increase the volumes we sell, we are able to benefit from economies of scale. In addition, we have shifted from a single source strategy to a multiple source approach, which allows us to realize additional cost savings, as we are not dependent on a single source, but are rather in a position to benefit from suppliers that offer advantageous terms. We currently expect that we will be in a position to realize additional cost savings in the future. Currently, we face pressure in sourcing markets from temporarily increase raw material prices and shortage of certain components (e.g., chips for the Toniebox), which weigh on our costs.

10.3.5 Licensing Costs

We typically acquire audio content that is owned by third parties. If we also acquire the audio files, we will have to pay licensing fees for the audio tracks as well. Accordingly, if we record the audio file in house, we incur production costs relating to the recording of the audio content, but do not have to pay audio licensing fees. In addition, we also offer content consisting of license free songs and stories. We intend to increase the share of in house recordings and the share of license free leads to lower licensing costs and to increase our Adjusted EBITDA margin. We are currently faced with demands from collecting societies and performance rights organizations to pay fees related to reproduction of content. Depending on the outcome of these discussions, we may incur higher or lower cost.

10.3.6 Selling, General and Administrative Expenses

A large portion of our selling, general and administrative expenses are fixed in nature. Accordingly, as we grow our operations and expand our geographic footprint, we increase our operating leverage in personnel and operating costs. This increase in operating leverage positions us to expand our Adjusted EBITDA margin.

10.3.7 Seasonality

Many Tonieboxes and Tonies are holiday gifts for children. Accordingly, the fourth quarter of a fiscal year is typically much stronger than the other quarters. There is an additional smaller sales peak around Easter. Any challenges to sources products for the Christmas or Easter period, as has been the case during the COVID-19 pandemic, may hold back our development and may result in consumers deciding to purchase other products.

10.4 Comparability of Financial Statements

Holding GmbH was established in 2019. On August 8, 2019 the 25.000 shares of Beteiligungs GmbH, established on July 3, 2019 and registered in the commercial register at the district court Munich under the number HRB 249934, were contributed for €1.00 per share to Holding GmbH.

On October 1, 2019, Holding GmbH directly or indirectly acquired all shares in Boxine GmbH including its wholly owned subsidiaries. Since Holding GmbH was established on July 12, 2019, the entity presents a short comparative period for 2019, which limits the comparability of the presented periods.

10.5 Results of Operations

10.5.1 Holding GmbH's Consolidated Statement of Profit or Loss and other Comprehensive Income Prepared in Accordance with IFRS

The following table shows selected financial information taken from Holding GmbH's consolidated statement of profit or loss and other comprehensive income prepared in accordance with IFRS for the periods indicated:

	For the fiscal	For the short	For the six-month period	
	year ended	fiscal year from	ended June 30,	
	December 31,	July 12, until	2021	2020
	2020	December 31,		
	(audited)	2019 ⁽¹⁾	(unaudited)	
	(in € million)		(in € million)	
Revenue.....	134.6	45.7	61.8	45.9
Changes in inventories.....	8.4	(25.7)	14.9	4.0
Cost of materials.....	(75.5)	(13.8)	(39.1)	(23.8)
Gross profit.....	67.5	6.2	37.6	26.1
Licensing costs.....	(23.1)	(7.3)	(12.8)	(9.5)
Gross profit after licensing costs.....	44.4	(1.1)	24.8	16.6
Other income.....	0.6	0.2	0.0	0.0
Personnel expenses.....	(15.6)	(1.9)	(14.0)	(6.0)
Other expenses.....	(35.8)	(9.8)	(22.2)	(12.0)
Earnings before interest, taxes, depreciation and amortization (EBITDA).....	(6.5)	(12.6)	(11.4)	(1.4)
Depreciation and amortization.....	(11.3)	(3.4)	(5.9)	(5.6)
Earnings before interest and taxes (EBIT).....	(17.8)	(16.0)	(17.3)	(7.0)
Finance costs.....	(3.5)	(1.0)	(1.9)	(1.5)
Earnings before tax (EBT).....	(21.3)	(16.9)	(19.2)	(8.5)
Tax income.....	3.1	6.0	2.5	1.4
Profit (loss) for the period.....	(18.2)	(10.9)	(16.7)	(7.1)
Exchange differences on translation to presentation currency.....	0.1	(0.0)	(0.0)	(0.0)
Total comprehensive income for the period.....	(18.1)	(11.0)	(16.7)	(7.2)
<i>thereof attributable to:</i>				
<i>Owners of the Company.....</i>	<i>(16.2)</i>	<i>(9.2)</i>	<i>(14.8)</i>	<i>(6.4)</i>
<i>Owners of the Company (through anticipated acquisitions/ NCI-Put).....</i>	<i>–</i>	<i>(0.5)</i>	<i>–</i>	<i>–</i>
<i>Non-controlling interests.....</i>	<i>(2.0)</i>	<i>(1.2)</i>	<i>(1.8)</i>	<i>(0.8)</i>

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.5.1.1 Revenue

We generate revenue solely through our activities as a seller of Tonieboxes, Tonies, digital library content and accessories. As we operate with the same product around the world throughout our whole business, the Management Board reviews operating results, makes decisions about resources to be allocated and assesses performance on an entity wide level. Revenue is measured based on the consideration specified in a contract with a customer. Under IFRS, in contrast to German GAAP, revenue is shown net of marketing contributions paid by

us to our sellers. Under German GAAP, marketing contributions are not netted out from revenue, but rather included in distribution expenses. This means that marketing contributions reduce revenue and distributions expenses under IFRS when compared with German GAAP information. We recognize revenue when we transfer control over a service to a customer.

The following tables present the revenue from contracts with customers broken down by primary geographical market, major products and timing of revenue recognition:

	For the short fiscal year from July 12, until December 31,	For the fiscal year ended December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽¹⁾	2021	2020
	(audited) (in € million)		(unaudited) (in € million)	
Primary geographical market				
DACH	126.0	44.3	56.7	44.6
UK	5.8	1.4	2.5	1.2
US	2.8	0.0	2.5	0.0
Total	134.6	45.7	61.8	45.9
Major products				
Starterset.....	43.4	16.4	17.0	10.4
Content Tonies	83.5	25.7	41.2	32.4
Creative Tonies	3.8	1.7	2.1	1.7
Other (e.g., accessories and Mytonies)	3.9	1.9	1.4	1.3
Total	134.6	45.7	61.8	45.9

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.5.1.1.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Revenue increased by 34.6% from €45.9 million in the six months ended June 30, 2020 to €61.8 million in the six months ended June 30, 2021 as a result of strong growth in the DACH region and ramp up of the international markets.

10.5.1.1.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Revenue increased from €45.7 million in the short fiscal year 2019 to €134.6 million in the fiscal year ended December 31, 2020 primarily due to the inclusion of the results for a full year in 2020 compared to a short fiscal year in 2019 and due to strong growth in the DACH region and other international markets.

10.5.1.2 Changes in Inventories

10.5.1.2.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Changes in inventories was positive €4.0 million in the six months ended June 30, 2020 and positive €14.9 million in the six months ended June 30, 2021.

10.5.1.2.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Changes in inventories was negative €25.7 million in the short fiscal year 2019 and positive €8.4 million in 2020 largely due to seasonal effects, as the short fiscal year included only the last months of 2019, when we typically record high sales volumes and deplete our product storage.

10.5.1.3 Cost of Materials

Cost of materials consists of raw materials and consumables used and purchased services. Cost of materials can be broken down as follows for the periods indicated:

	For the short fiscal year from July 12, until December 31,	For the fiscal year ended December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽¹⁾	2021	2020
	(audited)		(unaudited)	
	(in € million)		(in € million)	
Raw materials and consumables used	74.2	13.5	37.4	23.5
Purchased services	1.3	0.3	1.7	0.3
Total cost of materials	75.5	13.8	39.1	23.8

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.5.1.3.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Cost of materials increased by 64.3% from €23.8 million in the six months ended June 30, 2020 to €39.1 million in the six months ended June 30, 2021 primarily attributable to the growth in revenue.

10.5.1.3.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Cost of materials increased from €13.8 million in the short fiscal year 2019 to €75.5 million in the fiscal year ended December 31, 2020 primarily due to the inclusion of the results for a full year in 2020 compared to a short fiscal year in 2019 and growth of our operations.

10.5.1.4 Gross Profit

10.5.1.4.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Gross Profit increased by 44.1% from €26.1 million in the six months ended June 30, 2020 to €37.6 million in the six months ended June 30, 2021 as a result of the growth of our operations.

10.5.1.4.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Gross profit increased from €6.2 million in the short fiscal year 2019 to €67.5 million in 2020 primarily due to the inclusion of the results for a full year in 2020 compared to a short fiscal year in 2019 and growth of our operations.

10.5.1.5 Licensing Costs

10.5.1.5.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Licensing costs increased by 34.7% from €9.5 million in the six months ended June 30, 2020 to €12.8 million in the six months ended June 30, 2021 driven by overall growth. As percent of revenue costs, licensing costs remained roughly stable.

10.5.1.5.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Licensing costs increased strongly from €7.3 million in the short fiscal year 2019 to €23.1 million in 2020 mainly due to revenue growth.

10.5.1.6 Other Income

Other income includes non-period income, reversal of provisions and other income.

10.5.1.6.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Other income decreased slightly in the six months ended June 30, 2020 compared to 2021.

10.5.1.6.2 *Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019*

Other income increased from €0.2 million in the short fiscal year 2019 to €0.6 million in 2020 mainly due to higher income from reversal of provisions and higher non-period income.

10.5.1.7 *Personnel Expenses*

The following table provides a breakdown of our personnel expenses for the periods indicated:

	For the fiscal year ended December 31,	For the short fiscal year from July 12, until December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽¹⁾	2021	2020
	(audited) (in € million)		(unaudited) (in € million)	
Wages and salaries.....	10.3	1.5	9.1	4.4
Social security contributions	1.9	0.4	1.4	0.8
Cash-settled share-based payments	3.5	0.0	3.5	0.8
Total personnel expenses.....	15.6	1.9	14.0	6.0

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.5.1.7.1 *Comparison of the Six Months Ended June 30, 2021 and June 30, 2020*

Personnel expenses increased from €6.0 million in the six months ended June 30, 2020 to €14.0 million in the six months ended June 30, 2021, mainly due to additional hiring in order to support further growth as well as the addition of further employees to the share-based payment program.

10.5.1.7.2 *Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019*

Personnel expenses increased from €1.9 million in the short fiscal year 2019 to €15.6 million 2020, primarily due to the inclusion of the results for a full year in 2020 compared to a short fiscal year in 2019 and growth of our operations as well as initial grants of share-based payment.

10.5.1.8 *Other Expenses*

The following table provides an overview of the composition of our other expenses for the periods indicated:

	For the fiscal year ended December 31,	For the short fiscal year from July 12, until December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽¹⁾	2021	2020
	(audited) (in € million)		(unaudited) (in € million)	
Logistic costs	11.5	4.0	6.8	4.5
Marketing and sales costs	8.3	0.7	5.2	2.4
Insurance and contributions.....	5.0	1.0	3.2	1.4
Legal, audit and consulting fees	4.0	1.0	2.7	1.6
IT costs	3.4	0.3	3.0	1.0
Administration costs	1.2	0.3	0.7	0.7
Non-period expenses	0.7	1.5	0.1	0.2
Warranties	0.4	0.9	–	–
Miscellaneous other operating expenses	0.9	0.2	0.6	0.2
Total other expenses	35.8	9.8	22.2	12.0

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.5.1.8.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Other expenses increased by 82% from €12.2 million in the six months ended June 30, 2020 to €22.2 million in the six months ended June 30, 2021 mainly attributable to the Group's business growth. The increase in IT costs is attributable to revenue dependent cloud-cost and further improvements in the IT services to support the operating business.

10.5.1.8.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Other expenses increased by 265.3% from €9.8 million in the short fiscal year 2019 to €35.8 million in 2020, primarily due to the inclusion of the results for a full year in 2020 compared to a short fiscal year in 2019 and growth of our operations, which mainly resulted in higher logistics and other operational costs.

10.5.1.9 Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

10.5.1.9.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Our earnings before interest, taxes, depreciation and amortization (EBITDA) changed from a loss of €1.4 million in the six months ended June 30, 2020 to a loss of €11.4 million in the six months ended June 30, 2021, mainly due to the growth-driven increase in personnel expenses and other expenses. Adjusting our EBITDA for extraordinary expenses and share based compensation expenses, our adjusted EBITDA deteriorated from a profit of €0.9 million in the six months ended June 30, 2020 to a loss of €5.3 million in the six months ended June 30, 2021, mainly driven by an increase in expenses in anticipation of expected future growth.

10.5.1.9.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Our earnings before interest, taxes, depreciation and amortization (EBITDA) improved from a loss of €12.6 million in the short fiscal year 2019 to a loss of €6.5 million in 2020.

10.5.1.10 Depreciation and Amortization

10.5.1.10.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Depreciation and amortization increased slightly from €5.6 million in the six months ended June 30, 2020 to €5.9 million in the six months ended June 30, 2021.

10.5.1.10.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Depreciation and amortization increased from €3.4 million in the short fiscal year 2019 to €11.3 million in 2020 primarily due to the inclusion of the results for a full year in 2020 compared to a short fiscal year in 2019 and growth of our operations.

10.5.1.11 Earnings before Interest and Taxes (EBIT)

10.5.1.11.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Our earnings before interest and taxes (EBIT) changed from a loss of €7.0 million in the six months ended June 30, 2020 to a loss of €17.3 million in the six months ended June 30, 2021 mainly due to the growth-driven increase in personnel expenses and other expenses.

10.5.1.11.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Our earnings before interest and taxes (EBIT) changed from a loss of €16.0 million in the short fiscal year 2019 to a loss of €17.8 million 2020 primarily due to higher depreciation and amortization expenses that more than offset an improvement in our EBITDA.

10.5.1.12 Finance Costs

10.5.1.12.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Finance costs increased slightly from €1.5 million in the six months ended June 30, 2020 to €1.9 million in the six months ended June 30, 2021.

10.5.1.12.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Finance costs increased from €1.0 million in the short fiscal year 2019 to €3.5 million 2020 primarily due to the inclusion of the results for a full year in 2020 compared to a short fiscal year in 2019 and growth of our operations.

10.5.1.13 Earnings Before Tax (EBT)

10.5.1.13.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Earnings before tax (EBT) changed from a loss on €8.5 million in the six months ended June 30, 2020 to a loss of €19.2 million in the six months ended June 30, 2021 primarily due to the reasons specified above.

10.5.1.13.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Earnings before tax (EBT) changed from a loss of €16.9 million in the short fiscal year 2019 to a loss of €21.3 million in the fiscal year ended December 31, 2020 due to a higher loss at the EBIT level and an increase in finance costs.

10.5.1.14 Tax Income

10.5.1.14.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Tax income increased by 78.6% from €1.4 million in the six months ended June 30, 2020 to €2.5 million in the six months ended June 30, 2021 as a result of deferred taxes.

10.5.1.14.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Our tax income decreased by 48.3% from €6.0 million in the short fiscal year 2019 to €3.1 million in the fiscal year ended December 31, 2020 driven by a reversal of deferred taxes resulting from the acquisition of Boxine Group.

10.5.1.15 Profit (loss) for the Period

10.5.1.15.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Loss for the period changed from €7.1 million in the six months ended June 30, 2020 to €16.7 million in the six months ended June 30, 2021, mainly due to the reasons specified above.

10.5.1.15.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Loss for the period changed from €10.9 million in the short fiscal year 2019 to €18.2 million in 2020 as a result of the above items.

10.5.2 *Boxine GmbH's Consolidated Income Statement Prepared in Accordance with German GAAP*

The following table shows selected financial information taken from Boxine GmbH's consolidated income statement prepared in accordance with German GAAP for the periods indicated:

	For the fiscal year ended December 31,	
	2019	2018
	(audited) (in € million)	
Revenue	101.7	60.5
Increase or decrease in finished goods and work in progress.....	(2.0)	11.2
Other own work capitalized.....	–	0.7
Other income.....	0.8	0.1
Cost of materials	(55.6)	(48.3)
<i>Thereof:</i>		
Cost of raw materials, supplies and purchased goods	(54.9)	(47.7)
Cost of purchased services	(0.7)	(0.6)
Personnel expenses	(6.7)	(3.7)
<i>Thereof:</i>		
Wages and salaries	(5.5)	(3.0)
Social security, post-employment and other employee benefit costs ...	(1.2)	(0.7)
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	(1.4)	(1.1)
Other operating expenses.....	(44.4)	(16.8)
Other interest and similar income	–	0.0
Interest and similar expenses.....	(1.2)	(0.9)
Income taxes	3.1	(0.0)
Earnings after taxes	(5.8)	1.8
Net income/loss for the financial year	(5.8)	1.8

10.5.2.1 Comparison of the Fiscal Years Ended December 31, 2019 and 2018

10.5.2.1.1 *Revenue*

Revenue increased by 68.1% from €60.5 million in 2018 to €101.7 million primarily due to the growth of our operations in the DACH region and – to a minor extent – growth in the United Kingdom and Ireland.

10.5.2.1.2 *Increase or decrease in finished goods and work in progress*

Increase or decrease in finished goods and work in progress changed from €11.2 million in 2018 to negative €2.0 million in 2019 primarily due to very strong Christmas business in 2019 which the inventory decreased accordingly. In 2018 inventory was increased due to post Christmas demand in January 2019.

10.5.2.1.3 *Other Income*

Other income increased from €0.1 million in 2018 to €0.8 million in 2019 primarily as a result of a reversal of a specific bad debt allowance.

10.5.2.1.4 *Cost of Materials*

Cost of materials increased by 15.1% from €48.3 million in 2018 to €55.6 million in 2019 as a result of the growth of our operations.

10.5.2.1.5 *Personnel Expenses*

Personnel expenses increased by 81.1% from €3.7 million in 2018 to €6.7 million in 2019 driven by an increase in our workforce and thus more cost for wages and salaries due to the growth of our operations.

10.5.2.1.6 *Amortization, Depreciation and Write-downs of Intangible Assets and Property, Plant and Equipment*

Amortization, depreciation and write-downs of intangible assets and property, plant and equipment increased by 27.3% from €1.1 million 2018 to €1.4 million in 2019 as a result of investments driven by the growth of our operations.

10.5.2.1.7 Other Operating Expenses

Other operating expenses increased from €16.8 million in 2018 to €44.4 million in 2019 as a result of increased investments into scaling and growth of our business as well as several provisions and other effects related to prior years.

10.5.2.1.8 Interest and Similar Expenses

Interest and similar expenses increased by 33.3% from €0.9 million in 2018 to €1.2 million in 2019 primarily due to increased costs related to working capital lines.

10.5.2.1.9 Income Taxes

Income taxes changed from €0.0 million in 2018 to income of €3.1 million in 2019 as a result of initial recognition of deferred tax assets.

10.5.2.1.10 Net Income/Loss for the Financial Year

Net income/loss for the financial year decreased from an income of €1.8 million in 2018 to a loss of €5.8 million in 2019 due to the combination of the above effects.

10.6 Assets, Equities and Liabilities

10.6.1 Assets as per Holding GmbH's Consolidated Statement of Financial Position Prepared in Accordance with IFRS

The following table provides an overview of our assets as of the dates indicated:

	As of December 31,		As of December 31,
	2020	2019 ⁽¹⁾	2021
	(audited) (in € million)		(unaudited) (in € million)
Property, plant and equipment.....	5.3	1.8	4.8
Right of use assets.....	0.5	0.2	0.4
Intangible assets (excl. Goodwill).....	125.5	132.5	124.6
Goodwill.....	162.2	162.2	162.2
Deferred tax assets.....	4.4	4.3	5.5
Non-current assets	297.9	301.1	297.6
Inventories.....	23.1	12.7	40.0
Trade receivables.....	16.9	17.1	5.8
Other assets (short term).....	3.3	3.0	12.3
Cash and cash equivalents.....	9.1	6.8	2.2
Current assets	52.3	39.6	60.3
Total assets	350.2	340.7	357.9

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.6.1.1 Non-Current Assets

10.6.1.1.1 June 30, 2021 Compared to December 31, 2020

Non-current assets slightly decreased from €297.9 million as of December 31, 2020 to €297.6 million as of June 30, 2021 due to regular write-off of intangible assets (excl. goodwill).

10.6.1.1.2 December 31, 2020 Compared to December 31, 2019

Non-current assets decreased from €301.1 million as of December 31, 2019 to €297.9 million as of December 31, 2020 mainly due to a decrease in intangible assets that was only partially offset by an increase in property, plant and equipment. The decrease in intangible assets was mainly a result of the amortization of trademarks and technology capitalized during the acquisition of the Boxine Group.

10.6.1.2 Current Assets

10.6.1.2.1 June 30, 2021 Compared to December 31, 2020

Current assets increased by 15.3% from €52.3 million as of December 31, 2020 to €60.3 million as of June 30, 2021 mainly attributable to increasing inventory to facilitate international growth.

10.6.1.2.2 December 31, 2020 Compared to December 31, 2019

Current assets increased by 32.1% from €39.6 million as of December 31, 2019 to €52.3 million as of December 31, 2020, mainly due to increase in inventories driven by the growth of our operations.

10.6.2 **Assets as per Boxine GmbH's Consolidated Balance Sheet Prepared in Accordance with German GAAP**

The following table provides an overview of Boxine GmbH's assets as of the dates indicated:

	As of December 31,	
	2019	2018
	(audited)	
	(in € million)	
Intangible assets.....	4.4	5.0
Property, plant and equipment.....	1.8	1.3
<i>Thereof:</i>		
Technical equipment and machinery.....	1.5	1.1
Other equipment, operating and office.....	0.3	0.2
Financial assets.....	–	0.0
Fixed assets	6.2	6.3
Inventories.....	12.7	14.1
<i>Thereof:</i>		
Raw materials and supplies.....	2.6	2.0
Work in process.....	1.1	0.6
Finished goods and merchandise.....	9.0	11.4
Receivables and other assets.....	18.3	14.3
<i>Thereof:</i>		
Trade receivables.....	17.3	13.6
Receivables from affiliated companies.....	–	0.4
Other assets.....	1.0	0.3
Cash and cash equivalents.....	0.8	2.5
Current Assets	31.8	30.9
Prepaid expenses.....	0.9	0.1
Deferred tax assets.....	4.3	–
Total assets	43.3	37.3

10.6.2.1 December 31, 2019 Compared to December 31, 2018

10.6.2.1.1 Fixed Assets

Fixed assets slightly decreased from €6.3 million as of December 31, 2018 by €0.1 million to €6.2 million as of December 31, 2019 with an increase in technical equipment and machinery offsetting a decrease in intangible assets.

10.6.2.1.2 Current Assets

Current assets increased by 2.9% from €30.9 million as of December 31, 2018 to €31.8 million as of December 31, 2019 as an increase in receivables and other assets more than offset a decrease in inventories.

10.6.3 Equity and Liabilities as per Holding GmbH's Consolidated Statement of Financial Position Prepared in Accordance with IFRS

The following table provides an overview of our equity and liabilities as of the dates indicated:

	As of December 31,		As of
	2020	2019 ⁽¹⁾	June 30,
	(audited) (in € million)		(unaudited) (in € million)
Share capital.....	0.1	0.1	0.1
Share premium.....	203.2	193.1	203.2
Translation reserve.....	0.0	(0.0)	0.0
Retained earnings.....	(9.9)	(0.1)	(26.1)
Profit (loss).....	(16.2)	(9.7)	(14.8)
Equity attributable to owners of the company	177.2	183.3	162.4
Non-controlling interests	21.3	23.3	19.4
Total equity	198.5	206.5	181.9
Loans and borrowings (long term)	–	40.6	–
Lease liabilities (long term).....	0.3	0.1	0.3
Share-based payment liabilities (long term)	3.5	–	6.9
Deferred tax liabilities	37.3	40.0	35.9
Non-current liabilities	41.1	80.7	43.2
Income tax liabilities.....	0.8	1.2	0.5
Loans and borrowings (short term)	57.8	17.6	71.6
Lease liabilities (short term).....	0.1	0.1	0.1
Trade payables (short term).....	24.9	13.5	28.5
Other liabilities (short term)	13.8	11.2	16.4
Provisions (short term)	13.2	9.7	15.8
Current liabilities	110.5	53.5	132.8
Total liabilities	151.6	134.1	176.0
Total equity and liabilities	350.2	340.7	357.9

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.6.3.1 Equity

10.6.3.1.1 June 30, 2021 Compared to December 31, 2020

Equity decreased from €198.5 million as of December 31, 2020 by 8.4% to €181.9 million as of June 30, 2021 as a result of a loss for the period of €14.8 million.

10.6.3.1.2 December 31, 2020 Compared to December 31, 2019

Equity decreased by 3.9% from €206.5 million as of December 31, 2019 to €198.5 million as of December 31, 2020, mainly due to the loss for the period, which was only partially offset by the exercise of a put liability resulting in an increase in share premium (please see *Holding GmbH's audited consolidated financial statements as of and for the fiscal year ended December 31, 2020* on page F-45 et seq.).

10.6.3.2 Non-Current Liabilities

10.6.3.2.1 June 30, 2021 Compared to December 31, 2020

Non-current liabilities increased by 5.1% from €41.1 million as of December 31, 2020 to €43.2 million as of June 30, 2021 due to an increase in long-term share-based payment liabilities.

10.6.3.2.2 December 31, 2020 Compared to December 31, 2019

Non-current liabilities decreased by 49.1% from €80.7 million as of December 31, 2019 to €41.1 million as of December 31, 2020, due to an increase in long term share-based payment liabilities and long term lease liabilities.

10.6.3.3 Current Liabilities

10.6.3.3.1 June 30, 2021 Compared to December 31, 2020

Current liabilities increased by 20.2% from €110.5 million as of December 31, 2020 to €132.8 million as of June 30, 2021 mainly attributable to a growth-driven increase in short-term loans and borrowings and trade payables, which was only partially offset by a decrease in short-term provisions.

10.6.3.3.2 December 31, 2020 Compared to December 31, 2019

Current liabilities increased by 106.5% from €53.5 million as of December 31, 2019 to €110.5 million as of December 31, 2020, due to an increase in short term trade payables and short term provisions.

10.6.4 **Equity and Liabilities as per Boxine GmbH's Consolidated Balance Sheet Prepared in Accordance with German GAAP**

The following table provides an overview of Boxine GmbH's equity and liabilities as of the dates indicated:

	As of December 31,	
	2019	2018
	(audited)	
	(in € million)	
Subscribed capital	0.1	0.1
Capital reserve	9.0	9.0
Foreign currency translation differences	(0.1)	–
Retained earnings/accumulated deficit	(4.3)	(5.8)
Net income/loss for the year	(5.8)	1.8
Equity	(1.1)	5.1
Tax provisions	1.2	0.0
Other provisions	19.2	4.0
Provisions	20.4	4.0
Liabilities to banks	7.5	9.9
Trade payables	12.4	15.5
Liabilities to affiliated companies	–	0.0
Liabilities to shareholders	1.4	1.4
Other liabilities	2.5	1.4
Liabilities	23.9	28.2
Total equity and liabilities	43.3	37.3

10.6.4.1 December 31, 2019 Compared to December 31, 2018

10.6.4.1.1 *Equity*

Equity changed from €5.1 million as of December 31, 2018 to negative €1.1 million as of December 31, 2019 as a result of the loss for the year 2019.

10.6.4.1.2 *Provisions*

Provisions increased from €4.0 million as of December 31, 2018 to €20.4 million as of December 31, 2019 primarily due to an increase in provisions related to licensing costs. This increase in 2019 also included effects related to 2018 and prior years.

10.6.4.1.3 Liabilities

Liabilities decreased from €28.2 million as of December 31, 2018 to €23.9 million as of December 31, 2019, mainly due to a decrease in trade payables.

10.7 Liquidity and Capital Resources

Liquidity is critical for us. Historically, our main sources of liquidity consisted of financing from our shareholders and from third parties.

Between 2014 and 2017, Boxine GmbH closed ten equity financing rounds, raising a total of approximately €9 million together with minor non-cash contributions from its shareholders. In 2016, Boxine, as borrower, entered into a fixed rate loan agreement with certain shareholders in the total amount of €250,000, which was repayable until July 31, 2020. In 2018, Boxine, as borrower, entered into another fixed rate loan agreement with certain shareholders in the total amount of €1.1 million, which was repayable until September 30, 2019. Both loans have been acquired by Beteiligungs GmbH in context of the Armira acquisition and have not been repaid / settled yet.

Over the prior years, Boxine GmbH, as borrower, entered into various current account credit facility agreements which were amended, extended and modified from time to time. As of October 31, 2021, Boxine GmbH had agreements in an amount of (i) € 8 million with Deutsche Bank AG as lender until further notice, (ii) €6.5 million with Commerzbank AG as lender until further notice, (iii) €6.5 million with Volksbank Düsseldorf Neuss eG as lender until June 30, 2022, (iv) €5 million with National-Bank AG as lender, repayable until December 31, 2021, with the joint objective to further prolong the credit facility (v) €6 million with Bankhaus Lampe KG as lender until December 30, 2021. The credit account facilities (i) to (iv) are secured with Boxine GmbH's inventory, the credit account facility (v) is unsecured.

We expect our liquidity needs to decrease as a result of the Business Combination and as we grow and seek to improve our results of operations.

10.7.1 Holding GmbH's Consolidated Statement of Cash Flows Prepared in Accordance with IFRS

	For the fiscal	For the short	For the six-month period	
	year ended	fiscal year from	ended June 30,	
	December 31,	July 12, until	2021	2020
	2020	December 31,		
	(audited)	2019 ⁽¹⁾	(unaudited)	
	(in € million)		(in € million)	
Profit (loss) for the period	(18.2)	(10.9)	(16.7)	(7.1)
Depreciation and amortization	11.3	3.4	5.9	5.6
Interest (income) expenses	3.5	1.0	1.9	1.5
Income taxes	(3.1)	(6.0)	(2.5)	(1.4)
EBITDA	(6.5)	(12.6)	(11.4)	(1.4)
Decrease (increase) in trade receivables	0.2	(7.9)	11.1	9.4
Decrease (increase) in inventories	(10.4)	24.9	(17.0)	(5.0)
Increase (decrease) in trade payables.....	11.3	(8.7)	3.6	0.3
Decrease (increase) in net working capital .	1.1	8.3	(2.3)	4.7
Loss on disposal of property, plant and equipment	(0.0)	0.0	–	–
Decrease (increase) in other assets	(0.3)	0.1	(10.2)	(0.9)
Increase (decrease) in other provisions.....	3.5	12.2	2.6	1.6
Increase (decrease) in other liabilities.....	2.6	(4.1)	3.5	(2.7)
Increase (decrease) in share-based payment liabilities	3.5	0.0	3.5	0.8
Other non-cash (income) expenses	0.0	0.4	(0.2)	0.0
Cash flow from operating activities	3.8	4.4	(14.5)	2.0
Acquisition of subsidiaries, net of cash acquired	0.0	(198.0)	–	–
Purchase of property, plant and equipment	(3.5)	(0.2)	(0.9)	(1.2)
Acquisition of intangible assets	(4.2)	(0.8)	(3.5)	(1.9)
Cash flow from investing activities.....	(7.7)	(199.0)	(4.4)	(3.1)

	For the fiscal	For the short	For the six-month period	
	year ended	fiscal year from	ended June 30,	
	December 31,	July 12, until	2021	2020
	2020	2019 ⁽¹⁾	(unaudited)	(unaudited)
	(audited)		(in € million)	
	(in € million)		(in € million)	
Proceeds from issue of share capital by shareholders of the parent company	10.4	193.3	0.0	10.4
Proceeds from borrowings	6.4	15.0	12.1	5.3
Repayments of borrowings	(10.4)	(6.2)	0.0	(10.4)
Interest paid	(0.2)	(0.4)	(0.1)	(0.1)
Payment of lease liabilities.....	(0.1)	(0.0)	(0.1)	(0.1)
Dividends Paid.....	0.0	(0.1)	0.0	0.0
Cash flow from financing activities	6.1	201.5	12.0	5.2
Net increase in cash.....	2.2	6.9	(6.9)	4.0
Change in cash resulting from exchange rate differences	0.1	(0.0)	(0.0)	(0.0)
Net cash at the beginning of the period.....	6.8	0.0	9.1	6.8
Net cash at end of the period	9.1	6.8	2.2	10.9

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.7.1.1 Cash Flow from Operating Activities

10.7.1.1.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Cash flow from operating activities changed from cash inflow of €2.0 million in the six months ended June 30, 2020 to a cash outflow of €14.5 million in the six months ended June 30, 2021 driven by a decrease in EBITDA and buildup of working capital.

10.7.1.1.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Cash flow from operating activities decreased from a cash inflow of €4.6 million in the short fiscal year 2019 to a cash inflow of €3.8 million in 2020.

10.7.1.2 Cash Flow from Investing Activities

10.7.1.2.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Cash flow from investing activities changed from a cash outflow of €3.1 million in the six months ended June 30, 2020 to a cash outflow of €4.4 million in the six months ended June 30, 2021 mainly due to higher cash outflows for the acquisition of intangible assets.

10.7.1.2.2 Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019

Cash flow from investing activities changed from cash outflow of €199.0 million in the short fiscal year 2019 to a cash outflow of €7.7 million in 2020 as the cash flow for 2019 included the acquisition of Boxine GmbH by Holding GmbH.

10.7.1.3 Cash Flow from Financing Activities

10.7.1.3.1 Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

Cash flow from financing activities changed from a cash inflow of €5.2 million in the six months ended June 30, 2020 to a cash inflow of €12.0 million in the six months ended June 30, 2021 mainly due to net borrowings.

10.7.1.3.2 *Comparison of the Fiscal Year Ended December 31, 2020 and the Short Fiscal Year from July 12, 2019 until December 31, 2019*

Cash flow from financing activities decreased from a cash inflow of €201.5 million in 2019 to a cash inflow of €6.1 million in 2020 as the cash flow for 2019 included the acquisition of Boxine GmbH by Holding GmbH.

10.7.2 *Boxine GmbH's Consolidated Statement of Cash Flow Prepared in Accordance with German GAAP*

	For the fiscal year ended December 31,	
	2019	2018
	(audited) (in € million)	
Consolidated profit/loss for the period including share of profit of non-controlling interests	(5.8)	1.8
(+/-) Depreciation/amortization/(reversal of) impairment losses on fixed assets	1.4	1.1
(+/-) Increase/decrease in provisions.....	15.2	3.7
(+/-) Other non-cash expenses/income.....	3.0	0.0
(-/+) Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	(7.7)	(23.0)
(+/-) Increase/decrease in trade payables and other liabilities not attributable to investing of financing activities	(4.3)	10.6
(-/+) Gain/loss on disposal of fixed assets.....	1.1	0.0
(+/-) Interest expense/income.....	1.2	0.8
(+/-) Income tax expense/income.....	(1.9)	0.0
(-/+) Income taxes paid	0.0	(0.0)
Cash flow from operating activities	2.2	(4.9)
(-) Acquisition of intangible assets	(1.3)	(2.5)
(-) Acquisition of property, plant and equipment	(1.1)	(0.7)
(-) Acquisition of financial assets	0.0	(0.0)
(+) Interest received	0.0	0.0
Cash flow from investing activities.....	(2.4)	(3.2)
(+) Proceeds from issue of share capital by shareholders of the Parent Company.....	0.0	0.5
(+) Proceeds from issue of bonds and from loans and borrowings	0.0	10.3
(-) Interest paid.....	(1.1)	(0.9)
Cash flow from financing activities	(1.1)	10.0
Net increase/decrease in cash and cash equivalent	(1.3)	1.8
(+/-) Consolidation-related changes	(0.3)	0.0
(+/-) Effect of movements in exchange rates and remeasurements on cash held	(0.1)	0.0
(+) Cash and cash equivalents at the beginning of the period	2.5	0.7
Cash and cash equivalents at the end of the period	0.8	2.5

10.7.2.1 *Comparison of the Fiscal Years Ended December 31, 2019 and 2018*

10.7.2.1.1 *Cash Flow from Operating Activities*

Cash flow from operating activities changed from a cash outflow of €4.9 million in 2018 by €7.1 million to a cash inflow of €2.2 million in 2019 as a result of stronger operating cash generation.

10.7.2.1.2 *Cash Flow from Investing Activities*

Cash flow from investing activities decreased from a cash outflow of €3.2 million in 2018 to a cash outflow of €2.4 million in 2019 primarily due to lower cash outflows for acquisition of intangible assets.

10.7.2.1.3 Cash Flow from Financing Activities

Cash flow from financing activities changed from a cash inflow of €10.0 million in 2018 to a cash outflow of €1.1 million in 2019 as cash inflows from the issuance of bonds and from loans and borrowings in 2018 did not recur in 2019.

10.7.3 Capital Expenditure

Our capital expenditures are defined as acquisitions of intangible assets as well as acquisitions of property, plant and equipment.

The following tables provide a breakdown of our capital expenditures for the periods presented:

	For the fiscal year ended December 31,	For the short fiscal year from July 12, until December 31,	For the six-month period ended June 30,	
	2020	2019 ⁽²⁾	2021	2020
	(audited) (in € million)		(unaudited) (in € million)	
Purchase of property, plant and equipment ⁽¹⁾ .	(3.5)	(0.2)	(0.9)	(1.2)
Acquisition of intangible assets ⁽¹⁾	(4.2)	(0.8)	(3.5)	(1.9)
Capital expenditures	(7.7)	(1.0)	(4.4)	(3.1)

(1) Taken from Holding GmbH's Consolidated Statement of Cash Flows prepared in accordance with IFRS.

(2) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

	For the fiscal year ended December 31,	
	2019	2018
	(audited) (in € million)	
Acquisition of intangible assets ⁽¹⁾	(1.3)	(2.5)
Acquisition of property, plant and equipment ⁽¹⁾	(1.1)	(0.7)
Capital expenditures	(2.4)	(3.2)

(1) Taken from Boxine GmbH's Consolidated Statement of Cash Flow prepared in accordance with German GAAP.

Capital expenditures are not recognized as a measure under IFRS and should not be considered as a substitute for an analysis of our consolidated balance sheet and consolidated statement of cash flow prepared in accordance with IFRS. In addition, our definition of capital expenditures may not be comparable to similarly titled information published by other companies.

10.7.3.1 Future and Planned Capital Expenditures

As of the date of this Prospectus, our Management Board has not made material commitments on future capital expenditures.

10.7.3.2 Capital Expenditures since June 30, 2020 and Ongoing Capital Expenditures

In the six months ended June 30, 2021, our capital expenditures amounted to €4.4 million, with the majority relating to additions in intangible assets.

Between June 30, 2021 and the date of this Prospectus, we have not made significant capital expenditures.

10.7.3.3 Capital Expenditures in the Years ended December 31, 2020, 2019 and 2018

Capital expenditures in 2020 amounted to €7.7 million and comprised capital expenditures for the purchase of property, plant and equipment, which amounted to €3.5 million, and the acquisition of intangible assets, which amounted to €4.2 million. Capital expenditures for the purchase of property, plant and equipment largely comprised tools related to the production of Tonies, office equipment and IT hardware. Acquisition of intangible assets related primarily to our ERP system, our Tonic cloud as well as our website and mobile platform/app.

Capital expenditures for the short fiscal year 2019 amounted to €1.3 million. Capital expenditures for acquisition of intangible assets amounted to €1.1 million and largely comprised similar categories as in 2020. Purchase of property, plant and equipment related primarily to similar categories as in 2020.

Capital expenditures in 2018 amounted to €3.2 million. Capital expenditures for the acquisition of intangible assets amounted to €2.5 million and largely comprised similar categories as in 2020. Acquisition of property, plant and equipment included similar categories as in 2020. No investments were made in property in 2018, 2019 and 2020.

All capital expenditures were financed from available cash and cash equivalents.

10.7.4 Financial Liabilities

The table below summarizes our financial liabilities as of December 31, 2020.

	Original Currency	Matures in	Interest Type	Effective Interest Rate (in %)	Face Value (€ thousand)	Carrying amount (€ thousand)
Balance as of December 31, 2020						
Unsecured bank loans.....	EUR	unlimited	variable	4.50	6,000	5,487
Secured bank loans.....	EUR	unlimited	variable	3.75-4.95	24,000	9,265
Vendor loan	EUR	30.09.2021	fix	6.00	40,000	43,020
Total					70,000	57,772

10.8 Financial Risk Management

Holding GmbH's managing directors have overall responsibility for the establishment and oversight of Holding GmbH's risk management framework. The managing directors are also responsible for developing and monitoring its risk management policies.

Holding GmbH's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. A. VI, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The company is currently adjusting internal risk management and internal controls processes to be compliant with the requirements of a public company. This involves a detailed documentation of processes, controls implemented and related management testing. Where necessary, processes are adjusted and additionally controls are implemented. This process is expected to be completed until year-end 2021.

Holding GmbH's main financial liabilities include trade payables and loans and borrowings consisting of secured and unsecured bank loans as well as lease liabilities. The primary purpose of these financial liabilities is to finance Holding GmbH's operations and provide guarantees to support its operations. Furthermore, the Boxine Group has other payables and cash directly related to its business activities. Holding GmbH is mainly exposed to liquidity risk as well as low credit and market risk.

10.8.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum credit exposure is represented by the carrying amounts of financial assets deducted by the Company's insurances for specific assets. The Company monitors its risk regularly.

10.8.1.1 Expected credit loss assessment for counterparties

The Company allocates each exposure to a credit risk based on data that is determined to be predictive of the risk of loss.

The maximum credit risk is presented in the following table:

	<u>As of December 31, 2020</u>	<u>As of December 31, 2019⁽¹⁾</u>	<u>As of July 12, 2019⁽¹⁾</u>
		(in € thousand)	
Trade receivables.....	5,521	3,665	0
Other financial assets	2,278	772	0
Cash	9,079	6,849	13

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

Other financial assets mainly reflect deposits and receivables from payment providers for which the risk of default is low. No material impairment losses for other financial assets were therefore identified for any of the reported periods.

Cash mainly consists of bank balances. The corresponding creditworthiness is also monitored regularly. Due to the good credit rating of the banks, cash has a very low risk of default. No material impairment losses were therefore identified for any of the reported periods.

For trade receivables, the Company applies the so-called “simplified approach” and recognizes the expected credit losses over the entire remaining term already upon addition. Under the simplified approach, the Company determines the expected credit losses by category of the trade receivables, taking into account historical default rates on the basis of historical default data from the last financial year and taking into account forward-looking macroeconomic indicators.

The Company differentiates between receivables from businesses and receivables from individual customers. For the latter, no expected credit losses were recognized. For receivables from businesses the Company has taken out an insurance for multiple customers. Therefore, not all receivables from businesses are taken into account for the maximum credit risk exposure.

A bad debt provision is recognized on an individual basis under the simplified approach if one or more events with an adverse effect on the debtor’s credit rating have occurred. These events are, among others, payment delays, an impending insolvency or concessions by the debtor due to payment difficulties. Trade receivables are written off directly when their recoverability is no longer reasonably expected. This is the case, for example, when the debtor is determined to be insolvent.

Expected credit loss on trade receivables relate only to contracts with customers and have developed as follows:

	<u>Expected credit loss</u>
	<u>(in € thousand)</u>
Balance as of January 01, 2020	57
Bad debt on trade receivables recognized through profit and loss.....	19
Balance as of December 31, 2020	76
	<u>Expected credit loss⁽¹⁾</u>
	<u>(in € thousand)</u>
Balance as of July 12, 2019	0
Bad debt on trade receivables acquired through a business combination.....	46
Bad debt on trade receivables recognized through profit and loss.....	10
Balance as of December 31, 2019	57

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

Credit Risk	Weighted-average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
December 31, 2020	(in %)		(in € thousand)	
Current (not past due).....	0.79	4,303	34	4,270
1-30 days past due.....	0.96	246	2	244
31-60 days past due.....	1.73	86	1	85
61-90 days past due.....	3.30	397	11	384
More than 90 days past due.....	5.12	488	21	463
Total.....	1.37	5,521	57	5,445

Credit Risk	Weighted-average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
December 31, 2019 ⁽¹⁾	(in %)		(in € thousand)	
Current (not past due).....	0.79	2,675	21	2,654
1-30 days past due.....	1.00	200	2	198
31-60 days past due.....	1.80	70	1	69
61-90 days past due.....	3.43	323	11	312
More than 90 days past due.....	5.33	397	21	376
Total.....	1.54	3,665	57	3,609

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.8.2 Liquidity Risk

Liquidity risk is the risk that Holding GmbH will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Holding GmbH aims to maintain the level of its cash at an amount in excess of expected cash outflows on financial liabilities.

10.8.2.1 Exposure to liquidity risk

The following table shows the remaining contractual maturities of Holding GmbH's financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

	Carrying amount	Total	< 1 year (audited) (in € thousand)	1-5 years	More than 5 years	Interest rate (in %)
Balance as of December 31, 2020						
Secured bank loans.....	9,265	9,637	9,637			3.75-4.95
Unsecured bank loan.....	5,487	5,734	5,734			4.5
Vendor loan.....	43,020	44,800	44,800			6
Lease liabilities.....	477	568	151	192	224	
Trade and other payables.....	33,880	33,880	33,880			
Forward exchange contracts used for economic hedging.....	1,175	1,175	1,175			
Total.....	93,304	95,794	95,377	193	224	
Balance as of December 31, 2019⁽¹⁾						
Secured bank loans.....	3,673	3,855	3,855			4.5-4.95
Unsecured bank loan.....	3,827	4,017	4,017			4.966
Vendor loan.....	40,585	44,800		44,800		

Lease liabilities	222	232	130	102	0
Trade and other payables.....	21,939	21,939	21,939		
Put liability.....	10,147	10,147	10,147		
Forward exchange contracts used for economic hedging	97	97	97		
Total	80,491	85,087	40,185	44,902	0

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

Holding GmbH is exposed to liquidity risks, if the financial covenants for the secured and unsecured bank loans are not met. During the preparation period, an extension of the credit lines was agreed with the financing banks, as well as a conditional waiver of extraordinary termination on the part of the banks after non-compliance with agreed financial covenants.

Holding GmbH has also implemented a daily cash reporting to ensure a current view over the short-term liquidity compared to planned cash outflows.

The interest payments for the secured bank loans in the table above reflects the interest rate at the reporting date. The interest rate may change if the market interest rates change as well as a specific leverage ratio will not be maintained.

10.8.3 Market Risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates and equity prices – will affect Holding GmbH's income or the value of its holdings of financial instruments. The financial instruments affected by market risk essentially comprise of financial liabilities.

10.8.3.1 Interest rate risk

In general, interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. With regard to Holding GmbH, certain recognised loans and borrowings have interest rates based on variable parameters.

The following table shows the fixed-interest or non-interest-bearing liabilities and the variable interest-bearing liabilities:

Carrying amount of financial liabilities bearing interest	As of December 31, 2020		As of December 31, 2019 ⁽¹⁾		As of July 12, 2019 ⁽¹⁾	
	Fixed-interest or non-interest-bearing	Variable interest rate	Fixed-interest or non-interest-bearing	Variable interest rate	Fixed-interest or non-interest-bearing	Variable interest rate
			(in € thousand)			
Loans and borrowings	43,020	14,752	40,585	7,500		

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

	Loans and borrowings (+100 BP)	Loans and borrowings (-100 BP)
	(in € thousand)	
Effects on profit before tax		
December 31, 2020.....	217	(217)
December 31, 2019 ⁽¹⁾	181	(181)
July 12, 2019 ⁽¹⁾	0	0

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.8.3.2 Currency Risk

Holding GmbH is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which loans and borrowings and trade payables are denominated and the respective functional currency of Holding GmbH. The functional currency of Holding GmbH is Euro. Revenues are partly denominated in USD and GBP, while most of revenue is still generated in EUR. Procurement is partly denominated in USD for key suppliers (e.g., for Tonies) and some IT services utilized.

The following table shows Holding GmbH's exposure to currency risk:

	As of December 31, 2020			As of December 31, 2019 ⁽¹⁾			As of July 12, 2019 ⁽¹⁾		
	€	\$	£	€	\$	£	€	\$	£
	(in thousand)								
Trade receivables	-	4,695	872	-	-	478	-	-	-
Cash	1	1,069	972	5	2	296	-	-	-
Trade payables	-	(6,268)	(215)	-	(6,483)	(115)	-	-	-
Net exposure	1	(504)	1,629	5	(6,481)	659	0	0	0

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

Forward exchange contracts amounting to €1,175 thousand (December 31, 2019: €97 thousand) are used by the Group to secure against currency risks from purchases in USD.

The following significant exchange rates have been applied:

	Average rate		Exchange rate as of		
	2020	2019	December 31, 2020	December 31, 2019 ⁽¹⁾	July 12, 2019 ⁽¹⁾
\$	1.1422	1.1074	1.2170	1.1234	1.1151
£	0.8897	0.8787	0.9062	0.8508	0.9126

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

In 2020 foreign currency translation resulted in income of €1,667 thousand (2019: €427 thousand) and expenses of €1,600 thousand (2019: €372 thousand).

The sensitivity to currencies is as follows for the balance sheet items:

	USD	USD	GBP	GBP
	Net exposure (+10%)	Net exposure (-10%)	Net exposure (+10%)	Net exposure (-10%)
	(in € thousand)			
Effects on profit before tax				
December 31, 2020	38	(46)	163	(200)
December 31, 2019 ⁽¹⁾	609	(744)	95	(116)
July 12, 2019 ⁽¹⁾	0	0	0	0

(1) Taken from the audited consolidated financial statements of Holding GmbH as of and for the fiscal year ended December 31, 2020.

10.8.3.3 Other market risks

Holding GmbH is not significantly exposed to other market risks.

10.9 Changes in Accounting Standards

A number of new and revised accounting standards and amendments to standards have been issued by the date of our consolidated financial statements as of and for the year ended December 31, 2020 and come into force in annual periods beginning on or after January 1, 2021, none of which are expected to have a material impact on our consolidated financial statements. For more information, see Note 3.16 to our consolidated financial statements as of and for the fiscal year ended December 31, 2020.

11. PRO FORMA CONSOLIDATED FINANCIAL INFORMATION AS OF JUNE 30, 2021

Investors should note that the following pro forma consolidated financial information as of June 30, 2021 are presented with respect to the total number of shares issued by the Company in connection with the Business Combination other than Public Shares held as treasury shares by the Company or any of its subsidiaries as these treasury shares carry no voting and profit participation rights in the Company. Consequently, references in this section 11 to shares outstanding deviates from the figures presented in other parts of the prospectus.

Defined terms included below have the same meaning as terms defined and included elsewhere in this prospectus.

11.1 Introduction to the Pro Forma Consolidated Financial Information as of June 30, 2021

On August 30, 2021, 468 SPAC I SE (“**468 SPAC**”, to be renamed to tonies SE as of closing of the Business Combination), Boxine GmbH (“**Boxine**”), A. VI Beteiligungs GmbH (“**Beteiligungs GmbH**”), Boxine’s sole shareholder, Höllenhunde GmbH (“**Höllenhunde**”), at the time one of Beteiligungs GmbH’s shareholders, and A. VI Holding GmbH (“**Holding GmbH**”), at the time the other shareholder of Beteiligungs GmbH entered into the Business Combination Agreement and ancillary agreements (“**Business Combination Agreement**”, or “**BCA**”) relating to the business combination between 468 SPAC and Boxine (“**Business Combination**”). Pursuant to the BCA, several transactions will occur, and in connection therewith, 468 SPAC will become the legal parent company of Boxine and its consolidated subsidiaries, Beteiligungs GmbH and Holding GmbH (“**Boxine Group**”), through the acquisition of 100% of Holding GmbH’s shares by 468 SPAC via the contribution of all Holding GmbH’s shares into 468 SPAC by the shareholders of Holding GmbH (“**Holding GmbH Shareholders**” and together with Höllenhunde, the “**Boxine Investors**”) and the contribution of all shares in Beteiligungs GmbH into 468 SPAC held by Höllenhunde in each case in exchange for new Public Shares in 468 SPAC and a potential cash consideration.

After the execution of the BCA, the Boxine virtual employee participation scheme (the “**Boxine VSP**”) was amended, providing each Boxine VSP Beneficiary the right to exercise a portion of their virtual participations in Beteiligungs GmbH in accordance with the terms and conditions of the Boxine VSP Amendment Agreement at or immediately following the closing of the Business Combination (“**Boxine VSP Amendment Agreement**”). Pursuant to the Boxine VSP Amendment Agreement, at or immediately following the closing of the Business Combination when exercised, the Boxine VSP Beneficiaries who exercise such portion of their virtual participations in Beteiligungs GmbH shall be entitled to receive certain cash payments and/or newly issued Public Shares in 468 SPAC as determined by Beteiligungs GmbH in fulfillment of their claims against Beteiligungs GmbH with respect to the exercised virtual participations in Beteiligungs GmbH. All applicable taxes and other withholdings (such as social security contributions) arising in relation to both the issuance of the new shares in 468 SPAC and the cash component shall be made or withheld by Beteiligungs GmbH and/or 468 SPAC by deducting such payments from the cash component (if fully settled in new shares in 468 SPAC, then by selling a portion of the new shares in 468 SPAC).

Additionally, concurrent with the execution of the Business Combination Agreement, 468 SPAC entered into subscription agreements with investors, including existing 468 SPAC shareholders, (collectively, the “**PIPE Investors**”) in a private investment in public equity transaction (the “**PIPE Financing**”) in the aggregate amount of €105.0 million. In return for their investment, the PIPE Investors receive a total of 10,500,000 new Public Shares in 468 SPAC. The closings under the subscription agreements will occur substantially concurrently with the closing of the Business Combination and are conditioned on such closing and on other customary closing conditions.

For more information about the transactions, please see the sections entitled “*5 Business Combination*” and “*6 Business Combination Agreement and Ancillary Documents*” in the prospectus.

The transactions contemplated by the Business Combination Agreement including the PIPE Financing as introduced above (together, the “**Transactions**”) have a significant impact on the net assets, financial position and results of operations of 468 SPAC and together with its consolidated subsidiaries (“**468 SPAC Group**”) and Boxine Group and will substantially affect the results of operations going forward. Therefore, the pro forma consolidated financial information prepared by 468 SPAC consists of:

- pro forma consolidated statement of profit or loss for the six months ended June 30, 2021 (including 468 SPAC only for the period from March 29, 2021 (inception) to June 30, 2021) and
- pro forma consolidated statement of financial position as of June 30, 2021

and as accompanied by the related pro forma notes thereto (together, the “**Pro Forma Consolidated Financial Information**”).

The purpose of the Pro Forma Consolidated Financial Information is to illustrate the material effects that the Transactions would have had on 468 SPAC and Boxine Group:

- for the six-month period ended June 30, 2021 as if the Transactions had occurred on January 1, 2021 for the purpose of the pro forma consolidated statement of profit or loss;
- as of June 30, 2021, as if the Transactions had occurred on June 30, 2021 for the purpose of the pro forma consolidated statement of financial position.

This pro forma financial information has been presented for illustrative purposes only and is not necessarily indicative of the actual financial position or result of operations that would have been achieved had the Transactions been completed as of the dates indicated. In addition, the pro forma financial information does not purport to project the future financial position or operating results of the post-combination company. The pro forma adjustments are based on information currently available. The assumptions and estimates underlying the pro forma adjustments are described in the notes to the accompanying Pro Forma Consolidated Financial Information. Actual results may differ materially from the assumptions used to present the accompanying Pro Forma Consolidated Financial Information. Management of Boxine Group and 468 SPAC have made significant estimates and assumptions in the determination of the pro forma adjustments. As the Pro Forma Consolidated Financial Information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The Pro Forma Consolidated Financial Information has been derived from the respective historical consolidated financial statements of 468 SPAC Group and Boxine Group and should be read together with the following:

- Boxine Group’s unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2021, prepared in accordance with IFRS applicable for interim financial reporting (IAS 34) as adopted by the European Union and included in the prospectus;
- 468 SPAC Group’s audited consolidated interim financial statements as of June 30, 2021 and for the period from March 29, 2021 (inception) to June 30, 2021, prepared in accordance with IFRS as adopted by the European Union and included in the prospectus;
- the sections in the prospectus entitled “5 Business Combination”, “6 Business Combination Agreement and Ancillary Documents”, “8 Management’s Discussion and Analysis of Net Assets, Financial Condition and Results of Operations of the 468 SPAC Group” and “10 Management’s Discussion and Analysis of Net Assets, Financial Condition and Results of Operations of the Boxine Group”; and
- other financial information relating to Boxine Group and 468 SPAC Group included elsewhere in the prospectus.

11.2 Anticipated Accounting Treatment

The Business Combination, which is not within the scope of IFRS 3 since 468 SPAC does not meet the definition of a business in accordance with IFRS 3, will be accounted for within the scope of IFRS 2. Based on the post-combination company ordinary shares outstanding, after reflection of the redemption notices received by 468 SPAC on November 11, 2021, as explained below, the Business Combination will be accounted for as a capital reorganization of Boxine Group (“**Capital Reorganization**”) in accordance with IFRS. Under this method of accounting, 468 SPAC will be treated as the acquired company for financial reporting purposes. Accordingly, the Business Combination will be treated as the equivalent of Boxine Group issuing shares at the closing of the Business Combination for the net assets of 468 SPAC as of the closing date, accompanied by a recapitalization. Any excess of fair value of Boxine Group shares deemed to be issued over the fair value of 468 SPAC’s identifiable net assets acquired represents compensation for the service of a stock exchange listing for its shares and is expensed as incurred. Ultimately, the expense recognized in accordance with IFRS 2 will be based on the difference between the fair value of the new Public Shares deemed issued to 468 SPAC shareholders and the fair value of 468 SPAC’s identifiable net assets at consummation, and may differ materially based on the fluctuation in the share price of 468 SPAC’s shares, due to, among other things, developments occurring prior to the date of the consummation of the Business Combination, *i.e.*, November 26, 2021. No goodwill or other intangible assets will be recorded by Boxine Group in connection with the Transactions.

The Subscription Agreements related to the PIPE Financing, which were executed concurrently with the Business Combination will result in the issuance of new Public Shares, leading to an increase in share capital and share premium.

Within the Business Combination, Boxine Group has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- Boxine Investors, who comprise all of Boxine's shareholders, will have the largest ownership interest and voting interest in the post-combination company after reflection of the redemption notices received by 468 SPAC on November 11, 2021 (as described below and in the notes hereto) with approximately 51.2% ownership voting interest;
- 468 SPAC's Supervisory Board after the Transactions will initially consist of seven members; four of whom will initially be appointed by the Boxine Investors, one of whom will initially be appointed by 468 SPAC and two of whom will be independent and appointed upon mutual agreement of the Boxine Investors and 468 SPAC;
- the post-combination company's Management Board will consist of the existing managing directors of Boxine;
- Boxine Group represents the larger entity, in terms of both revenues and total assets; and
- the operations of the post-combination company will primarily represent operations of Boxine Group.

11.3 Pro Forma Consolidated Statement of Financial Position as of June 30, 2021

	June 30, 2021	June 30, 2021		Pro Forma Adjustments			June 30, 2021
		468 SPAC Group Historical					
	Boxine Group Historical	(as adjusted for presentation)	Note	Sum before Pro Forma Adjustments	Pro Forma Adjustments	Note	Pro Forma Consolidated
	(In € thousand)						
Assets							
Property, plant and equipment.....	4,836	-		4,836			4,836
Right of use asset.....	388	-		388			388
Intangible assets (excl. Goodwill).....	124,589	-		124,589			124,589
Goodwill.....	162,236	-		162,236			162,236
Deferred tax assets.....	5,529	-		5,529			5,529
Cash in escrow.....	-	301,255		301,255	(301,255)	A	-
Non-current assets	297,578	301,255		598,833	(301,255)		297,578
Inventories.....	40,039	-		40,039			40,039
Trade receivables.....	5,797	-		5,797			5,797
Other assets (short term).....	12,272	-		12,272			12,272
Cash and cash equivalents.....	2,179	3,630		5,809	301,255	A	122,986
					105,000	B	
					(59)	C	
					(214,941)	D	
					(5,743)	E	
					(18,849)	F	
					(44,238)	H	
					(5,248)	I	
Current assets	60,287	3,630		63,917	117,177		181,094
Total assets	357,865	304,885		662,750	(184,078)		478,672
Equity							
Share capital.....	100	120		220	168	B	1,575
					480	C	
					807	D	
					(100)	D	
Share premium.....	203,201	818		204,019	104,832	B	499,804
					294,916	C	
					(207,621)	D	
					(13,728)	F	
					122,634	G	
					(5,248)	I	
Translation reserves.....	3	-		3			3
Warrant reserve.....	-	262		262			262
Retained earnings.....	(26,084)	-		(26,084)	(5,121)	F	(31,205)
Profit (Loss).....	(14,810)	(11,421)	11.5.1.1	(26,231)	11,421	D	(137,444)
					(122,634)	G	
Equity attributable to owners of the company	162,410	(10,221)		152,189	180,806		332,995
Non-controlling interests	19,448	-		19,448	(19,448)	D	-
Total equity	181,858	(10,221)		171,637	161,358		332,995
Liabilities							
Redeemable Class A shares.....	-	295,455		295,455	(295,455)	C	-
Lease liabilities (long term).....	327	-		327			327
Class A warrants at fair value.....	-	9,900		9,900			9,900
Class B warrants at fair value.....	-	8,256		8,256			8,256
Share-based payment liabilities (long term).....	6,946	-		6,946	(5,743)	E	1,203
Deferred tax liabilities.....	35,908	-		35,908			35,908
Non-current liabilities	43,181	313,611		356,792	(301,198)		55,594
Bank overdraft.....	-	30		30			30
Income Tax liabilities.....	450	-		450			450
Loans and borrowings (short term).....	71,621	-		71,621	(44,238)	H	27,383
Lease liabilities (short term).....	76	-		76			76
Trade payables (short term).....	28,489	1,336		29,825			29,825

Other liabilities (short term)	16,354	129	11.5.1.1	16,483	16,483
Provisions (short term)	15,836	-		15,836	15,836
Current liabilities	132,826	1,495		134,321	(44,238)
Total liabilities	176,007	315,106		491,113	(345,436)
Total equity and liabilities	357,865	304,885		662,750	(184,078)

Due to rounding, the sum of the numbers presented in the table above might not precisely equal the totals we provide.

For descriptions of the pro forma adjustments see section 11.5.4 *Adjustments to the Pro Forma Consolidated Financial Information*.

11.4 Pro Forma Consolidated Statement of Profit or Loss for the Six-Month Period Ended June 30, 2021

	January 1, 2021 - June 30, 2021	March 29, 2021 - June 30, 2021				Pro Forma Adjustments	January 1, 2021 - June 30, 2021	
		468 SPAC Group Align- ment						
	Boxine Group Historical	468 SPAC Group Historical	Adjust- ment to Historical	468 SPAC Group Adjusted Historical	Note	Sum before Pro Forma Adjustment	Pro Forma Adjust- ments Note	Pro Forma Conso- lidated
(in € thousand, except of share and per share data)								
Continuing Operations								
Revenue.....	61,752	-	-	-		61,752		61,752
Changes in inventories.....	14,888	-	-	-		14,888		14,888
Cost of materials.....	(39,059)	-	-	-		(39,059)		(39,059)
Gross profit	37,581	-	-	-		37,581		37,581
Licensing costs.....	(12,808)	-	-	-		(12,808)		(12,808)
Gross profit after licensing costs	24,773	-	-	-		24,773		24,773
Other income.....	6	-	-	-		6		6
Personnel expenses.....	(13,977)	-	(178)	(178)	11.5.1.1	(14,155)		(14,155)
Other expenses.....	(22,175)	(1,378)	178	(1,200)	11.5.1.1	(23,375)	(122,634) 1,151	(144,858) BB
Earnings before interest, taxes, depreciation and amortization (EBITDA)	(11,373)	(1,378)	-	(1,378)		(12,751)	(121,483)	(134,234)
Depreciation and amortization	(5,887)	-	-	-		(5,887)		(5,887)
Earnings before interest and taxes (EBIT)	(17,260)	(1,378)	-	(1,378)		(18,638)	(121,483)	(140,121)
Finance income.....	-	-	-	-		-		-
Finance costs.....	(1,935)	(1,587)	-	(1,587)		(3,522)	95	CC (3,427)
Fair value loss on Class A warrants.....	-	(9,800)	-	(9,800)		(9,800)		(9,800)
Fair value gain on Class B warrants.....	-	1,344	-	1,344		1,344		1,344
Earnings before tax (EBT)	(19,195)	(11,421)	-	(11,421)		(30,616)	(121,387)	(152,003)
Tax income	2,542	-	-	-		2,542		2,542
Profit (loss) from continuing operations.	(16,653)	(11,421)	-	(11,421)		(28,074)	(121,387)	(149,461)
Profit (loss) for the period	(16,653)	(11,421)	-	(11,421)		(28,074)	(121,387)	(149,461)
Weighted average shares outstanding – basic and diluted								98,425,701
Net loss per share – basic and diluted.....								€(1.52)

Due to rounding, the sum of the numbers presented in the table above might not precisely equal the totals we provide.

For descriptions of the pro forma adjustments see section *11.5.4 Adjustments to the Pro Forma Consolidated Financial Information*.

11.5 Notes to the Pro Forma Consolidated Financial Information

11.5.1 Historical Financial Information Included in the Pro Forma Consolidated Financial Information

The pro forma consolidated statement of financial position as of June 30, 2021 combines the historical consolidated statement of financial position of Boxine Group and the historical consolidated statement of financial position of 468 SPAC for such reporting date on a pro forma basis as if the Business Combination and related transactions had been consummated on June 30, 2021. The pro forma consolidated statement of profit or loss for the six months ended June 30, 2021 combines the historical consolidated statement of profit or loss and other comprehensive income of Boxine Group for the period from January 1, 2021 to June 30, 2021 and the historical consolidated statement of comprehensive income of 468 SPAC for the stub-period from March 29, 2021 to June 30, 2021 on a pro forma basis as if the Business Combination and related transactions had been consummated on January 1, 2021, the beginning of the earliest period presented.

The pro forma consolidated statement of financial position as of June 30, 2021 has been prepared using the following:

- Boxine Group’s unaudited condensed consolidated interim statement of financial position as of June 30, 2021, derived from the unaudited condensed consolidated interim financial statements of A.VI Holding GmbH as of and for the six months ended June 30, 2021, which are published together with the Pro Forma Consolidated Financial Information; and
- 468 SPAC Group’s audited consolidated interim statement of financial position as of June 30, 2021, derived from the published audited consolidated interim financial statements of 468 SPAC I SE as of June 30, 2021 and for the period from March 29, 2021 (inception) to June 30, 2021.

The pro forma consolidated statements of profit or loss for the six months period ended June 30, 2021 have been prepared using the following:

- Boxine Group’s unaudited condensed consolidated interim statement of profit or loss and other comprehensive income for the six months ended June 30, 2021, derived from the unaudited condensed consolidated interim financial statements of A.VI Holding GmbH as of and for the six months ended June 30, 2021, which are published together with the Pro Forma Consolidated Financial Information;
- 468 SPAC Group’s audited consolidated interim statement of comprehensive income for the period ended June 30, 2021, derived from the published audited consolidated interim financial statements of 468 SPAC I SE as of June 30, 2021 and for the period from March 29, 2021 (inception) to June 30, 2021.

The historical unaudited condensed consolidated interim financial statements of A. VI Holding GmbH and audited consolidated interim financial statements of 468 SPAC I SE have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and in its presentation and reporting currency of the Euro (€).

11.5.1.1 Accounting policy conformity changes

As part of the preparation of the Pro Forma Consolidated Financial Information, certain line items were renamed to align 468 SPAC Group’s historical financial information in accordance with the presentation and financial statement line items of Boxine Group’s historical financial information. Refer to the following tables:

Pro forma consolidated statement of financial position

Boxine	468 SPAC
Profit (Loss)	Accumulated deficit
Other liabilities (short term)	Directors’ fees payable

Pro forma consolidated statement of profit or loss

Boxine	468 SPAC
Other expenses	Other operating expenses

In order to align 468 SPAC Group’s function of expense method to the nature of expense method as applied by Boxine Group, a reclassification adjustment has been made to reclassify directors’ fee from 468 SPAC Group’s historical statement of profit or loss line item “other operating expenses”, which has been renamed to “other

expenses” as introduced above, to Boxine Group’s historical statement of profit or loss line item “personnel expenses” on the Pro Forma Consolidated Statement of Profit or Loss.

11.5.2 Basis of Preparation

The Pro Forma Consolidated Financial Information has been prepared to illustrate the effect of the Transactions and has been prepared for informational purposes only.

The Pro Forma Consolidated Financial Information has been prepared in accordance with the principles described in the COMMISSION DELEGATED REGULATION (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, Annex 20 Pro Forma Information.

As the Business Combination will be accounted for as a capital reorganization of Boxine Group, with Boxine Group being the accounting acquirer, the consolidated financial statements of the future combined company will be prepared by using the accounting policies of the accounting acquirer, Boxine Group. Therefore, the Pro Forma Consolidated Financial Information has been prepared consistently in all material aspects on the basis of IFRS and the accounting policies of Boxine Group, as described in detail in the notes to the audited consolidated financial statements as of and for the fiscal years ended December 31, 2019 and December 31, 2020 as well as the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2021 of Boxine Group. Consequently, for the preparation of the Pro Forma Consolidated Financial Information, certain account renaming and a reclassification adjustment were made to the historical financial information of 468 SPAC Group, as described in note 11.5.1.1 above. The Pro Forma Consolidated Financial Information should be read in conjunction with these accounting policies and the audited consolidated financial statements of 468 SPAC Group as of June 30, 2021 and for the period from March 29, 2021 to June 30, 2021.

The historical financial statements of Boxine Group and the historical financial statements of 468 SPAC Group have been adjusted through pro forma adjustments in the Pro Forma Consolidated Financial Information to give effect to pro forma events that are (1) directly attributable to the Transactions and (2) factually supportable. Management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the Pro Forma Consolidated Financial Information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The pro forma adjustments reflecting the consummation of the Transactions are based on certain currently available information and certain assumptions and methodologies that are considered reasonable under the circumstances. The pro forma adjustments, which are described in the accompanying pro forma notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible that the difference may be material. The assumptions and methodologies are considered to provide a reasonable basis for presenting all of the significant effects of the Transactions based on information available at this time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the Pro Forma Consolidated Financial Information.

The Pro Forma Consolidated Financial Information does not necessarily reflect what the post-combination company’s financial condition or results of operations would have been had the Transactions occurred on the dates indicated. They also may not be useful in predicting the future financial condition and results of operations of the post-combination company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The Pro Forma Consolidated Financial Information does not reflect the income tax effects of the pro forma adjustments as based on the statutory rate in effect for the historical periods presented given Boxine Group and 468 SPAC Group incurred significant losses during the historical periods presented. The Pro Forma Consolidated Financial Information is presented in Euro (€). Amounts are stated in € thousands (€ thousand) except if otherwise stated. The figures presented in the tables of the Pro Forma Consolidated Financial Information were rounded according to established commercial principles. Additions of the figures can thus lead to amounts that deviate from those shown in the tables.

Boxine Group and 468 SPAC Group did not have any historical relationship prior to the Transactions. Accordingly, no pro forma adjustments were required to eliminate activities between the two group companies.

11.5.3 Pro Forma Assumptions

11.5.3.1 Business Combination Date

For purposes of the Pro Forma Consolidated Financial Information, the pro forma consolidated statement of financial position as of June 30, 2021 assumes that the Transactions were consummated on June 30, 2021. The pro forma consolidated statements of profit or loss for the six months ended June 30, 2021 assumes that the Transactions were consummated on January 1, 2021.

11.5.3.2 Shares Deemed Issued

For purposes of the Pro Forma Consolidated Financial Information, it is assumed that the fair value of each individual new Public Share deemed issued to 468 SPAC shareholders is equal to the fair value of each individual 468 SPAC Public Share measured with the share price of €10.57 per share at November 11, 2021. For purposes of the Pro Forma Consolidated Financial Information, it is assumed the 468 SPAC Sponsor Shares are converted into Public Shares at the closing of the Business Combination and are therefore valued at the fair value of 468 SPAC Public Share. The values of the shares deemed issued are only for the purposes of preparing the Pro Forma Consolidated Financial Information and will change at consummation and may differ materially based on fluctuations in the price of 468 SPAC Public Shares through the closing date.

11.5.3.3 Class A warrants and Class B warrants

The Class A warrants issued in connection with 468 SPAC's IPO (Public Warrants) and Class B warrants issued in the private placement (Sponsor Warrants) are considered as part of 468 SPAC's net assets acquired by Boxine Group in the Transactions, as the warrants have been classified as liability classified financial instruments on 468 SPAC's historical financial statements according to IAS 32 and the Transactions will not change their liability classified presentation and will continue to be accounted for as liability classified financial instruments on the consolidated financial statements of the combined company after the Closing. For purposes of the Pro Forma Consolidated Financial Information, the fair value of Public Warrants was determined at €0.99 per warrant using Monte Carlo valuation model and the fair value of Sponsor Warrants was determined at €1.29 per warrant using Black-Scholes option pricing model as of June 30, 2021. The warrants values are only for the purposes of preparing the Pro Forma Consolidated Financial Information and their actual values will change at consummation and may differ materially based on based on fluctuations in the price of 468 SPAC warrants through the closing date.

11.5.3.4 Class A share Redemption

The Business Combination Agreement provides that Boxine Group's obligation to consummate the Transactions is conditioned on the amount of cash available in 468 SPAC, including PIPE proceeds, of at least €190.0 million, after exercise of the redemption rights by the 468 SPAC Public Shareholders, but prior to payment of deferred listing commissions and transaction costs associated with the Business Combination and PIPE Financing and "cash" means the amount of all cash, cash equivalents and marketable securities of 468 SPAC, calculated in accordance with IFRS. It is assumed that 468 SPAC's cash held in bank accounts and cash held in Escrow Account from the Additional Sponsor Subscription are fully used for supporting 468 SPAC's operations and covering the negative interest on the Escrow Account and the balances are zero as of Closing. Concurrent with the Business Combination 468 SPAC Public Shareholders have the opportunity to redeem all or a portion of their Class A shares upon the completion of the Business Combination at a per share value of €10.00, payable in cash. Notice of redemption by 468 SPAC public shareholders was due by November 11, 2021, under which redemption notices for 5,885 Class A shares were received. Under these circumstances, for purposes of the Pro Forma Consolidated Financial Information 468 SPAC Public Shareholders exercise their redemption rights with respect to 5,885 redeemable Class A shares upon consummation of the Transactions, at a redemption price of approximately €10.00 per share, resulting in a total redemption value of €58,850 from 468 SPAC Escrow Account.

For purpose of the Pro Forma Consolidated Financial Information, the accounting acquirer analysis has been prepared using the assumptions summarized above with respect to number of Class A shares for which public shareholders in 468 SPAC elected their redemption right for redemption price of €10.00 per share.

The following table summarizes the pro forma number of Public Shares of the post-combination company outstanding after redemptions and the assumptions described herein:

	Reflecting Actual Redemptions of 5,885 shares	
	Ownership in Shares	Equity %
Boxine Investors.....	50,431,586	51.2%
468 SPAC Public Shareholders	29,994,115	30.5%
468 SPAC Sponsor and Co-sponsors.....	7,500,000	7.6%
PIPE Investors	10,500,000	10.7%
	98,425,701	100.0%

11.5.3.5 Share Issuance

The pro forma adjustments in respect of the share issuance are based on the following assumptions:

- For purposes of the pro forma consolidated statements of profit or loss, it is assumed that the share issuance took place on January 1, 2021. For purposes of the pro forma consolidated statement of financial position, it is assumed that the share issuance took place on June 30, 2021.
- It is assumed that the adjustments of 100,000 shares of Holding GmbH shares held by the Holding GmbH Shareholders and 6,372 shares of Beteiligungs GmbH shares held by Höllenhunde, are transferred and contributed to 468 SPAC and exchanged into 50,431,586 Public Shares of 468 SPAC reflecting the redemption notices received by 468 SPAC on November 11, 2021, based on the contribution-in-kind value after the Boxine VSP claim, occurred as of January 1, 2021 and June 30, 2021 for the purpose of the pro forma consolidated statements profit or loss and the pro forma consolidated statement of financial position, respectively.
- It is assumed that the adjustment for the issuance of 10,500,000 new Class A shares in exchange for proceeds in the amount of €105.0 million for the PIPE Financing occurred as of January 1, 2021 and June 30, 2021 for the purpose of the pro forma consolidated statements profit or loss and the pro forma consolidated statement of financial position, respectively.

11.5.3.6 Boxine VSP Amendment

All Boxine VSP Beneficiaries under the Boxine virtual employee participation scheme have provided notice of acceptance of the Boxine VSP Amendment Agreement. Pursuant to the Boxine VSP Amendment Agreement, the Business Combination qualifies as an exercise event within the meaning of the Boxine VSP for all Boxine VSPs, and the Business Combination closing date shall be the first exercise date, that all Boxine VSP Beneficiaries are entitled to exercise at or immediately following the closing of the Business Combination, *i.e.*, November 26, 2021, a portion of their virtual participations in Beteiligungs GmbH in accordance with the terms and conditions of the Boxine VSP Amendment Agreement. The portion of exercisable Boxine VSP in terms of each Boxine VSP Beneficiary's total granted virtual participations in Beteiligungs GmbH at the Business Combination closing pursuant to Boxine VSP Amendment Agreement shall be the same percentage of the cash consideration in terms of the total consideration that the shareholders of Holding GmbH (except one shareholder FLA Invest GmbH & Co. KG) will receive at Closing, regardless of whether his or her Boxine VSP has vested or not at Closing, with maximum 32.7% under the no redemptions scenario, under which circumstance the shareholders of Holding GmbH (except one shareholder FLA Invest GmbH & Co. KG) will receive the maximum cash consideration, and no less than 20% under the maximum redemptions scenario, under which circumstance the shareholders of Holding GmbH (except one shareholder FLA Invest GmbH & Co. KG) will receive zero cash consideration. The shareholder FLA Invest GmbH & Co. KG will receive the number of 468 SPAC Public Shares in proportion to its shares held in Holding GmbH in exchange for the shares it held in Holding GmbH. The value of the entitled payment (either cash or shares) of the beneficiaries resulting from the exercise of their virtual participations is calculated by multiplying the exercised virtual participations by the volume-weighted average share price of 468 SPAC in XETRA trading (or a comparable successor trading system) on the Frankfurt Stock Exchange on the last thirty trading days before the respective exercise date ("**Boxine VSP Closing Payout Amount**").

For purposes of the Pro Forma Consolidated Financial Information and pursuant to the Business Combination Agreement and the Boxine VSP Amendment Agreement, Boxine VSP Beneficiaries of the exercisable virtual participations exercised at or immediately following the closing of the Business Combination shall receive in fulfillment of the value of their VSP claims against Beteiligungs GmbH with respect to the exercised virtual participations, a cash payment from Beteiligungs GmbH equal to 100% of the Boxine VSP claim, and the value of the VSP claim was determined with the assumption that 468 SPAC's average share price in the last 30 days before Closing was €10.00, to cover estimated relevant tax obligations. After reflecting the actual redemption of 5,885 468 SPAC Public Shares, 32.66% of the Boxine VSP will become exercisable as of closing of the Business Combination. All other outstanding virtual participations under the Boxine VSP not vested and exercisable as of the Business Combination closing shall vest and become exercisable pursuant to the terms of Boxine VSP, as amended by the Boxine VSP Amendment Agreement, and shall be settled either fully or partially in 468 SPAC Public Shares or cash upon future exercise by the Boxine VSP Beneficiaries, subject to the determination of Beteiligungs GmbH.

11.5.3.7 Transactions Related Costs

For purposes of the Pro Forma Consolidated Financial Information, the non-recurring preliminary estimated transaction costs expected to be incurred related to the Business Combination and PIPE Financing subsequent to June 30, 2021 until the Closing by 468 SPAC and Boxine Group are approximately €20.0 million. Those transaction costs are assumed to have been incurred before the closing of the Transactions as of the dates indicated and are therefore eliminated from the pro forma consolidated statement of profit or loss. For purposes of the Pro Forma Consolidated Financial Information, the transaction costs going to be incurred by Boxine Group are assumed to be paid by Holding GmbH and thus do not have an income tax impact on the Pro Forma Consolidated Financial Information as Holding GmbH is in an accumulative loss position and does not expect to generate revenues in the future.

11.5.4 Adjustments to the Pro Forma Consolidated Financial Information

The pro forma adjustments are based on preliminary estimates and assumptions that are subject to change.

11.5.4.1 Adjustments to the pro forma consolidated statement of financial position

The following adjustments have been reflected in the pro forma consolidated statement of financial position:

- A. To reclassify cash and marketable securities held in the 468 SPAC Escrow Account of €301,255 thousand to cash and cash equivalent that become available upon closing of the Transactions.
- B. To reflect proceeds of €105,000 thousand from the issuance and sale of 10,500,000 468 SPAC Public Shares at €10.00 (with a nominal value of €0.016 per share) per share in the PIPE Financing pursuant to the terms of the subscription agreements, increasing cash and cash equivalents by €105,000 thousand, with corresponding increases to share capital and share premium of €168 thousand and €104,832 thousand, respectively.
- C. To reflect the reclassification of €295,455 thousand carrying amount of 468 SPAC Class A shares subject to redemption (liability) to 468 SPAC's share capital and share premium of €480 thousand and €294,975 thousand, respectively, as well as the pro forma adjustment for the 5,885 redeemable Class A shares redeemed resulting in reductions of share capital of €94, share premium of €58,756 and cash and cash equivalents of €58,850.
- D. To reflect the adjustments to share capital and share premium after the transfer and contribution of all Holding GmbH shares held by Holding GmbH Shareholders and Beteiligungs GmbH shares held by Höllenhunde as of Closing to 468 SPAC in exchange for 50,309,541 new Public Shares of 468 SPAC and cash consideration of €215.0 million to Holding GmbH Shareholders and Höllenhunde, resulting in a decrease in non-controlling interests of €19,448 thousand, a net increase in share capital of €705 thousand and a decrease in share premium of €196,259 thousand. The net increase in share capital reflects a total increase in share capital of €807 thousand resulted from the share exchanges, reduced by eliminating Boxine Group's historical share capital of €100 thousand.

Represents the pro forma adjustment for the redemption of 5,885 468 SPAC Class A shares by 468 SPAC Public Shareholders, the cash consideration to Boxine Investors will be reduced by €58,850 and the exchanged new Public Shares of 468 SPAC will be increased by 5,885, resulting in an increase in cash

and cash equivalents of €58,850 and increases in share capital and share premium by €94 and €58,756 thousand, respectively. This result is pursuant to the Business Combination Agreement, the maximum cash consideration of €215 million to Boxine Investors shall be reduced by the redemption value as a result of 468 SPAC Public Shareholders exercise their redemption rights in connection with the Business Combination. The reduced cash consideration will increase accordingly the aggregate number of new Public Shares of 468 SPAC exchanged which is determined by dividing the difference between the Total Consideration and the Actual Cash Consideration by €10.00.

Furthermore, to reflect the elimination of the historical accumulated deficit of 468 SPAC of €11,421 thousand and decrease the combined company's share premium accordingly.

- E. To reflect 100% cash settlement of the Boxine VSP claim of the exercise by Boxine VSP Beneficiaries of their virtual participations pursuant to Boxine VSP Amendment Agreement as of the closing of Business Combination which shall be exercised at or immediately following the closing of the Business Combination, representing 32.66% of the total granted virtual participations after reflecting the redemption of 5,885 468 SPAC Public Shares, resulting in a decrease in cash and cash equivalents of €5,743 thousand and a corresponding decrease in share-based payment liabilities of €5,743 thousand.

The value of the VSP claim was determined with the assumption that 468 SPAC's average share price in the last 30 days before Closing was €10.00, which is consistent with the converted shares of Boxine Investors, and is subject to change based on the actual share price of 468 SPAC's Public Shares.

- F. To reflect the payment of approximately €18,849 thousand of estimated and incremental transaction costs incurred in connection with the Transactions by Boxine Group and 468 SPAC subsequent to June 30, 2021, resulting in a decrease to cash and cash equivalents of €18,849 thousand, out of which (i) €11,496 thousand, including €8,250 thousand of deferred underwriting and additional discretionary fees related to 468 SPAC's IPO payable by 468 SPAC on completion of the Business Combination, will be paid and recorded in 468 SPAC's statement of profit or loss subsequent to June 30, 2021 and will be reclassified to share premium on the pro forma consolidated statement of financial position, resulting in decreases in cash and cash equivalents and share premium of €11,496 thousand; (ii) €7,353 thousand will be paid by Boxine subsequent to June 30, 2021, resulting in a decrease in cash and cash equivalents of €7,353 thousand. Equity issuance costs (namely, professional fees directly attributable to the shares deemed issued to 468 SPAC and PIPE Financing) of €2,232 thousand are offset to share premium and the remaining balance of €5,121 thousand is accounted for as a decrease to retained earnings. Those transaction costs are assumed to have been incurred before the closing of the Transactions and are therefore eliminated from the pro forma consolidated statement of profit or loss. The remaining transaction costs are already included in the historical condensed consolidated statement of profit or loss and other comprehensive income of Boxine Group for the six-month period ended June 30, 2021 of €386 thousand and in the historical consolidated statement of comprehensive income of 468 SPAC for the period ended June 30, 2021 of €765 thousand.

The total effect of this pro forma adjustment resulted in decreases in cash and cash equivalents of €18,849 thousand, share premium of €13,728 thousand and retained earnings of €5,121 thousand.

- G. To reflect the preliminary estimated expense recognized, in accordance with IFRS 2, for the excess of the fair value of 468 SPAC shares deemed issued over the fair value of 468 SPAC identifiable net assets, adjusted for the estimated transaction costs and deferred underwriting and additional discretionary fees to be paid by 468 SPAC and pro forma adjustment C to reflect the reclassification of the Class A shares after redemptions from liabilities to equity, acquired at the closing date of the Business Combination, resulting in a decrease in Profit (Loss) of €122,634 thousand. The fair value of 468 SPAC Class A shares (Public Shares) and Class B shares (Sponsor Shares) was estimated based on a market price of €10.57 per Class A share as of November 11, 2021. The Class A warrants issued in connection with 468 SPAC's IPO (Public Warrants) and Class B warrants issued in the private placement (Sponsor Warrants) are considered as part of 468 SPAC's net assets acquired by Boxine Group in the Transactions. Public Warrants are measured using Monte Carlo valuation model, due to no observable transactions and Sponsor Warrants are measured using Black-Scholes option pricing model as of June 30, 2021, both of which are included in 468 SPAC's audited consolidated interim statement of financial position as of June 30, 2021.

The detailed calculations of the above amounts are as follows (amounts in thousands, except of share and per share data):

	<u>Per Share Value</u>	<u>Shares</u>	<u>Fair Value</u>
	(in € thousand, except of share and per share data)		
Class A.....	€10.57	30,000,000	317,100
Class B.....	€10.57	7,500,000	79,275
Redemptions.....		(5,885)	(62)
Fair value of consideration.....		<u>37,494,115</u>	<u>396,313</u>
Fair value of 468 SPAC's net assets			<u>273,679</u>
Excess of fair value of consideration over fair value of 468 SPAC's net assets			<u>122,634</u>

- H. To reflect the settlement of Boxine Group's Vendor Loans as of the Closing in the amount of approximately €44,238 thousand as of June 30, 2021 historically recognized in "Loans and borrowings (short term)" within current liabilities in the historical statement of financial position of Boxine Group.
- I. To reflect the distribution of capital reserves at the Closing to Holding GmbH Shareholders which Holding GmbH Shareholders have previously injected to Holding GmbH and recognized in "Share premium" in the historical statement of financial position of Boxine Group. The distribution amount is estimated in the amount of approximately 5,248 thousand, equalling the amount of the Shareholder Loan Amount (such amount plus interest in the aggregate) on the date of the shareholders' resolution for this distribution which is expected to be on November 24, 2021.

11.5.4.2 Adjustments to the pro forma consolidated statement of profit or loss

The pro forma adjustments included in the pro forma consolidated statement of profit or loss are all non-recurring adjustments and are as follows:

- AA. To reflect the preliminary estimated expense recognized, in accordance with IFRS 2, for the excess of the fair value of 468 SPAC shares deemed issued over the fair value of 468 SPAC identifiable net assets, adjusted for the estimated transaction costs and deferred underwriting and additional discretionary fees to be paid by 468 SPAC and the reclassification of the Class A shares after redemptions from liabilities to equity, acquired at the closing date of the Business Combination, recognized in other expenses in the amount of €122,634 thousand. This expense is non-recurring and not expected to have continuing impact on the combined company.
- BB. To reflect the elimination of transaction costs related to the Business Combination 468 SPAC and Boxine have incurred and recorded in their historical interim consolidated statement of comprehensive income for the period ended June 30, 2021 and condensed consolidated statement of profit or loss and other comprehensive income for the six months ended June 30, 2021, respectively, and in the total amount of €1,151 thousand, which are assumed to have been incurred before the assumed closing date of the Transactions of January 1, 2021 for pro forma consolidated statement of profit or loss.
- CC. To reflect the elimination of €95 thousand in finance costs resulting from negative interest incurred on 468 SPAC's cash and investments held in 468 SPAC Escrow Account for the six-month period ended June 30, 2021.

11.5.5 **Pro Forma Basic and Diluted Net Loss per Share**

The pro forma basic and diluted net loss per share amounts presented in the pro forma consolidated statement of profit or loss are based upon the number of the 468 SPAC Public Shares outstanding as of June 30, 2021, assuming the Transactions occurred on January 1, 2021. As the pro forma consolidated statements of profit or loss are in a loss position, anti-dilutive instruments are excluded in the calculation of diluted weighted average number of ordinary shares outstanding, including 10,000,000 Public Warrants and 6,400,000 Sponsor Warrants to acquire 468 SPAC Public Shares, which are held by former holders of 468 SPAC Public Shareholders and 468 SPAC Sponsors, respectively.

As the Transactions are being reflected as if they had occurred at the beginning of the period presented, the calculation of weighted average Parent Ordinary Shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Transactions have been outstanding for the entire period presented.

	(in € thousand, except of share and per share data)
Pro forma weighted average number of 468 SPAC Public Shares outstanding	
Public Shares issued to Boxine Investors	50,431,586
Public Shares issued to 468 SPAC Class A and Class B shareholders.....	37,494,115
Public Shares issued to PIPE Investors.....	10,500,000
Pro forma weighted average number of 468 SPAC Public Shares outstanding	
— basic and diluted	98,425,701
Six months period ended June 30, 2021	
Pro forma net loss for the six months period ended June 30, 2021	(149,461)
Pro forma net loss per share — basic and diluted for the six months period ended June 30, 2021	€(1.52)

11.6 Examination Report

To 468 SPAC I SE, Luxembourg/Luxembourg

We have examined whether the pro forma consolidated financial information as of June 30, 2021 of 468 SPAC I SE, Luxembourg/Luxembourg, (“Company”) has been properly compiled on the basis stated in the notes to the pro forma consolidated financial information and whether this basis is consistent with the accounting policies of the Company. The pro forma consolidated financial information comprises the pro forma consolidated statement of profit or loss for the period from January 1 to June 30, 2021, the pro forma consolidated statement of financial position as of June 30, 2021, and the notes to the pro forma consolidated financial information, including the basis of preparation.

The purpose of the pro forma consolidated financial information is to present the material effects the transaction described in the notes to the pro forma consolidated financial information would have had on the historical financial statements if the group had existed in the structure created by the transaction throughout the entire reporting period of the pro forma consolidated statement of profit or loss or at the date of the pro forma consolidated statement of financial position. As pro forma financial information reflects a hypothetical situation, it is not entirely consistent with the presentation that would have resulted had the relevant events actually occurred at the beginning of the reporting period of the pro forma consolidated statement of profit or loss and the pro forma consolidated statement of financial position. Therefore we do not issue an opinion on the actual effects of the transactions described in the notes to the pro forma consolidated financial information.

The compilation of pro forma consolidated financial information in accordance with the principles described in the COMMISSION DELEGATED REGULATION (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, Annex 20 Pro Forma Information, is the responsibility of the management of the Company.

Our responsibility is to express an opinion, based on our examination, whether the pro forma consolidated financial information has been properly compiled on the basis stated in the notes to the pro forma consolidated financial information and whether this basis is consistent with the accounting policies of the Company. This includes the evaluation of the overall presentation of the pro forma consolidated financial information. The subject matter of this engagement does neither include an audit or review of the basic figures including their adjustment to the accounting policies of the Company, nor of the pro forma assumptions stated in the notes to the pro forma consolidated financial information.

We have planned and performed our examination in accordance with the IDW Auditing Practice Statement: Examination of Pro Forma Financial Information (IDW AuPS 9.960.1) promulgated by the *Institut der Wirtschaftsprüfer in Deutschland e.V.* (Institute of Public Auditors in Germany) (IDW) in such a way that material errors in the compilation of the pro forma consolidated financial information on the basis stated in the notes to the

pro forma consolidated financial information and in the compilation of this basis consistent with the accounting policies of the Company are detected with reasonable assurance.

In our opinion, the pro forma consolidated financial information has been properly compiled on the basis stated in the notes to the pro forma consolidated financial information. This basis is consistent with the accounting policies of the Company.

Düsseldorf, 15. November 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

Jessen
Wirtschaftsprüfer
(German Public Auditor)

Ramsauer
Wirtschaftsprüfer
(German Public Auditor)

12. BUSINESS DESCRIPTION

The following section describes the business conducted by the Boxine Group, which the Company will continue to pursue.

12.1 Overview

Our vision is to become the world's largest interactive audio platform for kids in the world. We offer a smart, connected audio player, the Toniebox. The audio content is stored in our Tonies cloud and downloaded and unlocked through our Tonie figurines, which allow not only for an offline usage but also offer our customers an extensive and constantly growing choice of over 300 exciting characters, triggering steady usage and repurchases, comparable to a razor-blade business model, and thereby building brand loyalty. After having focused on the DACH region in the first years following our start of operations in 2016, we have now expanded into the United Kingdom, Ireland, the United States and, most recently, France. As of June 30, 2021, more than 2.4 million Tonieboxes were activated and more than 25 million Tonies sold to customers (*source: Company information*).

We have created a new product category. Our products are positioned at the intersection of four large consumer markets, video gaming, traditional toys and games, connected audio and video streaming. All of these markets are large and, based on Company information, generally expected to grow strongly over the medium term. The video gaming market had a global size of €136 billion in 2020 and we expect this market to grow at a CAGR of 7% between 2020 and 2025 (*source: Euromonitor*). The traditional toys and games markets had a global trading volume of €70 billion in 2020 and we expect this market to grow at a 3% CAGR between 2020 and 2025. The market for connected audio had a global size of €16 billion in 2020 and is predicted to increase by a CAGR of 10% between 2020 and 2025. Finally, the market for video streaming had a global size of €52 billion in 2020. Between 2020 and 2025, we expect that this market will grow at a CAGR of 10% (*source: The Boston Consulting Group*).

We have created an ecosystem tailored to the needs of young families by providing a playful, safe and screen-free audio experience. Our ecosystem centers around the Toniebox, a smart, connected audio player, which has been designed with the ambition of making it the first connected device to enter a child's room. Content is unlocked through Tonies figurines. We offer a constantly growing choice, currently including over 300 exciting characters, which are triggering steady usage and repurchases, thus strengthening brand loyalty. We secure content through licensing agreements with content owners. For license-free songs and stories, we also use in-house recordings, which helps us increase our margins.

We have outsourced the production of our Tonieboxes to a supplier in China, with a second supplier in Hungary expected to be added later in 2021, and we have outsourced the production of our Tonies figurines to three suppliers in Tunisia and China, with a fourth Chinese supplier currently being added. Our dense distribution network is characterized by an omni-channel, but online focused, approach, relying mainly on offline distribution channels, but also on large e-commerce marketplaces as well as our own website. We currently rely on four distribution centers, one located in Germany, one in the United States (and intend to open two additional distribution centers in the United States) and one in the United Kingdom and intend to add one distribution center in France. Our marketing strategy focuses primarily on brand building as well as efficient customer acquisition.

Since our start of operations in 2016, we have achieved significant size and scale. As of June 30, 2021, more than 2.4 million Tonieboxes had been activated. Approximately 80% of them are used at least once every month, which also includes those activated in 2016. Furthermore, 25 million Tonies have been sold since the start of our operations (*source: Company information*). In 2020, our revenue was €134.6 million and our EBIT loss was €17.8 million.

For more information about the transactions contemplated in the Business Combination Agreement, please see the section entitled "6. *Business Combination Agreement and Ancillary Documents*."

12.2 Our Strengths

12.2.1 We have created a new multi-billion Euro category in the intersection of the four huge consumer markets video gaming, connected audio, video streaming and the traditional toys and games market with its sub-market connected toys

We operate at the intersection of four large consumer markets, which are, based on Company information, generally expected to grow strongly over the medium term. The video gaming market had a global market size of

€136 billion in 2020 and we expect this market to grow at a CAGR of 7% between 2020 and 2025 (*source: Euromonitor*). The traditional toys and games market, which we expect to grow at a 3% CAGR between 2020 and 2025, had a global market size of €70 billion in 2020, with the segment being the most relevant proxy for the Tonies product category growing market of connected toys having a global market size of €7 billion in 2020 and being expected to grow at a CAGR of 16% to €16 billion between 2020 and 2025. The market for connected audio had a global market size of €16 billion in 2020 and is predicted to increase at a CAGR of 10% between 2020 and 2025. Finally, the market for video streaming had a global market size of €52 billion in 2020. Between 2020 and 2025, we expect this market to grow at a CAGR of 13% (*source: The Boston Consulting Group*).

12.2.2 As a pioneer with a category-defining offering we benefit from our differentiated positioning

We see ourselves as a pioneer with a category-defining offering, a high brand loyalty (with net promoter scores (“NPS”, a metric to measure the likelihood that customers would recommend a product on an overall scale from +100 and -100) of 78 in Germany and Austria, 70 in the United Kingdom and 90 in the United States) and a differentiating value proposition by providing a playful, safe and screen-free audio experience with the largest interactive audio platform for kids in the world. By positioning our Toniebox as the first connected device to enter the child’s room, we benefit from a first mover advantage.

Our global partner network provides us with access to international blockbuster content such as from Disney or Warner Bros. as well as regional evergreens such as “Was ist Was”, “Asterix”, “Paddington Bear”, “The Grinch” and “Benjamin Blümchen”. Through our extensive audio library, we provide our customers in the DACH region with additional digital content for physical Tonie figurines by offering customers the option of downloading additional episodes for certain Tonie figurines. Moreover, it is our intention to broaden this offering to other regions as well. We also offer accessories, such as adjacent products and merchandising, providing us with additional opportunities to grow our business.

12.2.3 We operate based on a tech-enabled, scalable, razor-blade business model

We benefit from a business model that relies on our tech backbone and seeks to guarantee razor-blade economics, *i.e.*, selling one good at a comparatively low price to enable sales of a complementary good. Our business is based on our proprietary ecosystem with the Toniebox as its entry point. As our Toniebox is used in combination with our Tonie figurines, which serve as both keys to the audio content as well as toys for the children, the purchase of one Toniebox usually triggers follow-on purchases of multiple Tonie figurines, with our average customer buying about 20 Tonies within a period of 4.5 years (*source: Company information*).

Additional sales are generated through our extensive audio library for digital content. Based on our tech backbone and external sourcing, where we keep adding suppliers as necessary, our business is also highly scalable, which has enabled our rapid growth with more than 25 million sold Tonies since the start of our operations and our geographic expansion.

We cover the full value chain, from hardware to content production to distribution. Our growth is supported by our data-driven approach, which allows us to unlock the power of a content-driven flywheel, where more content leads to more data, which in turn results in more relevant content.

12.2.4 We have created a beloved direct-to-customer brand with a fast-growing and highly loyal fanbase

Since the start of our operations in 2016, our direct-to-customer brand has developed a rapidly growing and highly loyal fanbase. Our truly excited customers are the heart of our active fanbase, as evidenced by exceptionally high NPS, such as 90 in the United States, 78 in Germany and Austria and 70 in the United Kingdom. In the DACH region alone, we have more than 360,000 highly vocal followers on our social media channels as of September 30, 2021. Based on the approach that we have developed in the DACH region and refined as we scaled our operations in the United Kingdom and Ireland, we believe that we are well positioned to quickly and efficiently enter additional markets. For example, our launch in the United States has been even more successful than the one in Germany. In just three months, Tonieboxes have been activated in all 50 states of the United States (*source: Company information*).

12.2.5 Track-record of outstanding growth and proven profitability backed by an active and sticky customer base and attractive unit economics

Our revenue increased at a CAGR of 50% between 2018 and 2020 and we expect a compound annual growth rate of 38% for the coming years until 2025. In addition, our revenue increased to €134.6 million in 2020 in just 5 years from our start of operations and with only €10 million of equity funding since launch in 2016.

As of June 30, 2021, already over 2.4 million Tonieboxes had been activated and 25 million Tonies had been sold. Approximately 80% of the Tonieboxes are active at least once every month. We expect our growth to continue as our average customer buys 20 Tonies within a period of 4.5 years (*source: Company information*).

In light of this outstanding track-record, we believe that our strong unit economics and margin improvement potential will allow us to target a contribution margin of 40% for the group and 47% in the DACH region and an adjusted EBITDA margin of 16% for the group and 35% in the DACH region over the medium term.

12.3 Our Strategy

We intend to capture multi-dimensional growth opportunities by increasing our penetration in the DACH region, expanding internationally and expanding our product and platform.

12.3.1 Leverage strong domestic DACH market and capture full potential

The DACH region, where we started our operations in 2016, is our most mature market. We believe that this market shows further growth potential, where we seek to benefit from content-driven structural growth. It is our target to increase our revenue within the DACH region from €126.0 million in 2020 to €172.9 million in 2025, driven by an increase in our market penetration from 35% in 2020 to 52% in 2025, translating into an increase in the installed base from 1.9 million Tonieboxes in 2020 to 2.8 million Tonieboxes in 2025. In this regard, our estimates lie below the estimates that other category defining products have reached in their markets.

12.3.2 Extend our offering internationally

We have a clear internationalization roadmap in place with defined building blocks for sustainable growth as part of our strategic roadmap. We have had a full local team on the ground since 2016 in Germany, Switzerland and Austria, after initial tests in 2018, a full team operates since 2019 on the ground in the United Kingdom and Ireland and since 2020 in the United States. As of September 2021, after a trial period, a full local team operates on the ground in France. By 2023, we intend to install local teams also in China. We also seek to enter other markets in Europe, Asia and Latin America, based on a primarily light-touch model (direct-to-customer first).

In the United States, we have built significant momentum, as evidenced by an NPS of 90 and an average of 6.5 Tonies sold per Toniebox within 9 months from the purchase of a Toniebox, which is slightly higher versus the like-for-like first cohorts in DACH (*source: Company information*). We intend to further engage and convert our target group through digital presence, partnerships and a strong go-to-market approach. We target to lever these measures to increase our revenue in the United States from €3 million in 2020 to €295 million in 2025.

Furthermore, we believe that China shows strong potential to become the next Tonies success story and intend to tap into this huge market.

12.3.3 Product and platform expansion

Improving our platform and product offering to satisfy and grow our fanbase and to improve our profitability is a key element of our strategic roadmap. We constantly expand our (own) content portfolio and also improving our existing products (*i.e.*, Toniebox and Tonies). This also involves further capitalizing on the digital product opportunity. Besides our traditional products, we are looking into expanding into accessories and merchandise, thereby making use of cross-selling advantages. In the future, we will also look into adding new content aimed at new target groups. In January 2021, we set up our innovation unit “Tonielab” which will drive our product innovation forward. In addition to that, we are experimenting with alternative materials for our Tonie figurines, such as wood, which may be helpful when expanding into new target groups.

12.3.4 Further increase profitability of our business

We believe that our scalable business model will drive future profitability. We see strong margin improvement potential, the effects of which are partially already locked in. We believe that we will be able to reduce our cost of goods sold by 17% over the coming years through better prices from our suppliers and shifting volumes to new suppliers recently acquired in a tender process. While it is our strategic target to reach savings of 6% compared to our baseline, some of these savings are temporarily offset by effects from the current tensions in the freight and raw material markets. By producing more of our own license-free music and stories in the future, we can also significantly reduce licensing costs. Finally, it remains our strategic target to reach an adjusted EBITDA margin of 35% in the DACH region in the medium term in order to lead us to profitability.

12.4 Our Geographic Footprint

In 2019, we generated 98% of our net revenue in the DACH region, with our then newly-launched operations in the United Kingdom and Ireland. In 2020, we launched our operations in the United States. Most recently, we also have entered the French market. Our target is to expand our geographic footprint even further, including China.

12.5 Our Operations

12.5.1 Our Ecosystem

We see ourselves as pioneers of connected, technology-enabled audio systems for kids and as a provider of premium, curated audio content. Our ecosystem is tailored to the needs of young families by providing a playful, safe and screen-free audio experience.

12.5.1.1 The Toniebox



Our Toniebox is a smart, connected audio player, using our patented hardware. The Toniebox has been designed with a view to allow intuitive use by even children as young as three years of age. Its artificial leather provides shock protection and comes in a number of colors that are liked by children. It can be turned on by pressing one of the two ears, which also serve to change the volume. At the top is a platform with an integrated magnet where our Tonie figurines can be placed. The Toniebox includes a chargeable battery, which provides for up to seven hours of playtime, and can easily be charged by using our charging device, which can be connected to the bottom of the box. Furthermore, each Toniebox has an integrated memory with a size of about eight gigabyte, providing enough storage space for hundreds of hours' worth of audio content. A W-LAN connection allows for downloading of content from our cloud to the box.

12.5.1.2 The Tonies



The Tonies are figurines that can be placed at the top of the Toniebox. They contain a chip with a code, serving as a key to unlock content. When placed on top of a Toniebox for the first time, the relevant content will be downloaded from our cloud and locally stored at the Toniebox (requires internet connection). The Toniebox will play the content when the Tonie is placed on its top; it stops playing when the Tonie is removed.

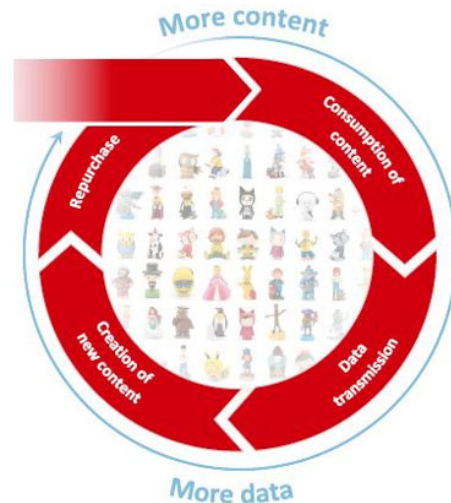
We have strong licensor relationships with numerous content providers, allowing us to offer users with access to international blockbuster content as well as regional evergreens. Overall, we offer an extensive and constantly growing choice of currently over 300 exciting characters (with premium content), triggering steady usage and repurchases. In addition, we offer creative Tonies that allow children or their parents to record custom content. Furthermore, additional audio content can be purchased through our audio library.

We also enable other products to function like Tonies, such as Playmobil characters or Steiff stuffed animals, by inserting a Tonies chip, which allows them to operate on our platform and unlock the respective content. In addition, we offer Toniebox-themed accessories, such as headphones, shelves, cases for the Tonies and backpacks in the shape of popular figurines.

12.5.1.3 Data

Thanks to our data-driven approach, we understand our users. We know what they listen, where and when, how often and for how long they listen to content and how intensely they engage with the platform. Moreover, we know which content is downloaded and how popular the relevant content is.

These insights allow us to tailor our offering to the needs and preferences of our users and to stay on top of relevant developments and to unlock the value of a powerful flywheel.



12.5.2 Sourcing

12.5.2.1 Hardware

We have outsourced the production of our Tonieboxes to a single supplier in China, with a second supplier in Hungary expected to be added later in 2021. Our Tonies figurines are sourced from three suppliers in Tunisia and China, with a fourth Chinese supplier currently being added. For a few other components, such as the production of the artificial leather for the Toniebox, assembly and packaging of the Toniebox and production of the magnets and NFC chips for the Tonies, we rely on a single sourcing strategy.

12.5.2.2 Content

We either enter into content licensing agreements or produce the content ourselves. Some content is licensed from different licensors, including Disney, Universal, Marvel, Warner Bros., DMG and Pixar. Our proprietary content production is managed by our content unit based in Hamburg, which allows us to lower the cost for content that is not copyright protected.

Our highly curated portfolio comprises various key categories

- Entertainment
 - Our entertainment category showcases many of the kids heroes that are well-known from movies or TV series, such as Peppa Pig or Paw Patrol. As of December 2020, over 12 million Tonies of this category have been sold.
- Music & Movement
 - Our Music & Movement Tonies focus on traditional children’s songs and content from cooperation with artists. As of December 2020, over three million Tonies of this category have been sold.
- Education
 - The education category within our Tonies collection includes non-fiction and broader learning content, such as non-fiction content about dinosaurs. As of December 2020, over 400,000 Tonies of this category have been sold.
- Tales & Classics
 - Our tales & classics category focuses on traditional stories and fairy tales, such as Pinocchio or Little Red Riding Hood. As of December 2020, over 500,000 Tonies of this category have been sold.
- Relaxation
 - This category includes compilations of nap time sounds and stories to help children relax and sleep. As of December 2020, over 500,000 Tonies of this category have been sold.
- Digital Stars
 - Our digital stars category, which has just been launched, includes new “hype” franchises and iconic contemporary characters.
- Iconic Books
 - Iconic books include local bestsellers and international classics, such as Pippi Longstocking. As of December 2020, over two million Tonies of this category have been sold.
- Creative Tonies
 - Creative Tonies can record up to 90 minutes of custom content. As of December 2020, over two million Creative Tonies have been sold.

12.5.3 Sales

We have a dense distribution network with an omni-channel, but online focused, approach that varies depending on local market structure. In DACH for example, we mainly rely on offline distribution channels, such as book stores or consumer electronics retailers. In addition we also use e-commerce marketplaces, such as amazon. Furthermore, we operate our own e-commerce website, where we sell Tonieboxes, Tonies and accessories directly to customers, putting us directly in contact with our customers and making us independent from retail chains.

12.5.4 Distribution

Next to our online services, we currently rely on four distribution centers, one located in Germany, one in the United States and one in the United Kingdom and intend to add one distribution center in France. For our direct-to-customer sales, we are partnering with well-known service providers for shipping our products.

12.5.5 Marketing

Our marketing relies primarily on a brand building strategy. By presenting our Tonieboxes and Tonies as category-defining products, we have created our own distinctive identity on the market, which provides us with a high recognition value and creates differentiation from similar products on the market. We regard the maintenance of our strong brand identity as crucial for our customer acquisition and for sustaining and driving our revenue and profit growth.

12.6 Intellectual Property

12.6.1 Trademarks

As of the date of this Prospectus, we have registered, or filed for the registration of, a number of trademarks, including our most important brand “Tonies”, “Tonie”, “Boxine” and “Toniebox”. We constantly monitor the market in order to maintain and protect these key assets, including by pursuing any infringements by third parties.

12.6.2 Patents

As of the date of this Prospectus, we have registered, or filed for the registration of, a number of patents and utility models, namely the German Patent application 10 2011 056 420.9 as well as the patent families that contain the PCT-applications WO 2015/104222, WO 2017/129348, WO 2017/129349, WO 2021/023404.

12.6.3 Registered Designs

As of the date of this Prospectus, we have registered, or filed for the registration of, a number of design rights, including one for the general appearance of the Toniebox.

12.6.4 Domains

As of the date of this Prospectus, we are the legal or beneficial owners of various domains, including the following top-level domains that are essential to our business: tonies.com and tonies.de.

12.7 Insurance Coverage

We have taken out a number of group insurance policies that are customary in our industry (e.g., property and loss of earnings insurance, business liability insurance, including insurance for product liability, transport insurance and environmental liability insurance) and cover all entities of the Group. Our insurance policies contain market-standard exclusions and deductibles. We regularly review the adequacy of our insurance coverage and consider our insurance coverage market standard insurance coverage customary in our industry. There is, however, no guarantee that we will not suffer any losses for which no insurance coverage is available or that the losses will not exceed the amount of insurance coverage under existing insurance policies.

We have also taken out a directors and officers (“D&O”) insurance policy that covers the current and future members of the Management Board and Supervisory Board as well as equivalent bodies of other entities of the Group, with a total coverage of up to €10 million per year and various sub limits depending on the specific nature of claims. The D&O insurance provides for a deductible for all of the members of the Management Board in line with the AktG.

12.8 Employees

As of October 31, we employ a total of 352 full time equivalent employees.

The following table provides a breakdown of our full time equivalent employees for the periods and dates presented:

	For the fiscal year ended December 31,		
	2020 ⁽¹⁾	2019 ⁽¹⁾	2018 ⁽¹⁾
Germany.....	149.8	98.1	57.0
United Kingdom	6.9	4.8	2.1
France.....	0.8	0	0
United States.....	9.4	0	0
Number of employees.....	166.9	102.9	59.1

(1) Shows the average number of employees during the respective period.

12.9 Real Property

Our headquarters are located at Grafenberger Allee 120, 40237 Düsseldorf, Germany.

As of the date of this Prospectus, the Company does not own any real property. The following table provides an overview of all real property currently leased by the Group:

Location	Approximate size of effective area (unaudited) (in sqm)	Primary use
Oststraße 119, 40210 Düsseldorf, Germany	3,517 (including extension areas)	Office/Warehouse
Königsallee 106, 40215 Düsseldorf, Germany	1126	Office
Baldungstraße 5, 73525 Schwäbisch Gmünd, Germany	640	Office/Warehouse
Am Wehrhahn 50, 40211 Düsseldorf, Germany	430	Office
Grafenberger Allee 120, 40237 Düsseldorf, Germany	277	Office
Lindenfirststraße 28, 73527 Schwäbisch Gmünd, Germany	160	Office
Suite 103, 3401 El Camino Real, Palo Alto, CA 94306, USA.....	130	Office
31 rue de Paradis-75009 Paris, France.....	127	Office
Friedrichstraße 53, 40217 Düsseldorf, Germany	111	Office
Hohenesch 23, 22765 Hamburg, Germany.....	50	Recording Studio
3000 El Camino Real, Building 4, Suite 200, Palo Alto, California, 94306, USA.....	46	Virtual Office
Torstraße 92, 10119 Berlin, Germany	31	Office
Riesstraße 16, 80992 Munich, Germany.....	15	Office
365-B Lake Avenue Santa Cruz, Santa Cruz, California, USA....	0	Virtual Office

12.10 Legal Proceedings

In the ordinary course of our business activities, we are regularly exposed to litigation, particularly in the areas of product warranty, guarantee claims, delivery and payment delays, competition law, intellectual property disputes, labor disputes and tax matters.

However, we are currently not involved in any legal dispute with a significant effect and have not been involved in any such proceedings during the past twelve months, other than the potentially pending proceeding under “12.10.1 Potentially pending legal proceedings with GEMA” and the pending proceeding under “12.10.2 Legal proceedings with ZPÜ”. Other than these, we are not aware of any governmental, legal or arbitration proceedings (whether pending or threatened) which may have, or have had, a significant effect on our financial position or profitability during the past twelve months. We do not expect either proceeding to affect the ongoing production and exploitation of our Tonies.

12.10.1 Potentially pending legal proceedings with GEMA

We are currently in negotiations with the German Society for musical performing and mechanical reproduction rights (*Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte*; “GEMA”), which administers the vast majority of musical reproduction rights on the German market. We have not yet entered into a license agreement with GEMA due to differences of opinion as to which fees should apply. If our negotiations with GEMA fail, it may be necessary to call in the specialized arbitration board in order to obtain a proposal for the parameters according to which the use of music in the innovative product Tonies is to be remunerated adequately.

12.10.2 Legal proceedings with ZPÜ

Devices that allow users to store or copy individual content, such as our Tonieboxes, are subject to fees in certain jurisdictions, including in Germany. We are currently in discussions with some of the collecting societies and similar other organizations, in particular, for the German market, with the Central Organization for Private Recording Rights (*Zentralstelle für Private Überspielungsrechte*; “ZPÜ”), which most likely will result in us being required to pay a fee. In December 2020, the ZPÜ filed for an arbitration proceeding with the arbitration board of the German Patents and Trademarks Office (*Schiedsstelle beim Deutschen Patent- und Markenamt*), which is currently pending due to ongoing negotiations between ZPÜ and us about which fees shall apply to our Tonieboxes.

13. MATERIAL CONTRACTS

The Company has not entered into any material contracts other than those described below and the Business Combination Agreement (see Section “6. *Business Combination Agreement and Ancillary Documents*”).

13.1 Escrow Agreement

468 I Advisors KG, a wholly owned subsidiary of the Company, has entered into an escrow agreement with Joh. Berenberg, Gossler & Co. KG (“**Escrow Agreement**”), pursuant to which 468 I Advisors KG established a segregated Escrow Account at Berenberg for (i) the gross proceeds from the Private Placement, (ii) the gross proceeds from the Additional Sponsor Subscription, (iii) the interest earned on the gross proceeds, if any, and (iv) Deferred Listing Commissions (as defined below). The Escrow Agreement is a German law governed contract with protective effect in favor of the Company and the Public Shareholders as well as, with respect to the Deferred Listing Commissions (as defined below), Berenberg (*Vertrag mit Schutzwirkung zugunsten Dritter*).

Pursuant to the Escrow Agreement, Berenberg acts in the function as escrow agent and holds the Escrow Account. Following the consummation of the Business Combination, the amounts held on deposit in the Escrow Account will first be used to redeem the Public Shares for which a redemption right was validly exercised. As such, the amounts held in the Escrow Account will be paid out in the following order of priority:

- first, to redeem the Public Shares for which a redemption right was validly exercised;
- second, in relation to any Public Share for which a Public Shareholder has validly exercised a redemption right, to pay of any pro rata (positive) interest on, or other income generated from investment of, any amounts deposited on the Escrow Account, after deduction of taxes paid or, in the judgement of the account holder to be paid, on such interest or income;
- third, to pay the Fixed Deferred Listing Commission (as defined below);
- fourth, to pay the Discretionary Deferred Listing Commission (as defined below); and
- fifth, to pay any remainder of any amount in the Escrow Account to the Company.

Upon full distribution of the amounts in the Escrow Account, Berenberg closes the Escrow Account and the Escrow Agreement will be terminated automatically and cease to have any effect (other than in relation to accrued liabilities thereunder, which will survive such termination).

Berenberg in its function as escrow agent, has waived any right to withhold, set-off or otherwise net claims or charges against the Escrow Account.

13.2 Underwriting Agreement

13.2.1 Underwriting Agreement and Volume Agreement

On April 27, 2021, the Company entered into an underwriting agreement with Berenberg (the “**Underwriting Agreement**”) relating to its initial private placement.

13.2.2 Commissions

The Company agreed to pay Berenberg a fee of 1.50% of the gross proceeds from the initial private placement on the date of completion of the initial private placement. On the date of the consummation of the Business Combination, *i.e.*, November 26, 2021, the Company will pay Berenberg the fixed deferred listing commission, equal to a fee of 2.25% of the gross proceeds from the Private Placement (the “**Fixed Deferred Listing Commission**”). As part of the deferred listing commissions, the Company may, in its absolute and full discretion, further award Berenberg an additional discretionary deferred listing commission of up to 0.50% of the gross proceeds of the initial private placement (the “**Discretionary Deferred Listing Commission**” and together with the Fixed Deferred Listing Commission, the “**Deferred Listing Commissions**”), payable from the amounts in the Escrow Account, on the date of consummation of the Business Combination.

13.2.3 Indemnification

In the Underwriting Agreement, the Company has agreed to indemnify Berenberg against certain liabilities that may arise in connection with the initial private placement, including liabilities under applicable securities laws.

13.2.4 Lock-Up

The Sponsor and the Co-Sponsors have committed to the Company not to transfer, assign, pledge or sell any of the Sponsor Shares and Sponsor Warrants other than to Permitted Transferees (see “13.3 Sponsor Agreement”). The Sponsor Shares and Sponsor Warrants will become transferrable on the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Public Shares equals or exceeds €12.00 for any 20 trading days within any 30-trading day period.

13.3 Sponsor Agreement

The Sponsor, the Co-Sponsors and the Company have entered into a sponsor agreement (the “**Sponsor Agreement**”).

Pursuant to the Sponsor Agreement, the Sponsor and the Co-Sponsors have committed not to transfer, assign, pledge or sell any of the Sponsor Shares and Sponsor Warrants other than to Permitted Transferees in accordance with the Sponsor Lock-Up. From the consummation of the Business Combination, the Public Shares received by the Sponsor and the Co-Sponsors as a result of conversion of their Sponsor Shares in accordance with the Promote Conversion will become transferrable on the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Public Shares equals or exceeds €12.00 for any 20 trading days within any 30-trading day period. Any Permitted Transferees will be subject to the same restrictions as the Sponsor and the Co-Sponsors with respect to any Sponsor Shares and Sponsor Warrants.

The foregoing restrictions are not applicable to transfers (a) to the members of the Management Board or Supervisory Board or, in case an advisory board is established at the level of the Company, the members of such advisory board, any affiliates or family members of any members of the Management Board or Supervisory Board, any members or partners of the Sponsor or its affiliates, any affiliates of the Sponsor, or any employees of such affiliates; (b) in the case of an individual, by gift to a member of one of the individual’s immediate family or to a trust, the beneficiary of which is a member of the individual’s immediate family, an affiliate of such person or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales or transfers made in connection with the consummation of a Business Combination at prices no greater than the par value of €0.016 per Sponsor Share or the price for which the Sponsor Warrants were originally purchased; (f) in the form of pledges, charges or any other security interest granted to any lenders or other creditors, (g) of Sponsor Shares and Sponsor Warrants pursuant to enforcement of any security interest entered into in accordance with (f); (h) by virtue of the Sponsor’s organizational documents upon liquidation or dissolution of the Sponsor; (i) to the Company for no value for cancellation in connection with the consummation of the Business Combination; (j) in the event of the liquidation of the Company prior to the consummation of the Business Combination; or (k) in the event of the completion of a liquidation, merger, share exchange or other similar transaction concerning the Company which results in all of the holders of Public Shares having the right to exchange their Public Shares for cash, securities or other property subsequent to the consummation of the Business Combination; provided, however, that in the case of clauses (a) through (g) these Permitted Transferees must enter into a written agreement agreeing to be bound by these transfer restrictions and the other restrictions included in the Sponsor Agreement.

Pursuant to the Sponsor Agreement, neither the Sponsor, the Co-Sponsors nor any of their affiliates will be entitled to receive and will not accept any compensation or other cash payment from the Company prior to, or for services rendered in order to effectuate, the consummation of the Business Combination.

13.4 Warrant Purchase Agreement with Sponsor

Pursuant to an agreement between the Sponsor, the Co-Sponsors and the Company, the Sponsor and the Co-Sponsors had agreed, *inter alia*, under the Sponsor Capital At-Risk to subscribe to an aggregate of 5,500,000 Sponsor Warrants at a price of €1.50 per Sponsor Warrant (€8,250,000 in the aggregate) in a private placement.

In addition, under the Additional Sponsor Subscription, the Sponsor and the Co-Sponsors subscribed to 900,000 Sponsor Warrants, representing €1,350,000. Should the Escrow Account be subject to negative interest rates, such negative interest shall be covered by the proceeds from the Additional Sponsor Subscription up to an amount equal to the proceeds from the Additional Sponsor Subscription, which will also be placed in the Escrow Account, thus allowing for a redemption of the Public Shares at a price of at least €10.00 per share.

14. SHAREHOLDER INFORMATION

14.1 Major Shareholders

The following table sets forth the major direct and indirect shareholders of the Company based on the Company's share register regarding holders of Sponsor Shares and to the Company's best knowledge regarding holders of Public Shares as of the date of this Prospectus.

Shareholder	Voting Rights (in %)
Alexander Schemann ⁽¹⁾	25.2
<i>thereof:</i> ⁽²⁾	
<i>AH Beteiligung 6 GmbH & Co. KG</i> ⁽³⁾	6.7
<i>Armira F&F 2019-II GmbH & Co. KG</i> ⁽⁴⁾	5.5
BIT Capital GmbH	8.9
Höllenhunde Shareholder ⁽⁵⁾	7.0
Santo Ella Co-Invest GmbH & Co. KG.....	6.1
468 SPAC Sponsors GmbH & Co. KG ⁽⁶⁾	5.6
Treasury Shares ⁽⁷⁾	14.3
Public Float.....	32.9

(1) Alexander Schemann holds 28,932,509 Public Shares indirectly via AH Beteiligung 6 GmbH & Co. KG, LuxCo Active Invest GmbH & Co. KG, Armira (Strategy B) Active Invest GmbH & Co. KG, Armira (Strategy C) Active Invest GmbH & Co. KG, PE I Invest GmbH & Co. KG, Armira (Strategy E) Active Invest GmbH & Co. KG, Armira (Strategy F) Active Invest GmbH & Co. KG, Armira Parallel Pool (A) GmbH & Co. KG, Armira F&F 2019-II GmbH & Co. KG, Armira F&F 2019-III GmbH & Co. KG, Armira (Strategy I) Active Invest GmbH & Co. KG, Armira (Strategy J) Active Invest GmbH & Co. KG, Armira Jebsen Active Invest GmbH & Co. KG, Armira Parallel Pool (B) GmbH & Co. KG, Armira Strategy (P) Active Invest GmbH & Co. KG, Armira (Strategy M) Active Invest GmbH & Co. KG, Armira (Strategy L) Active Invest GmbH & Co. KG, Armira F&F 2019/20 GmbH & Co. KG, Armira Strategy (N) Active Invest GmbH & Co. KG, Armira Strategy (O) Active Invest GmbH & Co. KG, Armira Strategy (Q) Active Invest GmbH & Co. KG, Armira Strategy (R) Active Invest GmbH & Co. KG.

(2) Indicates individual entities affiliated with Mr. Schemann, which individually have a notifiable interest within the meaning of Article 8 or Article 9 of the Luxembourg law of January 11, 2008 on transparency requirements for issuers of securities, as amended.

(3) AH Beteiligung 6 GmbH & Co. KG holds 7,681,229 Public Shares.

(4) Armira F&F 2019-II GmbH & Co. KG holds 6,294,641 Public Shares.

(5) The 8,051,468 Public Shares held by Höllenhunde GmbH are attributable to both Patric Faßbender and Marcus Stahl.

(6) In addition 468 SPAC Sponsor GmbH & Co. KG holds 5,535,572 Sponsor Warrants.

(7) The Company holds 16,405,885 Public Shares as treasury shares, consisting of the 5,885 Public Shares redeemed in connection with the Business Combination and the 16,400,000 Warrant Shares, held by its subsidiary, 468 SPAC I Issuance GmbH & Co. KG.

Except the major shareholders mentioned above there are no other persons that have major holdings within the meaning of Article 8 or Article 9 of the Luxembourg law of January 11, 2008 on transparency requirements for issuers of securities, as amended.

14.2 Controlling Interest

To the knowledge of the Company, the Company is neither directly nor indirectly owned or controlled by any shareholder or third person.

Public Shares and Sponsor Shares have the same voting rights.

15. GENERAL INFORMATION ON THE COMPANY AND THE GROUP

15.1 Formation, Incorporation, Commercial Name and Registered Office

The Company was formed on March 29, 2021.

The Company is a European company (*Societas Europaea*) existing under Luxembourg law and has its registered office at 9, rue de Bitbourg, L-1273, Luxembourg, Grand Duchy of Luxembourg (telephone: +352 27 44 41 9459; website: www.tonies.com), LEI 222100DAYRVSS1X9EB98, registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) under number B252939. The legal and commercial name of the Company is 468 SPAC I SE (to be renamed tonies SE as of the closing of the Business Combination).

Boxine, as the top operating entity, was originally incorporated on January 8, 2014. Boxine GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under the laws of Germany and has its registered office at Grafenberger Allee 120, 40237 Düsseldorf, Germany (telephone +49 211 7371 0100; website: www.tonies.de), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Düsseldorf under HRB 71733. Boxine's share capital amounts to €64,097.00 and is divided into 64,097 shares at a nominal value of €1.00 each. All shares are of the same class and are fully paid. Furthermore, Boxine does not have any authorized share capital. Boxine's legal and commercial name is Boxine GmbH.

15.2 Fiscal Year and Duration

The Company's fiscal year is the calendar year. The first fiscal year was a short fiscal year from the date of the formation of the Company to the end of the calendar year. The Company has been established for an unlimited duration.

Boxine's fiscal year is the calendar year. Boxine has been established for an unlimited duration.

15.3 The Company's History

We are a recently formed *Societas Europaea* incorporated under the laws of Luxembourg, established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or in the United Kingdom or Switzerland in the Targeted Technology Sectors through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transactions. Our principal activities to date have been limited to organizational activities, including the identification of potential target companies for the Business Combination, as well as the preparation and execution of the initial private placement and listing.

We were organized by our founder, 468 SPAC Sponsors GmbH & Co. KG, an affiliate of Alexander Kudlich, Dr. Ludwig Ensthaler and Florian Leibert, the founders of the fund 468 Capital GmbH & Co. KG.

With a purchase agreement dated March 31, 2021, we acquired 100% of the shares in 468 I Advisors GmbH, which is the general partner of 468 I Advisors KG, as well as the limited partner interest of 468 I Advisors KG.

On August 30, 2021, the Company, Boxine, Beteiligungs GmbH, Höllenhunde and Holding GmbH entered into a business combination agreement relating to the business combination between the Company and Boxine, pursuant to which the Company acquired all of the outstanding equity and equity equivalents of Beteiligungs GmbH held by Höllenhunde, the immediate parent of Boxine GmbH, and all of the outstanding equity and equity equivalents of Holding GmbH in exchange for a consideration consisting of shares in the Company and a certain cash amount. The Business Combination was consummated on November 26, 2021, the date of the approval of this prospectus as the final closing condition. In connection with the Business Combination, the Company also issued 10,500,000 New Public Shares as part of the PIPE Financing in the amount of €105 million (see Sections "5. Business Combination" and "6. Business Combination Agreement and Ancillary Documents").

15.4 Corporate Purpose

Pursuant to Article 2 of the Articles of Association, the Company's purpose is the creation, holding, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind

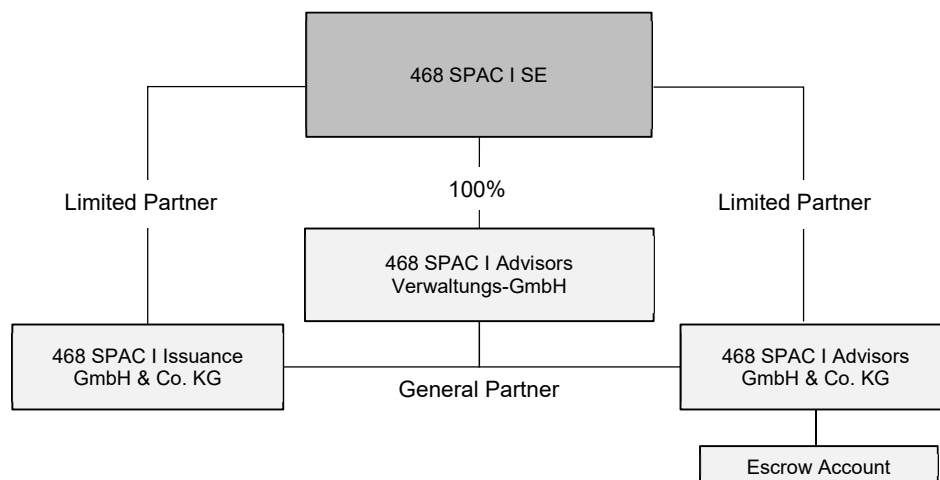
whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio. The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company. The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law. The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

Pursuant to article 2 of Boxine’s articles of association, Boxine’s corporate purpose is the development and distribution of high-quality electronic playback devices.

15.5 Group Structure

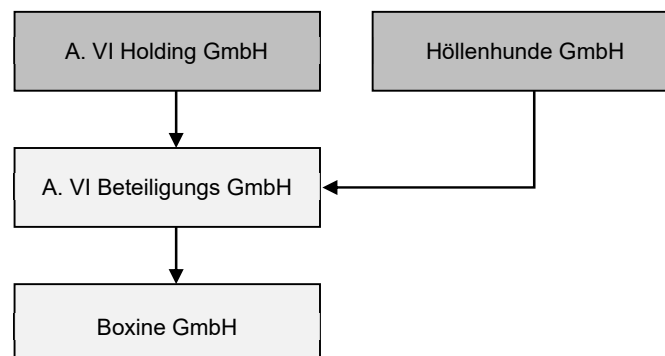
15.5.1 Group Chart of 468 SPAC Group

The following chart shows the holding structure of the 468 SPAC Group prior to the Business Combination.



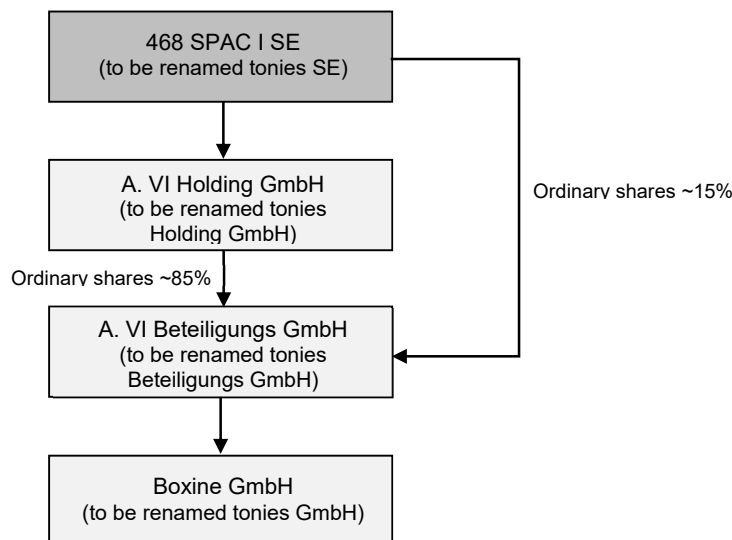
15.5.2 Group Chart of Boxine Group

The following chart shows the holding structure of Boxine Group prior to the Business Combination.



15.5.3 Group Chart following the Business Combination

The following chart shows the holding structure of the Group following the Business Combination.



15.6 Significant Subsidiaries

The following table presents an overview of the Company's significant subsidiaries:

Subsidiary	Registered Office	Aggregate Interest
468 SPAC I Advisors GmbH & Co. KG ..	Bonn, Germany	100%
468 SPAC I Advisors Verwaltungs-GmbH	Berlin, Germany	100%
468 SPAC I Issuance GmbH & Co. KG ...	Berlin, Germany	100%
A. VI Holding GmbH.....	Hamburg, Germany	100%
A. VI Beteiligungs GmbH.....	Munich, Germany	100% ⁽¹⁾
Boxine GmbH.....	Berlin, Germany	100% ⁽²⁾

⁽¹⁾ Indirectly through A. VI Holding GmbH.

⁽²⁾ Indirectly through A. VI Beteiligungs GmbH.

15.7 Management of Boxine

Mr. Patric Faßbender and Mr. Marcus Stahl, who are members of the Management Board, are also managing directors of Boxine.

15.8 Independent Auditor

The Company appointed Mazars Luxembourg S.A., with registered office at 5, Rue Guillaume J. Kroll, L-1882 Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) under number B 159962 as its independent auditor, following the replacement of its previous auditor. Mazars Luxembourg S.A.– *Cabinet de révision agréé* is a member of the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises*) which is the Luxembourg member of the International Federation of Accountants and is registered in the public register of approved audit firms held by the *Commission de Surveillance du Secteur Financier* as competent authority for public oversight of approved statutory auditors and audit firms.

Holding GmbH appointed KPMG AG Wirtschaftsprüfungsgesellschaft, with registered office at Klingelhöferstraße 18, 10785 Berlin and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg, Germany under HRB 106191 B as its independent auditor (*unabhängiger Abschlussprüfer*). KPMG AG Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

15.9 Notifications, Supplements to the Prospectus, Luxembourg Paying Agent and LuxCSD Principal Agent

Notifications in connection with the listing will be published on the Company's website (www.tonies.com). However, the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

Any supplements to the Prospectus will be drawn up and published in accordance with the Luxembourg Regulation. Printed copies of each such notification and supplements will be made available by publication on the website of the Company (www.tonies.com) for a period of ten years commencing on the date of this Prospectus and for collection free of charge during normal business hours at the Company's office at 9, rue de Bitbourg, L-1273, Luxembourg, Luxembourg.

The Luxembourg paying agent and LuxCSD principal agent for the Company's shares is Banque Internationale à Luxembourg S.A. The mailing and registered address of the LuxCSD principal agent is 69 Route d'Esch, L-2953 Luxembourg, Grand Duchy of Luxembourg.

16. SHARE CAPITAL OF THE COMPANY AND APPLICABLE REGULATIONS

16.1 Current Share Capital; Shares

As of the date of this Prospectus, the share capital of the Company is denominated in euro and amounts to €1,837,561.38, represented by 107,347,586 Public Shares and 7,500,000 Sponsor Shares at a par value of €0.016 each. The Sponsor Shares are subject to the transfer limitations (Sponsor Lock-Up) which are also reflected in the Articles of Associations. The New Public Shares issued to the Boxine Investors are subject to certain lock-up provisions set out in the Business Combination Agreement (see Section “6. *Business Combination Agreement and Ancillary Documents*”).

The share capital has been fully paid up.

The Management Board on April 14, 2021, resolved on the creation of the Public Shares in dematerialized form, and that any future Public Shares shall be issued in dematerialized form only, which are subject to the Luxembourg law of April 6, 2013 on dematerialized securities, as amended. All of the Public Shares in dematerialized form will be registered with the single securities issuance account with the settlement organization LuxCSD S.A., 42, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (“LuxCSD”). Dematerialized shares are only represented, and ownership of the shareholder over such Public Shares is only established by a record in the securities account. LuxCSD may, however, issue or request the Company to issue certificates relating to the Public Shares for the purpose of the international circulation thereof. The transfer of a dematerialized share occurs by book entry (*virement de compte à compte*).

The Company may suspend voting rights of Public Shares concerned in case information provided with respect to a holders’ securities account are false, or incomplete until the correction and/or completion of such information. The Company will further recognize only one holder per Public Share, and may suspend all rights attached to a Public Share in case such Public Share is held by more than one person, until a single representative of co-owners is appointed.

All Public Shares carry pre-emption rights. However, pre-emption rights may at any time be limited or excluded either by a resolution passed by the general shareholders’ meeting or by the Management Board in case of a capital increase under the authorized capital of the Company, or by the Management Board if previously authorized by a general shareholders’ meeting adopting such resolution under the conditions for an amendment of the Articles of Association. Shareholders will not have pre-emption rights in respect of Public Shares being issued to a person exercising an existing right to subscribe for Public Shares.

16.2 Development of the Share Capital

The Company’s initial share capital of €120,000 remained the same from its formation until March 31, 2021, consisting of 12,000,000 Sponsor Shares, issued for €0.01 each. Subsequently, on April 15, 2021, the Company’s extraordinary general shareholders’ meeting resolved on the conversion of the then existing 12,000,000 Sponsor Shares into 7,500,000 Sponsor Shares.

The Company’s share capital has been raised from the initial share capital of €120,000 to €600,000 in connection with the Private Placement and listing by a resolution of the Management Board dated April 29, 2021, under the authorized capital. The respective shares were issued at a share price of €10.00 each.

On November 26, 2021, the Company’s share capital has been raised from €600,000 to €1,406,905.38 in conjunction with the issuance of the Consideration Shares by a resolution of the Management Board dated November 24, 2021, with the consent of the Supervisory Board of the same day, under the Company’s authorized capital. The respective shares were issued at a share price of €10.00 each. For the Consideration Shares, more than 10% of the respective share capital has been paid for with assets other than cash.

On November 26, 2021, the Company’s share capital has been raised from €1,406,905.38 to €1,574,905.38 in conjunction with the issuance of the PIPE Shares by a resolution of the Management Board dated November 24, 2021, with the consent of the Supervisory Board of the same day, under the Company’s authorized capital. The respective shares were issued at a share price of €10.00 each.

On November 26, 2021, the Company’s share capital has been raised from €1,574,905.38 to €1,837,305.38 in conjunction with the issuance of the Warrant Shares by a resolution of the Management Board dated November 24, 2021, with the consent of the Supervisory Board of the same day, under the Company’s authorized capital. The

Warrant Shares will be used to service the holders of Public Warrants and Sponsor Warrants, if they are validly exercised, at the stated exercise price of €11.50. The respective shares were issued at par value of €0.016 to the Company's wholly-owned subsidiary 468 SPAC I Issuance GmbH & Co. KG.

Finally, on November 26, 2021, the Company's share capital has been raised from €1,837,305.38 to €1,837,561.38 as of the date of this prospectus in conjunction with the issuance of the Board Shares by a resolution of the Management Board dated November 24, 2021, with the consent of the Supervisory Board of the same day, under the Company's authorized capital. The respective shares were issued at €11.74, the average closing price per Public Shares over the previous five trading days on the XETRA trading system of the Frankfurt Stock Exchange.

As of the date of this Prospectus, the share capital of the Company amounts to €1,837,561.38 and 114,847,586 Shares are outstanding including 107,347,586 Public Shares and 7,500,000 Sponsor Shares.

16.3 Authorized Capital

Pursuant to the Articles of Association, the Company may issue up to 639,118,414 additional Public Shares, and thus increase the share capital of the Company by an amount of up to €10,225,894.64. The authorized capital is intended for the issuance of Public Shares for the exercise of the Public Warrants and the Sponsor Warrants and for general corporate purposes. The Company may not issue any additional Sponsor Shares.

During a period of five (5) years from the date of incorporation or any subsequent resolutions to create, renew or increase the authorized capital, the Management Board, with the consent of the Supervisory Board, is authorized to issue class A shares and/or class B shares, to grant options to subscribe for Class A Shares and to issue any other instruments, such as convertible warrants, giving access to shares within the limits of the authorized capital to such persons and on such terms as they shall see fit and specifically to proceed to such issue with limitation or removal of the preferential right to subscribe to the shares issued for the existing shareholders, and it being understood, that any issuance of such instruments will reduce the available authorized capital accordingly.

The authorized capital of the Company may be increased or reduced by a resolution of the general shareholders' meeting adopted in the manner required for an amendment of the Articles of Association.

The authorization may be renewed through a resolution of the general shareholders' meeting adopted in the manner required for an amendment of the Articles of Association and subject to the provisions of Luxembourg law, each time for a period not exceeding five (5) years.

16.4 General Rules on Allocation of Profits and Dividend Payments

At the end of each financial year, the accounts are closed and the Management Board draws up an inventory of the Company's assets and liabilities, the statement of financial position and the statement of comprehensive income in accordance with Luxembourg law.

Of the annual net profits of the Company, 5% at least shall be allocated to the legal reserve, which cannot be distributed. This allocation shall cease to be mandatory as soon and as long as the aggregate amount of such reserve amounts to 10% of the share capital of the Company.

Sums contributed to a reserve of the Company may also be allocated to the legal reserve.

In case of a share capital reduction, the Company's legal reserve may be reduced in proportion so that it does not exceed 10% of the share capital.

Upon recommendation of the Management Board, the general shareholders' meeting shall determine how the remainder of the Company's profits shall be used in accordance with Luxembourg law and the Articles of Association. In the event that distributions are made after the date of consummation of the Business Combination, each Public Share shall be entitled to receive the same amount (after distribution of a nominal dividend on the Sponsor Shares). Distributions shall be made to the shareholders in proportion to the number of Shares they hold in the Company.

The payment of the dividends to a depository operating principally with a settlement organization in relation to transactions on securities, dividends, interest, matured capital or other matured monies of securities or of other financial instruments being handled through the system of such depository discharges the Company. Said

depository shall distribute these funds to his depositors according to the amount of securities or other financial instruments recorded in their name.

16.5 General Provisions Governing the Liquidation of the Company

The general meeting of shareholders may decide at any time and with or without cause to dissolve and liquidate the Company, subject to the quorum and majority requirements for an amendment to the Articles of Association. The Articles of Association may be amended by a majority of at least two thirds of the votes validly cast at a general meeting at which a quorum of more than half of the Company's share capital is present or represented. If no quorum is reached in a meeting, a second meeting may be convened in accordance with the Luxembourg Company Law and the Articles of Association. This meeting may deliberate regardless of the quorum and resolutions must be passed by two thirds of the votes validly cast.

If due to a loss, the net assets of the Company are less than half of the amount of the subscribed share capital, the Management Board must convene an extraordinary general shareholders' meeting within two months as of the date on which the Management Board discovered or should have ascertained this undercapitalization and draw up a report explaining causes and making proposals to rectify the situation. At this extraordinary general shareholders' meeting, shareholders will resolve on the possible dissolution of the Company. The quorum must be at least fifty percent of all the shares issued and outstanding. In the event the required quorum is not reached at the first extraordinary general shareholders' meeting, a second extraordinary general shareholders' meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of shares present or represented. A majority of two thirds of the votes cast by the shareholders present or represented is required at any such extraordinary general shareholders' meeting. If due to a loss, the net assets of the Company are less than one quarter of the amount of the subscribed share capital, the same procedure must be followed, it being understood, however, that the dissolution only requires the approval of shareholders representing twenty-five percent of the votes cast at the meeting.

The Company, once dissolved, is deemed to exist for as long as necessary for its proper liquidation. If the Company is dissolved for any reason, the general shareholders' meeting will have the most extensive powers to appoint the liquidator(s), determine their powers and fix their remuneration. The powers of the members in office of the Management Board and Supervisory Board will end at the time when the liquidators are appointed. In the event that the general shareholders' meeting fails to appoint the liquidator(s), the directors then in office will automatically become the liquidators of the Company.

The principal duty of the liquidators consists of winding up the Company by paying its debts, realizing its assets and distributing them to the shareholders. If the financial situation so warrants, pre-payments of liquidation dividends may be made by the liquidator in accordance with the Luxembourg law.

In the event of the Company's dissolution, the liquidation shall be carried out by one or several liquidators appointed by the general meeting of shareholders resolving on the Company's dissolution which shall determine the liquidators'/liquidator's powers and remuneration.

The surplus resulting from the realization of the assets and the payment of the liabilities shall be distributed among the shareholders pro rata to the stake in the Company held by them.

16.6 General Provisions Governing a Change in the Share Capital

The share capital may be increased or decreased by a resolution of the general shareholders' meeting, adopted in the manner required for an amendment of the Articles of Association.

The Articles of Association authorize the Management Board, with consent of the Supervisory Board, to increase the share capital of the Company by a certain maximum amount fixed in the Articles of Association. The Management Board, with consent of the Supervisory Board, will be authorized for a period of five years from the date of incorporation or any subsequent resolutions to create, renew, or increase the authorized capital and expiring on the fifth anniversary of such date, to increase the share capital up to the amount of the authorized capital, in whole or in part from time to time. As of the date of this Prospectus, Article 6 of the Articles of Association provides that the authorized capital of the Company amounts to €10,225,894.64 represented by a maximum of 639,118,414 Public Shares at par value. In case of an increase of the share capital through a decision of the Management Board, such a decision needs to be recorded in a notarial deed of acknowledgment subsequently. Share capital increases may be made subject to and out of available reserves (including share premium) of the Company, against payment in cash or against payment in kind. In case of a share capital increase of the Company

against payment in kind, in principle a report from an independent auditor (*réviseur d'entreprises agréé*) is required to confirm that the value of the contribution corresponds at least to the subscription price (accounting par value and share premium, if any) of the newly issued Shares.

In the case of a share capital increase against payment in cash, existing shareholders have a preferential subscription right *pro rata* to their participation in the share capital prior to its increase (no preferential subscription right applies in case of a share capital increase against contribution in kind). The Management Board shall determine the period of time during which such preferential subscription right may be exercised and which may not be less than 14 days from the opening of the subscription period, which shall be announced in a notice setting such subscription period which shall be published on the RESA as well as a newspaper published in Luxembourg. If after the end of the subscription period not all of the preferential subscription rights offered to the existing shareholder(s) have been subscribed by the latter, third parties may be allowed to participate in the share capital increase, except if the Management Board, with the consent of the Supervisory Board, decides that the preferential subscription rights shall be offered to the existing shareholders who have already exercised their rights during the subscription period, in proportion to the portion their shares represent in the same category of shares in the share capital, the modalities for the subscription are determined by the Management Board, with the consent of the Supervisory Board. The Management Board, with the consent of the Supervisory Board, may also decide in such case that the share capital shall only be increased by the amount of subscriptions received by the shareholder(s) of the Company.

Such right may be waived by the relevant shareholders and it may as well be limited or suppressed by the general shareholders' meeting or by the Management Board deciding the share capital increase. The decision to limit or suppress the preferential subscription right must be justified in a written report of the Management Board to the general shareholders' meeting, indicating in particular the proposed subscription price for the new Shares. The new Shares will be issued by excluding the preferential subscription right of existing shareholders.

Pursuant to Article 420-26 of the Luxembourg Company Law, the preferential subscription rights of existing shareholders in case of a capital increase by means of a contribution in cash may not be restricted or withdrawn by the Articles of Association. Nevertheless, the Articles of Association may authorize the Management Board to withdraw or restrict these preferential subscription rights in relation to an increase of capital made within the limits of the authorized capital. Such authorization is only valid for a maximum of five years from publication on the RESA of the relevant amendment of the Articles of Association. It may be renewed on one or more occasions by the extraordinary general shareholders' meeting, deliberating in accordance with the requirements for amendments to the Articles of Association, for a period that, for each renewal, may not exceed five years. The Management Board must draw up a report to the general shareholders' meeting on the detailed reasons for the restriction or withdrawal of the preferential subscription rights, which must include in particular the proposed issue price. As of the date of this Prospectus, the Articles of Association authorize the Management Board to increase the share capital and to restrict or withdraw the preferential subscription rights of shareholders in relation to an increase of capital made within the limits of the authorized capital.

In addition, an extraordinary general shareholders' meeting called upon to resolve, on the conditions prescribed for amendments to the Articles of Association, either upon an increase of the share capital or upon the authorization to increase the share capital, may limit or withdraw preferential subscription rights or authorize the Management Board to do so. Any proposal to that effect must be specifically announced in the convening notice. Detailed reasons must therefore be set out in a report prepared by the Management Board and presented to the extraordinary general shareholders' meeting dealing, in particular, with the proposed issue price. This report must be made available to the public at the Company's registered office, and on its website. An issuance of shares to banks or other financial institutions with a view to their being offered to the shareholders of the Company in accordance with the decision relating to the increase of the subscribed capital does not constitute an exclusion of the preferential subscription rights pursuant to the Luxembourg Company Law.

The share capital may be decreased by a resolution of the general shareholders' meeting, adopted in the manner required for an amendment of the Articles of Association. In case of a share capital decrease all shareholders have the right to participate *pro rata* in the share capital reduction. In the event of a decrease of the share capital with a repayment to the shareholders or a waiver of their obligation to pay up their Shares, creditors whose claims predate the publication of the minutes of the extraordinary general shareholders' meeting on the RESA may, within 30 days from such publication, apply for the constitution of securities to the judge presiding the chamber of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters. The judge may only reject such an application if the creditor already has adequate safeguards or if such securities are unnecessary with regard to the assets of the Company. No payment may be made or waiver given to the shareholders until such time when the creditors have obtained satisfaction or until the judge presiding the chamber

of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters has ordered that their application should not be granted. No creditor protection rules apply in the case of a reduction in the subscribed capital for the purpose of offsetting losses incurred which are not capable of being covered by means of other own funds or to include sums in a reserve provided that such reserve does not exceed 10% of the reduced subscribed capital.

16.7 Mandatory Takeover Bids and Exclusion of Minority Shareholders

16.7.1 Mandatory Bids, Squeeze-Out and Sell-Out Rights

The Luxembourg law of May 19, 2006 on takeover bids, as amended (the “**Luxembourg Takeover Law**”), provides that if a person, acting alone or in concert, obtains voting securities of the Company which, when added to any existing holdings of the Company’s voting securities, give such person control over the Company, which under the Luxembourg Takeover Law is set at 33¹/₃% of all of the voting rights attached to the voting securities in the Company, this person is obliged to launch a mandatory bid for the remaining voting securities in the Company at a fair price.

Following the implementation of Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004 on takeover bids (the “**Takeover Directive**”), any voluntary bid for the takeover of the Company and any mandatory bid will be subject to shared regulation by the CSSF pursuant to the Luxembourg Takeover Law, which has implemented the Takeover Directive into Luxembourg law, and by the BaFin pursuant to the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

Under the shared regulation regime, German takeover law applies to the matters relating to the consideration offered, the bid procedure, the content of the offer document and the procedure of the bid. The German Regulation on the Applicability of the Takeover Code (*WpÜG-Anwendbarkeitsverordnung*) specifies the applicable provisions in more detail. Matters regarding company law (and related questions), such as, for instance, the question relating to the percentage of voting rights which give control over a company and any derogation from the obligation to launch a bid or regarding information to be provided to employees of the target company, and, to the extent applicable, any sell-out or squeeze-out procedures further to a voluntary or mandatory takeover bid, will be governed by Luxembourg law.

The Luxembourg Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the Company and the bidder holds voting securities representing not less than 95% of the share capital that carry voting rights to which the offer relates and 95% of the voting rights in the Company, the bidder may require the holders of the remaining voting securities to sell those securities to the bidder. The price offered for such securities must be a “fair price.” The price offered in a voluntary offer would in principle be considered a “fair price” in the squeeze-out proceedings if at least 90% of the securities comprised in the bid were acquired in such voluntary offer. The price paid in a mandatory offer in principle is deemed a “fair price.” The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Company. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

The Luxembourg Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the Company and if after such offer the bidder (and any person acting in concert with the bidder) holds voting securities carrying more than 90% of the voting rights in the Company, the remaining security holders may require that the bidder purchase the remaining voting securities at a “fair price”. The price offered in a voluntary offer would in principle be considered “fair” in the sell-out proceedings if at least 90% of the securities comprised in the bid were acquired in such voluntary offer. The price paid in a mandatory offer is in principle deemed a “fair price.” The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Company. Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

Where the Company has issued more than one class of voting securities, the rights of squeeze-out and sell-out described in the last two preceding paragraphs can be exercised only in the class in which the relevant thresholds have been reached.

16.7.2 Luxembourg Mandatory Squeeze-Out and Sell-Out Law

The Company falls under the scope of the Luxembourg law of July 21, 2012 on the mandatory squeeze-out and sell-out of securities of companies currently admitted or previously admitted to trading on a regulated market or having been offered to the public (the “**Luxembourg Mandatory Squeeze-Out and Sell-Out Law**”). The Luxembourg Mandatory Squeeze-Out and Sell-Out Law provides that if a majority shareholder (for the purpose of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, a “**Majority Shareholder**” means any natural or legal person, holding alone or with persons acting in concert it, directly or indirectly at least 95% of the Company’s capital carrying voting rights and 95% of the voting rights of the Company), (i) such Majority Shareholder may require the holders of the remaining shares or other voting securities to sell those remaining securities (the “**Mandatory Squeeze-Out**”); and (ii) the holders of the remaining shares or securities may require such Majority Shareholder to purchase those remaining shares or other voting securities (the “**Mandatory Sell-Out**”). The Mandatory Squeeze-Out and the Mandatory Sell-Out must be exercised at a fair price according to objective and adequate methods applying to asset disposals. The procedures applicable to the Mandatory Squeeze-Out and the Mandatory Sell-Out must be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law and under the supervision of the CSSF. The Luxembourg Mandatory Squeeze-Out and Sell-Out Law does not apply to takeover bids made in accordance with the Takeover Directive until the expiry of any deadline laid down for any ensuing rights resulting from such a bid and for a period of six months as from the expiry of such deadline.

16.8 Amendment to the Rights of Shareholders

Any amendments to the Articles of Association, including amendments affecting the rights of the shareholders as set out in the Articles of Association, require the amendment of the Articles of Association. An amendment to the Articles of Association must be approved by an extraordinary general shareholders’ meeting of the Company held in front of a Luxembourg notary in accordance with the quorum and majority requirements applicable to an amendment to the Articles of Association. The quorum requirement is met if at least one half of all the shares issued and outstanding are present or represented at the extraordinary general shareholders’ meeting. In the event the required quorum is not reached at the first extraordinary general shareholders’ meeting, a second extraordinary general shareholders’ meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of shares present or represented. A 2/3 majority of the votes cast by the shareholders present or represented is required at any such general shareholders’ meeting. If the decision of the general meeting affect the specific rights of a class of shares, the aforementioned majority and quorum must in addition also be met in that specific class of shares. Any increase of the commitment of shareholders requires the unanimous approval of the shareholders. The Articles of Association do not provide for any specific conditions that are stricter than required by Luxembourg law.

16.9 Shareholdings Disclosure Requirements

16.9.1 Luxembourg Transparency Law

Holders of the shares and other financial instruments linked to the shares may become subject to notification obligations pursuant to the Luxembourg law of January 11, 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended (the “**Luxembourg Transparency Law**”). In case of doubt, holders are advised to consult with their own legal advisers to determine whether they are subject to notification obligations deriving from the Luxembourg Transparency Law.

16.9.1.1 Shares and voting rights

The Luxembourg Transparency Law provides that, if a person acquires or disposes of shares in the Company, including depository receipts representing shares, and to which voting rights are attached, even if the exercise thereof is suspended (if any), in the Company, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33¹/₃%, 50% or 66²/₃% (each a “**Relevant Threshold**”) of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the CSSF of the proportion of voting rights held by it further to such event.

The voting rights shall be calculated on the basis of all the shares in the Company, including depository receipts (if any), and to which voting rights are attached, even if exercise thereof is suspended.

This information shall also be given in respect of all the shares in the Company, including depositary receipts representing shares, if any, which are in the same class and to which voting rights are attached.

A person must also notify the Company and the CSSF of the proportion of his or her voting rights if that proportion reaches, exceeds or falls below a Relevant Threshold as a result of events changing the breakdown of voting rights such as an increase or decrease of the total number of voting rights and capital having occurred.

The same notification requirements apply to a natural person or legal entity to the extent they are entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

- (a) voting rights held by a third party with whom that person or entity has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company;
- (b) voting rights held by a third party under an agreement concluded with that person or entity providing for the temporary transfer for consideration of the voting rights in question;
- (c) voting rights attaching to shares which are lodged as collateral with that person or entity, provided the person or entity controls the voting rights and declares their intention of exercising them;
- (d) voting rights attaching to shares in which that person or entity has the life interest;
- (e) voting rights which are held, or may be exercised within the meaning of points (a) to (d), by an undertaking controlled by that person or entity;
- (f) voting rights attaching to shares deposited with that person or entity which the person or entity can exercise at his/her/its discretion in the absence of specific instructions from the shareholders;
- (g) voting rights held by a third party in its own name on behalf of that person or entity; and
- (h) voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at his/her/its discretion in the absence of specific instructions from the shareholders.

16.9.1.2 Specific financial instruments

The notification requirements which apply to shares in the Company, including, as may be the case, depositary receipts representing shares to which voting rights are attached, even if the exercise thereof is suspended (see above), also apply to a natural person or legal entity that holds, directly or indirectly:

- (i) financial instruments that, on maturity, give the holder, under a formal agreement, either the unconditional right to acquire or the discretion as to his right to acquire shares, to which voting rights are attached, already issued by the Company, or
- (ii) financial instruments which are not included in point (i) above but which are referenced to the shares referred to in that point and with an economic effect similar to that of the financial instruments referred to in that point, whether or not they confer a right to a physical settlement.

The notification required shall include the breakdown by type of financial instruments held in accordance with point (i) above and financial instruments held in accordance with point (ii) above, distinguishing between the financial instruments which confer a right to a physical settlement and the financial instruments which confer a right to a cash settlement.

The number of voting rights shall be calculated by reference to the full notional amount of shares underlying the financial instrument except where the financial instrument provides exclusively for a cash settlement, in which case the number of voting rights shall be calculated on a 'delta-adjusted' basis, by multiplying the notional amount of underlying shares by the delta of the instrument. For this purpose, the holder shall aggregate and notify all financial instruments relating to the Company. Only long positions shall be taken into account for the calculation of voting rights. Long positions shall not be netted with short positions relating to the Company.

For the purposes of the aforesaid, the following shall be considered to be financial instruments, provided they satisfy any of the conditions set out in points (i) or (ii) above:

- (a) transferable securities;
- (b) options;
- (c) futures;
- (d) swaps;
- (e) forward rate agreements;
- (f) contracts for differences; and
- (g) any other contracts or agreements with similar economic effects which may be settled physically or in cash.

16.9.1.3 Aggregation

The notification requirements described under the two preceding indents above shall also apply to a natural person or a legal entity when the number of voting rights held directly or indirectly by such person or entity aggregated with the number of voting rights relating to specific financial instruments held directly or indirectly reaches, exceeds or falls below a Relevant Threshold. Any such notification shall include a breakdown of the number of voting rights attached to shares or, as may be the case, depositary receipts representing shares, and voting rights relating to financial instruments.

Voting rights relating to specific financial instruments that have already been notified to that effect shall be notified again when the natural person or the legal entity has acquired the underlying shares and such acquisition results in the total number of voting rights attached to shares issued by the same issuer reaching or exceeding a Relevant Threshold.

16.9.1.4 Notifications

Notifications to the Company and the CSSF must be effected simultaneously and promptly, but not later than four trading days after the date on which the shareholder, or person to whom the voting rights are attributed as set out above (i) learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect (according to Article 10 of the Grand Ducal Regulation dated January 11, 2008 as amended, such person shall be deemed to have knowledge of the acquisition, disposal or possibility to exercise voting rights no later than two trading days following the transaction), or (ii) is informed of an event changing the breakdown of voting rights by the Company. Upon receipt of the notification, but not later than three trading days thereafter, the Company must make public all the information contained in the notification as regulated information within the meaning of the Luxembourg Transparency Law.

16.9.2 Luxembourg Mandatory Squeeze-Out and Sell-Out Law

Pursuant to Article 3 of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, any holder of shares or other voting securities, including depositary receipts in respect of shares to which the possibility to give a voting instruction with respect to the shares is attached, must notify the Company and the CSSF whenever (i) such holder becomes a Majority Shareholder, (ii) such holder ceases to be a Majority Shareholder, or (iii) such holder is a Majority Shareholder and acquires additional shares or other voting securities, including certificates over shares to which the possibility to give a voting instruction with respect to the shares is attached. The notification any such holder must give to the Company and the CSSF must contain at least the exact percentage of the holder's holding, a description of the transaction that triggered the notification requirement, the effective date of such transaction, the identity of the shareholder and the way the shares or other voting securities, including depositary receipts in respect of shares to which the possibility to give a voting instruction with respect to the shares is attached, are being held.

The notification to the Company and the CSSF must be effected as soon as possible, but not later than four working days after obtaining knowledge of the effective acquisition or disposal or of the possibility of exercising or not the voting rights or after the day on which he/she/it should have learnt of it, having regard to the circumstances, regardless of the date on which the acquisition, disposal or possibility of exercising the voting rights take effect. Upon receipt of the notification, but no later than three working days thereafter, the Company must

make public all the information contained in the notification in a manner ensuring fast access to the information and on a non-discriminatory basis.

17. GOVERNING BODIES OF THE COMPANY

17.1 Overview

The Company's governing bodies are the Management Board, the Supervisory Board and the shareholders' meeting. The Company is managed by its Management Board under the supervision and control of the Supervisory Board. This two-tier governance structure was resolved by an extraordinary shareholders' meeting of the Company held on April 9, 2021. The members of the Supervisory Board were appointed by an extraordinary shareholders' meeting of the Company held on November 15, 2021, subject to the condition precedent of the commencement of the Business Combination and effective as of the decision of the Supervisory Board to be taken on the date following the Consummation of the Business Combination. The members of the Management Board were appointed by a resolution of the Supervisory Board on November 23, 2021, subject to the condition precedent of the commencement of the Business Combination and effective as of the decision of the Supervisory Board to be taken on the date following the consummation of the Business Combination.

The powers of these governing bodies are determined by the Luxembourg Company Law, the Articles of Association of the Company and the internal rules of procedure of both the Management Board and Supervisory Board. The rules of procedure are intended to be resolved with the terms described in this Prospectus immediately upon its approval by the CSSF and prior to its publication.

17.2 Management Board

The Management Board is responsible for managing the Company. For this purpose, the Management Board is vested with the broadest powers to act in the name of the Company and to take any actions necessary or useful to fulfill the Company's corporate purpose, with the exception of the powers reserved by law, its rules of procedure, the rules of procedure of the Supervisory Board or the Articles of Association of the Company to the Supervisory Board or to the general shareholders' meeting. Pursuant to the rules of procedure of the Management Board and the Articles of Association, the following matters, among others, require prior consent of the Supervisory Board:

- issuance of Public Shares, granting options to subscribe for Public Shares and to issue any other instruments, such as convertible warrants, giving access to Shares under the authorized capital;
- proposal of a Business Combination to the shareholders;
- material transactions with related parties in accordance with the provisions of the shareholder rights law;
- modification of the fields of business of the Company and the termination of existing and commencement of new fields of business;
- encumbrance of shares in material companies as well as liquidation of material companies;
- amendments to the appointment, removal and term of office of members of the Management Board;
- institution and termination of court cases or arbitration proceedings involving an amount in controversy of more than €1 million in the individual case; and
- acquisition, sale and encumbrance of real estate and similar rights or rights in real estate with a value of more than nine million euro (€9,000,000) in the individual case.

The members of the Management Board are generally appointed by the Supervisory Board (with the exception of the first members of the Management Board who, in the context of the implementation of the two-tier governance structure, were appointed in accordance with the Articles of Association by an extraordinary shareholders' meeting of the Company held on April 9, 2021). The Supervisory Board also determines the number of members of the Management Board, their remuneration and the terms of their office. Pursuant to the Articles of Association, the members of the Management Board are elected for a term of up to five years. The members of the Management Board are eligible for re-appointment. A member of the Management Board may be removed by a resolution adopted by the Supervisory Board. A member of the Management Board cannot be a member of the Supervisory Board at the same time.

Pursuant to the Articles of Association, the Management Board must be composed of at least two members. The Management Board consists of two members, with Patric Faßbender and Marcus Stahl being each a Co-CEO. If a legal entity is appointed as a member of the Management Board of the Company, such legal entity must designate a physical person as a permanent representative, who shall perform this role in the name and on behalf of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor

at the same time. An individual may only be a permanent representative of one member of the Management Board and may not be a member of the Supervisory Board at the same time. An individual cannot be a permanent representative of a member of the Management Board of the Company and of a member of the Supervisory Board of the Company at the same time.

The members of the Management Board represent the Company in dealing with third parties. However, with regard to the daily management of the Company as well as the representation of the Company in relation to such daily management, the Management Board, in accordance with the Luxembourg Companies' Law, may delegate such actions to one or several members of the Management Board, officers or other agents, but not to a member of the Supervisory Board. The Company is bound towards third parties by the joint signature of any two members of the Management Board, or by the individual or joint signature of any persons to whom such signatory power may have been delegated by the Management Board within the limits of such delegation.

According to its rules of procedure, the Management Board shall meet at least once every calendar quarter to discuss the progress and foreseeable development of the business of the Company. In addition, Management Board meetings must be held without undue delay if the Supervisory Board or one member of the Management Board requests so. The Management Board may only validly deliberate and act if a majority of its members are present or represented. Resolutions of the Management Board are adopted by a simple majority of the votes cast, unless other majorities are required by law, the Articles of Association or the internal rules of procedures. The chairperson (if any) shall have a casting vote in case of a tight.

Generally, the Management Board adopts resolutions in meetings. However, Management Board resolutions may also be adopted by circular means when expressing its approval in writing (by electronic mail or otherwise), provided that each of the members of the Management Board unanimously passes such resolutions by circular means.

At least once every calendar quarter, the Management Board must submit a written report to the Supervisory Board on the business of the Company and its foreseeable future development. In addition, the Management Board via its chairperson or, if no chairperson was appointed, any of its members, must inform the Supervisory Board without undue delay of any events likely to have an appreciable influence on the situation of the Company.

17.2.1 Composition and Biographical Information

The table below lists the members of the Management Board appointed by the Supervisory Board on November 23, 2021 in the context of the Business Combination.

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Responsibilities</u>
Patric Faßbender.....	51	2021	2024	Co-CEO
Marcus Stahl.....	54	2021	2024	Co-CEO

The following description provides summaries of the curricula vitae of the current members of the Management Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company.

Patric Faßbender was born in 1970 in Düsseldorf, Germany. He studied visual communication at the Fachhochschule Dusseldorf, Germany.

Mr. Faßbender started his career at planetactive GmbH as junior art director. During his time at planetactive GmbH, a full-service agency for digital marketing, he was promoted to art director in 2004, creative director in 2006 and when planetactive's business was transferred to OgilvyOne in 2010, he became the head of creation. In 2008, he also co-founded Bolzklub GmbH, an online platform for active and former football players, and was the CEO until 2013. From 2013 he worked as freelancer – senior art director/creative director for PIXIPOP (as defined below), until he co-founded Boline GmbH in 2014 and served as the company's managing director.

Alongside his office as a member of the Management Board, Mr. Faßbender was within the last five years, not a member of any administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships.

Marcus Stahl was born in 1967 in Siegen, Germany. He studied electrical engineering at the Fachhochschule Aachen, Germany and received an executive Master in Business Administration from WHU – Otto Beisheim

School of Management, Vallendar, Germany and the Northwestern University – Kellogg School of Management, Chicago, U.S.A.

Mr. Stahl worked for Nokia for 15 years, where he was last responsible for the automotive sector. When Nokia closed its operations in Bochum in 2008 and laid off thousands of employees, Mr. Stahl and four colleagues bought the automotive division from the Group in a management buyout and continued to run it on their own. In January 2014, he co-founded Boxine GmbH.

Alongside his office as a member of the Management Board, Mr. Stahl is not, and within the last five years was not, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships.

The members of the Management Board may be reached at the Company’s office at 9, rue de Bitbourg, L-1273, Luxembourg, Luxembourg (tel.: +352 27 44 41 9459).

17.2.2 Contractual Arrangements with Members of the Management Board

In November 2021, with commencement of the Business Combination, the members of the Management Board entered into service agreements with Holding GmbH. These service agreements provide for an initial term until December 31, 2025.

17.2.3 Compensation and Other Benefits of the Members of the Management Board

17.2.3.1 Remuneration

The remuneration of the members of the Management Board consists of a fixed component and a Bonus Component (as defined below) on the basis of their service agreements with Holding GmbH.

Each member of the Management Board receives a fixed annual salary of €400,000.00 payable in twelve equal instalments at the end of each month.

Furthermore, each member of the Management Board is entitled to a bonus payment (“**Bonus Payment**”). The Bonus Payment is based on the share price of the Company. Each member of the Management Board will receive €1,000,000 if, within twenty-four months after the consummation of the Business Combination, within a period of thirty consecutive trading days, the closing price of the Public Shares exceeds €12.00 on at least twenty (not necessarily consecutive) trading days. Furthermore, each member of the Management Board will receive another bonus in the amount of €1,500,000 if, within twenty-four months after the consummation of the Business Combination, within a period of thirty consecutive trading days, the closing price of the Public Shares exceeds €18.00 on at least twenty (not necessarily consecutive) trading days. Both bonus payments apply cumulatively.

In addition, the management service agreements require Holding GmbH to reimburse all members of the Management Board for all out-of-pocket expenses, including travel expenses, necessarily incurred in the interest of the Company within the limitations imposed by taxation regulations. Furthermore, the members of the Management Board receive customary other benefits such as company car with a gross list price of no more than €80,000. Besides, the members of the Management Board are covered by D&O insurance, the terms of which the Company believes are in line with market practice and which provides for a deductible in line with the AktG (see “12.7 Insurance Coverage”).

17.2.3.2 Post-Contractual Non-Compete Regulations

The service agreements provide for non-competition and non-solicitation undertakings during the term of the respective service agreement and for two years after termination. As compensation for the post-contractual non-competition undertaking, the members of the Management Board receive 50% of their fixed remuneration component.

For information on the historical compensation of the members of the Management Board, see “20 Certain Relationships and Related-Party Transactions of Boxine Group”.

No other benefits have been granted to the members of the Management Board.

17.2.4 Shareholdings of the Members of the Management Board in the Company

As of the date of this Prospectus, Patric Faßbender and Marcus Stahl, indirectly through Höllenhunde, hold 8,051,468 Public Shares.

The shareholdings are subject to certain lock-up restriction (please see 6.4.2 *Höllenhunde Shareholders Lock-up*).

17.3 Supervisory Board

The Supervisory Board is responsible for carrying out the permanent supervision and control of the management of the Company, without being authorized to interfere with such management. For this purpose, the Supervisory Board has an unlimited right of information regarding all operations of the Company and may inspect any of the Company's documents. It may request the Management Board to provide any information necessary for exercising its functions and may directly or indirectly proceed to all verifications, which it may deem useful in order to carry out its duties. In addition, the Supervisory Board will oversee the sustainability policies and practices, in particular in relation to health, safety, environment and compliance with laws concerning environmental and social matters and the review of their implementation.

The members of the Supervisory Board are appointed by the general shareholders' meeting by way of simple majority vote of the shares present or represented. The general shareholders' meeting also determines the Supervisory Board members' remuneration and the terms of office. Pursuant to the Articles of Association, the members of the Supervisory Board are elected for a term not exceeding a period of six (6) years. Members of the Supervisory Board may be re-appointed for successive terms. Any member of the Supervisory Board may be removed from office at any time, with or without cause, by the general shareholders' meeting at a two-third majority vote of the shares present or represented.

According to the Articles of Association, the Supervisory Board must be composed of at least three members. Currently, the Supervisory Board consists of seven members. The Supervisory Board shall elect among its members a chairperson and it may elect a secretary, who does not need to be a shareholder or a member of the Supervisory Board. Anna Dimitrova is the chairperson of the Supervisory Board.

If a legal entity is appointed as member of the Supervisory Board, such legal entity must designate an individual as permanent representative, who shall perform this role in the name and on behalf of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one member of the Supervisory Board and may not be a member of the Management Board at the same time. An individual cannot be a permanent representative of a member of the Supervisory Board and of a member of the Management Board at the same time.

Pursuant to its rules of procedure, the Supervisory Board shall hold at least one meeting in each calendar quarter. Additional meetings are convened by the chairperson if necessary. Unless otherwise provided by mandatory law or the Articles of Association, resolutions of the Supervisory Board are passed with a simple majority of the votes cast. In case of a tie, the chairperson of the Supervisory Board has a casting vote.

Generally, the Supervisory Board adopts resolutions in meetings. However, the Supervisory Board may also adopt resolutions by circular means when expressing its approval in writing (by electronic mail or otherwise), provided that each of the members of the Supervisory Board participates in such resolution by circular means.

17.3.1 Composition and Biographical Information

The table below lists the members of the Supervisory Board appointed by the extraordinary shareholders' meeting of the Company held on November 15, 2021 in the context of the Business Combination.

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Principal occupation outside the Company</u>
Anna Dimitrova (chairperson)	45	2021	2023	Chief financial officer at Vodafone GmbH
Christian Bailly (vice chairperson) ...	39	2021	2023	Managing director of Armira Beteiligungen GmbH & Co. KG
Dr. Stephanie Caspar	47	2021	2023	Member of the management board at Axel Springer SE

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Principal occupation outside the Company</u>
Alexander Schemann.....	44	2021	2023	Managing partner at Armira Beteiligungen GmbH & Co. KG
Alexander Kudlich.....	41	2021	2023	Managing director of 468 Management GmbH
Helmut Jeggle	51	2021	2023	Managing Director of Salvia GmbH and Salvia Service GmbH
Dr. Thilo Fleck	47	2021	2023	Partner at Berner Fleck Wettich PartG mbB

The following description provides summaries of the curricula vitae of the current members of the Supervisory Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company.

Anna Dimitrova was born in Sofia, Bulgaria, on July 4, 1976. She has an MBA after studying marketing, business information systems and financial controlling at the Friedrich-Alexander University in Erlangen-Nuremberg. She also has a diploma of management from the Henley Management College in the United Kingdom.

Ms. Dimitrova joined Vodafone in 2001 in a marketing role and has held various management positions in Consumer, Enterprise and Finance since then. She was responsible for Finance Enterprise and Enterprise Marketing from 2011 onwards. In December 2012, she was appointed as chief financial officer of Vodafone Czech Republic. Between 2014 and 2016 she held the function of director of Strategy & Corporate Development at Vodafone Germany. She was appointed director of Strategy & Digital at Vodafone Germany in 2016 and chief financial officer in 2018. Ms. Dimitrova is also a member of the Kabel Deutschland management board.

Alongside her office as chairperson of the Supervisory Board, Ms. Dimitrova is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships:

Current:

- Vodafone GmbH (CFO & Strategy director);
- Kabel Deutschland Holding AG (CFO); and
- HSBC Trinkhaus and Burkhard AG (member of the supervisory board).

Previous:

- Vodafone GmbH (Strategy & Digital director);
- Vodafone GmbH (Strategy & Corporate Development director); and
- Kabel Deutschland Holding AG (member of the supervisory board).

Other than listed above, Ms. Dimitrova has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Christian Bailly was born in Leverkusen, Germany, on December 19, 1981. He holds a double degree in European Management and Economics from the ESB Business School, Reutlingen, Germany, and Lancaster University, United Kingdom. He also holds an MBA from INSEAD.

Mr. Bailly started his career as a management consultant at the Boston Consulting Group in 2006. He joined KKR Capstone in 2010 and left in 2016 as principal. In 2015 and 2016 he also served as CMO of Scout24 Schweiz AG. He joined Armira Beteiligungen GmbH & Co. KG in 2016 as chief operating officer and became managing partner in January 2020.

Alongside his office as vice chairperson of the Supervisory Board, Mr. Bailly is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships:

Since 2020, Mr. Bailly has been the managing director of Armira Administration GmbH, Armira Beteiligungen Verwaltungs GmbH and Armira Management GmbH.

Armira Administration GmbH is the general partner (*Komplementär*) of:

- Armira Parallel Pool (A) GmbH & Co. KG;
- Armira Parallel Pool (B) GmbH & Co. KG;
- Armira Strategy (N) Active Invest GmbH & Co. KG;
- Armira F&F 2019/20 GmbH & Co. KG;
- Armira F&F 2019/20 Employees GmbH & Co. KG;
- Armira F&F 2019-I GmbH & Co. KG;
- Armira F&F 2019-II GmbH & Co. KG;
- Armira F&F 2019-III GmbH & Co. KG;
- Armira F&F 2019-IV GmbH & Co. KG; and
- Armira F&F 2019-V GmbH & Co. KG.

Armira Beteiligungen Verwaltungs GmbH is the general partner (*Komplementär*) of:

- PB Phoenix Beteiligungen GmbH & Co. KG;
- Armira P-Stolberg GmbH & Co. KG;
- TRUST Co-Investor GmbH & Co. KG;
- TRUST Family & Friends GmbH & Co. KG;
- Aspen Family & Friends GmbH & Co. KG;
- Granite Family & Friends GmbH & Co. KG;
- Design Family & Friends GmbH & Co. KG;
- Armira Beteiligungen GmbH & Co. KG;
- AH Beteiligung 1 GmbH & Co. KG;
- AH Beteiligung 2 GmbH & Co. KG;
- AH Beteiligung 3 GmbH & Co. KG;
- AH Beteiligung 4 GmbH & Co. KG; and
- AH Beteiligung 5 GmbH & Co. KG.

Armira Management GmbH currently is the general partner (*Komplementär*) of:

- Armira Initiators GmbH & Co. KG;
- AH Beteiligung 6 GmbH & Co. KG;
- AH Beteiligung 7 GmbH & Co. KG;
- LuxCo Active Invest GmbH & Co. KG;
- Armira (Strategy B) Active Invest GmbH & Co. KG;
- Armira (Strategy C) Active Invest GmbH & Co. KG;
- PE I Active Invest GmbH & Co. KG;

- Armira (Strategy E) Active Invest GmbH & Co. KG;
- Armira (Strategy F) Active Invest GmbH & Co. KG;
- Armira (Strategy I) Active Invest GmbH & Co. KG;
- Armira (Strategy J) Active Invest GmbH & Co. KG;
- Armira Jebsen Active Invest GmbH & Co. KG;
- Armira (Strategy L) Active Invest GmbH & Co. KG;
- Armira (Strategy M) Active Invest GmbH & Co. KG;
- Armira Strategy (O) Active Invest GmbH & Co. KG;
- Armira Strategy (P) Active Invest GmbH & Co. KG;
- Armira Strategy (Q) Active Invest GmbH & Co. KG;
- Armira Strategy (R) Active Invest GmbH & Co. KG;
- E-Sicherheitsholding GmbH & Co. KG;
- M-Sicherheitsholding GmbH & Co. KG; and
- M-Sicherheitszwischenholding GmbH & Co. KG,

and has been general partner (*Komplementär*) of Armira (Strategy H) Active Invest GmbH & Co. KG, Armira Strategy (S) Active Invest GmbH & Co. KG and Santo Ella Co-Invest GmbH & Co. KG until 2021.

Furthermore, Mr. Bailly is the managing director of:

- A. III Beteiligungs GmbH;
- Armira Family SPV GmbH;
- Armira Holding GmbH;
- Armira Setup GmbH; and
- LCB Invest GmbH,

and has been the managing director of A. VI Holding GmbH and A. VII Holding GmbH until 2021.

Beside his activities as managing director, Mr. Bailly is also a member of the administrative council of Biosynth Holding AG and Biosynth Beteiligungs AG.

Other than listed above, Mr. Bailly has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Dr. Stephanie Caspar was born in Bremen, Germany, on November 28, 1973. She has a degree in business administration from the University of Lüneburg, Germany.

She started her career as a management consultant at McKinsey, followed by positions at Ebay, including director of strategy, and at Immobilienscout24 as a member of the management board. In 2009, she founded the digital retailer Mirapodo and acted as the company's CEO.

Dr. Stephanie Caspar joined Axel Springer in 2013. While she initially served as Managing Director of WELT Group, her responsibilities expanded over the course of the following years. In March 2018, Dr. Caspar was appointed member of the executive board, at first as President News Media National & Technology. Since May 2020 she also took responsibility for the Aviv Group. In 2021, she has assumed presidency at the board level for the StepStone Group and is now responsible for the segment Classifieds Media at Axel Springer. The segment combines Axel Springer's digital activities in real estate, jobs and generalist classifieds.

Alongside her office as a member of the Supervisory Board, Dr. Caspar is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships:

Current:

- Axel Springer SE (president Classifieds Media);
- GLC Group SAS (member of the supervisory board);
- Homeday GmbH (member of the advisory board);
- Housell Inmo Online Service, S.L. (chairman of the supervisory board);
- Media.netmedia:net berlinbrandenburg e.V. (member of the supervisory board);
- Media Pioneer Publishing AG (member of the supervisory board);
- Purplebricks Group plc (non-executive director of the board of directors);
- Real Estate Media (member of the board of directors); and
- YYad2 (chairman of the supervisory board).

Previous:

- None.

Other than listed above, Dr. Caspar has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Alexander Schemann was born in Stuttgart, on February 20, 1977. He is the founder and managing partner of Armira. Prior to that, he worked for Goldman Sachs (PIA and IBD).

Alongside his office as a member of the Supervisory Board, Mr. Schemann is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships:

Mr. Schemann is currently the managing director of:

- Armira Beteiligungen Verwaltungs GmbH;
- Armira Family SPV GmbH;
- Armira Holding GmbH;
- Armira Partners Verwaltungs GmbH;
- Pryco GmbH; and
- ANCOS Holding GmbH.

Furthermore, Mr. Schemann is the managing partner of:

- AH Beteiligung 3 GbR;
- AH Beteiligung 4 GbR;
- AH Beteiligung 5 GbR;
- AH Beteiligung 6 GbR;
- AH Beteiligung 7 GbR;
- Argalos Beteiligungs GbR;
- Ivy Beteiligungs GbR;
- M-Sicherheitsbeteiligungen GbR;
- TRUST Beteiligungs GbR; and
- M-Sicherheits Co-Invest GbR.

In addition, Mr. Schemann is, through his capacity as sole shareholder and managing director of ANCOS Holding GmbH the managing partner of:

- P-Gesundheits Family & Friends GbR;
- Phoenix Co-Invest GbR;
- Arkas Beteiligungs GbR; and
- P-Stolberg Family & Friends GbR.

Armira Beteiligungen Verwaltungs GmbH is the general partner (*Komplementär*) of:

- PB Phoenix Beteiligungen GmbH & Co. KG;
- Armira P-Stolberg GmbH & Co. KG;
- TRUST Co-Investor GmbH & Co. KG;
- TRUST Family & Friends GmbH & Co. KG;
- Aspen Family & Friends GmbH & Co. KG;
- Granite Family & Friends GmbH & Co. KG;
- Design Family & Friends GmbH & Co. KG;
- Armira Beteiligungen GmbH & Co. KG;
- AH Beteiligung 1 GmbH & Co. KG;
- AH Beteiligung 2 GmbH & Co. KG;
- AH Beteiligung 3 GmbH & Co. KG;
- AH Beteiligung 4 GmbH & Co. KG; and
- AH Beteiligung 5 GmbH & Co. KG.

Armira Partners Verwaltungs GmbH is the general partner (*Komplementär*) of Armira Partners GmbH & Co. KG and has been the general partner (*Komplementär*) of Fleischwaren Beteiligungs GmbH & Co. KG and Heintier Beteiligungs GmbH & Co. KG until 2017.

Beside his activities as managing director and managing partner, Mr. Schemann is a member of the advisory board of agn Beteiligungs GmbH, deputy chairman of the advisory board of A. VI. Beteiligungs GmbH and serves as chairman of the supervisory board of ESG Elektroniksystem- und Logistik-GmbH.

Previously, Mr. Schemann has been the managing director of:

- M-Sicherheitsbeteiligungen GmbH;
- E-Sicherheitsholding GmbH;
- M-Sicherheitszwischenholding GmbH;
- P-Stolberg Beteiligungen GmbH;
- A. I Verwaltungs GmbH;
- A. II Beteiligungs GmbH; and
- M-Sicherheitsholding GmbH.

Mr. Schemann has been a member of the administrative council of the following entities:

- Biosynth Holding AG;
- Biosynth Beteiligungs AG;
- Parkgroup Holding AG;

- Pallas Holding AG; and
- Aleos AG.

Furthermore, Mr. Scheeman has previously been the managing partner of:

- Aleos Beteiligungs GbR;
- Heimtler Beteiligungs GbR; and
- Fleischwaren Beteiligungs GbR.

Additionally, Mr. Schemann has been the managing partner, through his capacity as sole shareholder and managing director of ANCOS Holding GmbH of Heimtler Co-Investment GbR and Fleischwaren Co-Investment GbR. Mr. Schemann has been advisory board member of Terra Canis GmbH and Blumberg Beteiligungs GmbH.

Other than listed above, Mr. Schemann has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Alexander Kudlich was born in Bonn, Germany on February 5, 1980. Currently, Mr. Kudlich is a general partner at 468 Capital GmbH & Co. KG. Before joining 468 Capital GmbH & Co. KG as co-founder in March 2020, Mr. Kudlich was a member of the management board at Rocket Internet SE since 2015, after having joined the firm in 2011. From 2008 to 2011, Mr. Kudlich worked in various managerial positions in a group company of Axel Springer AG – zanox.de AG, including as regional managing director for Asia Pacific and Central and Eastern Europe – after having joined Axel Springer AG as the Assistant of the Chairman and CEO (Dr. Mathias Döpfner) in 2005. Mr. Kudlich studied Business Administration with a specialization in Finance and Accounting at the University of St. Gallen in Switzerland from 1999 to 2004 and graduated as Lic. oec. (HSG). In 2005, Mr. Kudlich received a Master of Arts degree in Philosophy from the University College London in the United Kingdom. He also holds a Master of Business Administration from the European School of Management and Technology.

Alongside his office as a member of the Supervisory Board, Mr. Kudlich is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships:

Current:

- 468 SPAC Sponsors GmbH & Co. KG (managing director);
- 468 Management GmbH (managing director);
- 468 GP GmbH (managing director);
- 468 Capital GmbH & Co. KG (managing director);
- 468 Capital Team GmbH & Co. KG (managing director);
- 468 Capital Carry GmbH & Co. KG (managing director);
- 468 Special Opportunities GmbH & Co. KG (managing director);
- 468 SPV I GmbH & Co. KG (managing director);
- 468 SPV R GmbH & Co. KG (managing director);
- 468 GP II GmbH (managing director);
- 468 Capital II GmbH & Co. KG (managing director);
- 468 Capital II Carry GmbH & Co. KG (managing director);
- 468 Capital II Team GmbH & Co. KG (managing director);
- 468 Global Opportunities GmbH & Co. KG (managing director);
- 468 Global Opportunities Team GmbH & Co. KG (managing director);
- 468 Global Opportunities Carry GmbH & Co. KG (managing director);

- AHK - Grünauer Str. 124 GmbH (managing director);
- AHK Wustrau GbR (executive partner);
- Apollon Fulfillment GmbH (member of the advisory board);
- aptus 1795. GmbH (managing director);
- Bernhard Schulte GmbH & Co. KG (member of the advisory board);
- Bundesverband Deutsche Startups e. V. (member of the extended board of directors);
- Compad GmbH (member of the advisory board);
- cor 67. GmbH & Co. KG (managing director);
- Ebereschentallee 16 GbR (executive partner);
- Ella Initiators GmbH & Co. KG (managing director);
- FLA Global Opportunities GbR (executive partner);
- FLA Invest GmbH & Co. KG (managing director);
- fentus 109. GmbH (managing director);
- fentus Invest GmbH & Co. KG (managing director);
- Kudlich Bootsbesitz KG (general partner);
- Linearity GmbH (member of the advisory board);
- Maytower S.L. (member of the advisory board);
- Razor Group GmbH (member of the advisory board);
- 468 SPAC II SE (member of the management board);
- TalentSpace GmbH (member of the advisory board);
- TEIXL Investments GmbH (managing director); and
- Woom GmbH (member of the advisory board).

Previous:

- Aitme GmbH (member of the advisory board);
- Asia Internet Holding S.à r.l (member of the advisory board);
- Carmatch Holding S.à r.l. (member of the advisory board);
- Carmudi Global S.à r.l. (member of the advisory board);
- Caterwings Holding S.à r.l. (member of the advisory board);
- Convenience Food Group S.à r.l. (member of the advisory board);
- Digital Services Holding XVII S.à r.l. (member of the advisory board);
- Digital Services XLVII S.à r.l. (member of the advisory board);
- Digital Services XXVIII S.à r.l. (member of the advisory board);
- Digital Services XXX S.à r.l. (member of the advisory board);
- Everdine Holding S.à r.l (member of the advisory board);
- everstox GmbH (member of the advisory board);
- Forto GmbH (member of the advisory board);
- Global Online Takeaway Group S.A. (member of the supervisory board);
- Global Savings Group GmbH (member of the advisory board);

- Helping Group Holding S.à r.l. (member of the advisory board);
- insureQ GmbH (member of the advisory board);
- Jumia Technologies AG (member of the advisory board);
- Lamudi Global S.à r.l. (member of the advisory board);
- Lindentor 196. V V GmbH (member of the advisory board);
- Lindentor 226. V V GmbH (member of the advisory board);
- Middle East Internet Holding S.à r.l. (member of the advisory board);
- MKC Brillant Services GmbH (member of the advisory board);
- Rocket Internet SE (member of the management board);
- Somuchmore Global S.à r.l. (member of the advisory board);
- Urban Sports GmbH (member of the advisory board);
- Vaniday Global S.à r.l. (member of the advisory board);
- Westwing Group AG (member of the advisory board);
- Zenrooms Holding S.à r.l. (member of the advisory board); and
- Zipjet Global S.à r.l. (member of the advisory board).

Other than listed above, Mr. Kudlich has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Helmut Jeggle was born in Biberach, Germany, on September 7, 1970. Mr. Jeggle has a degree in business administration from the University of Applied Sciences Neu-Ulm, Germany, and earned his Master of Business Administration from the Stuttgart Institute of Management and Technology.

Mr. Jeggle has served as general partner at ATHOS KG, the Strüngmann Family Office, from 2015 until May 2021, and from 2007 until 2015, Mr. Jeggle served as the head of Direct Investments of ATHOS Service GmbH. From 2002 until 2007, he held various positions with Hexal AG, including head of Business Planning & Analyses. Mr. Jeggle is currently the managing director of Salvia GmbH (since 2014) and Salvia Service GmbH (since 2021). Mr. Jeggle is a member of numerous supervisory boards, including 4SC AG and AiCuris AG.

Alongside his office as a member of the Supervisory Board, Mr. Jeggle is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships:

Current:

- SALVIA GmbH (managing director);
- Salvia Service GmbH (managing director);
- 4SC AG (member of the supervisory board);
- BioNTech SE (chairman of the supervisory board);
- AFFiRiS AG (member of the supervisory board);
- Glycotope GmbH (member of the advisory board);
- APK ALUMINIUM UND KUNSTSTOFFE AG (member of the supervisory board);
- SiO2 Medical Products (member of the supervisory board);
- Solaris Pharma Corporation (member of the supervisory board);
- Movinga GmbH (member of the advisory board);
- IQM Finland OY (member of the supervisory board); and

- AiCuris AG (chairman of the supervisory board).

Previous:

- Ganymed Pharmaceuticals AG (member of the supervisory board);
- VANGUARD AG (member of the supervisory board);
- Auris Luxembourg III S.à r.l. (member of the advisory board);
- Sidroga AG (president of the administrative board);
- AT Impf GmbH (managing director);
- AT Newtec GmbH (managing director);
- Apceth Verwaltungs GmbH (managing director);
- Apceth GmbH & Co. KG (managing director);
- Apceth Biopharma GmbH (managing director);
- Apceth Biopharma Manuf. Co. GmbH (managing director);
- Neuraxpharm Holding GmbH (managing director);
- Neula Holding GmbH (managing director);
- NX Biotech GmbH (managing director)
- ATHOS Service GmbH (managing director);
- ATHOS KG (general partner)
- Klinge Pharma GmbH (managing director);
- Santo Venture Capital GmbH (managing director);
- Santo Holding (Deutschland) GmbH (managing director);
- Santo Vermögensverwaltung GmbH (managing director);
- Santo Service GmbH (managing director);
- ATB GmbH (managing director);
- ATS Beteiligungsverwaltung GmbH (managing director);
- Dr. E. Strüngmann Foundation gGmbH (managing director);
- Jossa Arznei GmbH (managing director);
- Pharma Radebeul GmbH (managing director); and
- SWB Holding GmbH (managing director).

Other than listed above, Mr. Jeggle has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

Dr. Thilo Fleck was born in Cologne, on August 12, 1974. He studied law in Freiburg, Berlin and London and received a Master of Laws (LL.M.) from the London School of Economics and Political Science (LSE) and a doctorate degree in law (Dr. iur) from the Humboldt University of Berlin.

Dr. Fleck has been practicing as a lawyer since 2006. He started his career at Hengeler Mueller, a German law firm with international focus. In 2014 he co-founded Berner Fleck Wettich, a corporate law boutique with its seat in Düsseldorf, Germany.

Alongside his office as a member of the Supervisory Board, Dr. Fleck is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships:

Current:

- Berner Fleck Wettich PartG mbB (Partner).

Previous:

- None.

Other than listed above, Dr. Fleck has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Group within the last five years.

The members of the Supervisory Board may be reached at the Company's office at 9, rue de Bitbourg, L-1273 Luxembourg, Luxembourg (tel.: +352 27 44 41 9459).

17.3.2 Committees of the Supervisory Board

The Supervisory Board has an audit committee (the “**Audit Committee**”). The Audit Committee is responsible for all matters set forth in the Luxembourg law of July 23, 2016 on the audit profession, as amended (the “**Audit Law**”) and will be, in particular, responsible for, among other things, considering matters relating to financial controls and reporting, internal and external audits, the scope and results of audits and the independence and objectivity of auditors. They will monitor and review the Company's audit function and, with the involvement of its auditor, will focus on compliance with applicable legal and regulatory requirements and accounting standards. The Company has engaged Mazars Luxembourg S.A. as its independent auditor. The Audit Committee will make recommendations to the Management Board regarding the auditors to be proposed by the Management Board to the general shareholders' meeting for approval.

The members of the Audit Committee are Helmut Jeggle, Anna Dimitrova and Christian Bailly, with the committee being chaired by Helmut Jeggle.

The Audit Committee oversees the accounting and financial reporting processes of the Company, the integrity of the financial statements and publicly reported results, and the adequacy and effectiveness of the risk management and internal control frameworks as well as the choice, effectiveness, performance and independence of the internal and external auditors.

The Audit Committee performs its duties in compliance with applicable laws, in particular Regulation (EU) No. 537/2014 of the European Parliament and the Council of April 16, 2014 on specific requirements regarding the statutory audit of public-interest entities, as amended, the Audit Law, the Articles of Association, the rules of procedure of the Supervisory Board and rules of procedure of the Audit Committee.

17.3.3 Contractual Arrangements with the Members of the Supervisory Board

The current members of the Supervisory Board have been appointed in the context of the approval of the Business Combination by resolution of the extraordinary shareholders' meeting of the Company held on November 15, 2021, subject to the condition precedent of the Closing of the Business Combination and effective as of the decision of the Supervisory Board to be taken on the date following the Consummation of the Business Combination, in accordance with the Articles of Association and applicable law.

We have not entered into separate service arrangements with the members of the Supervisory Board.

17.3.4 Compensation and Other Benefits of the Members of the Supervisory Board

The compensation of the Supervisory Board was resolved by an extraordinary shareholders' meeting of the Company held on November 15, 2021, in the context of the approval of the Business Combination.

The remuneration of the members of the Supervisory Board is based on fixed compensation elements only. The chairperson of our Supervisory Board receives a fixed compensation in the amount of €120,000. The deputy chairpersons of the Supervisory Board receive a fixed compensation in the amount of €90,000. Members of the Supervisory Board receive a fixed compensation in the amount of €60,000.

No other compensation and/or benefits have been granted to the members of the Supervisory Board.

17.3.5 Shareholdings of the Members of the Supervisory Board in the Company

As of the date of this Prospectus, Anna Dimitrova holds 16,000 Public Shares, Christian Bailly, indirectly holds 40,033 Public Shares, Alexander Schemann, indirectly holds 28,932,509 Public Shares, Helmut Jeggle indirectly holds 54,652 Public Shares and Alexander Kudlich holds 33% of the limited partnership interests in 468 SPAC Sponsor GmbH & Co. KG, which holds 6,487,000 Sponsor Shares and 5,535,572 Sponsor Warrants.

The shareholdings are subject to certain lock-up restriction (please see 6.4.3 *Holding GmbH Shareholders' Lock-Up* and 6.4.4 *468 SPAC Sponsors Lock-Up*).

17.4 Certain Information Regarding the Members of the Management Board and Supervisory Board

In the last five years, no member of the Management Board or the Supervisory Board has been convicted of fraudulent offences or has been associated with any bankruptcy, receivership, liquidation or companies put into administration acting in its capacity as a member of any administrative, management or supervisory body. In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board or Supervisory Board, nor have sanctions been imposed by the aforementioned authorities.

No court has ever disqualified any of the members of either board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. No conflicts of interest or potential conflicts of interest exist between the members of the Management Board as regards the Company on the one side and their private interests, membership in governing bodies of companies, or other obligations on the other side.

No member of the Management Board or the Supervisory Board has entered into a service agreement with a group company that provides for benefits upon termination of employment or office. There are no family relationships between the members of the Management Board and the Supervisory Board, either among themselves or in relation to the members of the other body.

17.5 Share Incentive Programs

Besides special bonus arrangements with certain employees, the Company currently has two share incentive programs in place.

17.5.1 Existing Incentive Programs

17.5.1.1 Transition of former Beteiligungs GmbH Virtual Share Program

Beteiligungs GmbH has in place a non-equity-settled long-term incentive program for certain employees of the Boxine Group. In this respect, Beteiligungs GmbH allotted to certain employees, key management and other beneficiaries virtual participations in Beteiligungs GmbH in different amounts. Under the terms of the Boxine VSP, in the case of an exit event, each VSP Beneficiary is entitled to a certain cash payment against Beteiligungs GmbH, depending on the individual virtual participation of the respective VSP Beneficiary on the exit amount. The Boxine VSP provides for generally standardized terms for the VSP Beneficiaries. The Boxine VSP is closed; no new virtual participations will be granted under the Boxine VSP.

Pursuant to the VSP Amendment Agreement, the individual quote of each Boxine VSP Beneficiary is replaced by a virtual share in 468 SPAC (the “**Virtual Share**”). Further, the Boxine VSP Beneficiaries are entitled to exercise at or immediately following the Commencement of the Business Combination a portion of their Virtual Shares in 468 SPAC in accordance with the terms and conditions of the Boxine VSP Amendment Agreement. If and to the extent Boxine VSP Beneficiaries exercise such portion of their virtual participations in Beteiligungs GmbH at or immediately following the commencement of the Business Combination, they will be entitled to receive certain cash payments in accordance with the terms of the Boxine VSP, as amended by the Boxine VSP Amendment Agreement. However, Beteiligungs GmbH has the ability to elect, in its sole discretion, to settle the Boxine VSP Closing Payout Amount in whole or in part instead of a cash payment either exclusively through or a combination of the issuance of Public Shares to the relevant Boxine VSP Beneficiaries.

The remaining Virtual Shares are subject to certain vesting provisions under the Boxine VSP, as amended by the Boxine VSP Amendment Agreement. The allotted virtual options vest over a period of four years from the day

of allotment to the VSP Beneficiary (the “**Vesting Term**”). The Virtual Shares vest within the Vesting Term pursuant to the following condition: (i) on the first anniversary of the allotment (the “**Cliff Day**”) a quarter of the allotted Virtual Shares vest and (ii) after the Cliff Period, each month one forty-eight (1/48) of the allotted Virtual Shares vests. The Boxine VSP sets out certain exit events. If such an exit event occurs all Virtual Shares vest.

Unvested Virtual Shares expire if (i) the employment or service agreement between the Boxine VSP Beneficiary terminates or (ii) in case the VSP Beneficiary files for bankruptcy. If the employment or service contract is terminated by the Company, *i.e.*, the company of the Boxine Group, which is a party to the employment or service agreement, for cause and the VSP Beneficiary is responsible for the respective cause, all vested and unvested Virtual Shares expire and lapse without replacement.

Each Boxine VSP Beneficiary may exercise its vested Virtual Shares once during the calendar year at a time set by the Company. However, if the Boxine VSP Beneficiary does not exercise all of its vested Virtual Shares within one year after all of its Virtual Shares have vested, its Virtual Shares lapse. The amount of the cash settlement in case of an exercise of the Virtual Shares will be determined by the amount of exercised Virtual Shares multiplied by the volume-weighted average share price of the Public Shares in XETRA trading during the last 30 days prior to the exercise day.

17.5.1.2 Höllenhunde Equity Stock Option Plan

In connection with the Business Combination, the Company, Höllenhunde and the Höllenhunde Shareholders entered into a new equity-based long-term incentive stock option plan (the “**New Höllenhunde ESOP**”). Under the New Höllenhunde ESOP, Höllenhunde will acquire, subject to certain vesting conditions as described below, at notional value (*i.e.*, €0.016 per Public Share) 2,751,208 Public Shares (the “**New Höllenhunde ESOP Public Shares**”) to be issued from the Company’s authorized capital and delivered to Höllenhunde on the first trading day following each vesting period.

The New Höllenhunde has a 24 months overall vesting scheme. The Vesting starts at Closing. During the first vesting period, an annual vesting will take place, *i.e.*, after 12 months 50% of the New Höllenhunde ESOP Public Shares will vest and be delivered to Höllenhunde 12 months after the vesting start date. During the second vesting period, a quarterly vesting will take place, *i.e.*, 12.5% of the New Höllenhunde ESOP Public Shares will vest and be delivered to Höllenhunde after 15, 18, 21, and 24 months after the vesting start date, respectively.

An accelerated vesting of all New Höllenhunde ESOP Public Shares will take place in particular under two circumstances: (i) if a Höllenhunde Shareholder is removed from the Management Board by the Supervisory Board for any reasons other than a Bad Leaver Event (as defined below) or (ii) a direct or indirect change-of-control of the Company occurs. A “**Bad Leaver Event**” is defined as one of the following events: (i) valid immediate termination of the service agreement without notice period by the Company for good cause pursuant to section 626 German Civil Code (BGB) in the event that the respective managing director, *i.e.*, one of the Höllenhunde Shareholders, shall be responsible for the good cause; for clarification purposes: death and disability do not constitute a Bad Leaver Event; (ii) a material breach (*gravierender Verstoß*) by Höllenhunde and/or one of the Höllenhunde Shareholders of the material provisions (*grundlegende Bestimmungen*) of the Company’s governing documents agreed upon in the Business Combination that is not remedied without undue delay after a warning by the Company; a warning shall not be required where the consequences incurred by the breach cannot be remedied or where a warning is unreasonable; or (iii) Höllenhunde is insolvent or over-indebted or insolvency proceedings are opened against the assets of Höllenhunde due to its inability to pay its due debts or due to over-indebtedness or the opening of such insolvency proceedings is rejected for a lack of assets.

Vesting under the New Höllenhunde ESOP terminates with immediate effect and no further Public Shares will be issued to Höllenhunde in the following events: (i) termination of the service agreement of one or both of the Höllenhunde Shareholders or irrevocable suspension (*Freistellung*) from their duties under the service agreements due to an ordinary or extraordinary termination of the service agreement and/or any other termination of the service agreements, (ii) termination of all offices (*Organstellungen*) (including by death or disability) of one or both of the Höllenhunde Shareholders as members of the Management Board as a result of removal (*Abberufung*), resignation (*Niederlegung*) or any other termination (*anderweitige Beendigung*), (iii) a material breach (*gravierender Verstoß*) by Höllenhunde and/or one of the Höllenhunde Shareholders of the material provisions (*grundlegende Bestimmungen*) of the Company’s governing documents agreed upon in the Business Combination that is not remedied without undue delay after a warning by the Company; a warning shall not be required where the consequences incurred by the breach cannot be remedied or where a warning is unreasonable, and (iv) Höllenhunde is insolvent or over-indebted or insolvency proceedings are opened against the assets of

Höllenhunde due to its inability to pay its due debts or due to over-indebtedness or the opening of such insolvency proceedings is rejected for a lack of assets.

Furthermore, in case of an Bad Leaver Event, Höllenhunde is required to re-transfer to the Company all New Höllenhunde ESOP Public Shares granted to Höllenhunde within two weeks as from the occurrence of such event to the Company or any other person identified by the Company at a price equal to the notional value (*i.e.*, €0.016 per Public Share).

17.5.2 Future Incentive Programs

We are currently developing the details of a new long-term incentive program for new employees and such employees that are not sufficiently covered by the Boxine VSP (the “**New Boxine ESOP**”). The terms and conditions of the New Boxine ESOP will be determined by the management board and supervisory board of 468 SPAC following advice from a reputable remuneration expert and shall be appropriate for a company of the size and active in the field as the Company. The remaining terms and conditions of the New Boxine ESOP will be customary for such type of equity incentive program.

17.6 Conflicts of Interest

Save as otherwise provided by the Luxembourg Company Law, any member of the Management Board who has, directly or indirectly, a financial interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the Management Board, must inform the Management Board of such conflict of interest and must have his declaration recorded in the minutes of the Management Board meeting. The relevant member of the Management Board may not take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next general shareholders’ meeting prior to such meeting taking any resolution on any other item.

Where, by reason of a conflicting interests, the number of members of the Management Board required in order to validly deliberate is not met, the Management Board may decide to submit the decision on this specific item to the general shareholders’ meeting. The conflict of interest rules shall not apply where the decision of the Management Board relates to day-to-day transactions entered into under normal conditions.

Save as otherwise provided by law, any member of the Management Board who has, directly or indirectly, a financial interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the Management Board, must inform the Management Board of such conflict of interest and must have his declaration recorded in the minutes of the meeting of the Management Board. The relevant member of the Management Board may not neither take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next general shareholders’ meeting prior to such meeting taking any resolution on any other item. Where, by reason of conflicting interests, the number of Management Board members required in order to validly deliberate is not met, the Management Board may decide to submit the decision on this specific item to a special committee of the Management Board.

There are no conflicts of interest or potential conflicts of interests between members of the Management Board and Supervisory Board with respect to their duties to the Company on the one hand and their private interests, membership in governing bodies of companies, or other obligations on the other hand.

17.7 General Shareholders’ Meeting

17.7.1 General

The shareholders exercise their collective rights in the general shareholders’ meeting. Any regularly constituted general shareholders’ meeting of the Company shall represent the entire body of shareholders of the Company. The general shareholders’ meeting is vested with the powers expressly reserved to it by the law and by the Articles of Association. In particular, the general shareholders’ meeting has the right to vote on the election of members of the Supervisory Board from a list of candidates proposed by the Sponsor, as well as on the removal of members of the Supervisory Board.

Temporary legislation introduced with respect to the COVID-19 pandemic for the time being, and, as of the date of this Prospectus, allows for general shareholders’ meetings to take place on a fully virtual basis without any physical meeting and this until December 31, 2021. There is currently no view on whether this temporary measure

will be extended past December 31, 2021 (please refer also to the subsequent paragraphs regarding the already existing flexibilities in respect of a virtual participation in general meeting under general company law).

The general shareholders' meeting of the Company may at any time be convened by the Management Board or the Supervisory Board or, as the case may be, by the independent auditor(s), to be held at such place and on such date as specified in the notice of such meeting in accordance with the provisions of the law and the Articles of Association, and in accordance with the publicity requirements of any foreign stock exchange applicable to the Company.

The Management Board or the Supervisory Board shall convene the annual general shareholders' meeting within a period of six (6) months after the end of the Company's financial year. Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meeting. The general shareholders' meeting must be convened by the Management Board or the Supervisory Board or the independent auditor(s), upon request in writing indicating the agenda, addressed to the Management Board or the Supervisory Board by one or several shareholders representing at least 10% of the Company's issued share capital. In such case, a general shareholders' meeting must be convened and shall be held within a period of one (1) month from the receipt of such request. If following such a request, a general shareholders' meeting is not held in due time, such shareholder's may request the president of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters to appoint a delegate which will convene the general shareholders' meeting.

As long as the Shares are admitted to trading on a regulated market within a European Union member state, the general shareholders' meeting of the Company must be convened in accordance with the provisions of the Luxembourg law of May 24, 2011 on the exercise of certain rights of shareholders in general meetings of the shareholders of listed companies, as amended (the "**Luxembourg Shareholder Rights Law**"). In accordance with the Luxembourg Shareholder Rights Law, the convening notice for any general shareholders' meeting must contain the agenda of the meeting, the place, date and time of the meeting, the description of the procedures that shareholder must comply with in order to be able to participate and cast their votes in the general meeting, a statement of the record date and the manner in which shareholders have to register and a statement that only those who are shareholders on that date shall have the right to participate and vote in the general meeting, indication of the postal and electronic addresses where and how the full unbridged text of the documents to be submitted to the general meeting and the draft resolutions may be obtained and an indication of the address of the internet site on which this information is available, and such notice shall take the form of announcements published (i) thirty (30) days before the meeting, in the RESA and in a Luxembourg newspaper and (ii) in a manner ensuring fast access to it on a non-discriminatory basis in such media as may reasonably be relied upon for the effective dissemination of information throughout the European Economic Area. A notice period of at least seventeen (17) days applies, in case of a second or subsequent convocation of a general shareholders' meeting convened for lack of quorum required for the meeting convened by the first convocation, provided that this paragraph has been complied with for the first convocation and no new item has been put on the agenda. The notices shall in addition be published in such other manner as may be required by laws, rules or regulations applicable any stock exchange the Company is listed on, as applicable from time to time.

In accordance with the Luxembourg Shareholder Rights Law, one or several shareholders, representing at least 5% of the Company's issued share capital, may (i) request to put one or several items to the agenda of any general shareholders' meeting, provided that such item is accompanied by a justification or a draft resolution to be adopted in the general meeting, or (ii) table draft resolutions for items included or to be included on the agenda of the general meeting. Such request must be sent to the Company's registered office in writing by registered letter or electronic means and must be received by the Company at least twenty-two (22) days prior to the date of the general meeting and include the postal or electronic address of the sender. In case such request entails a modification of the agenda of the relevant meeting, the Company will make available a revised agenda at least fifteen (15) days prior to the date of the general meeting.

If provided for in the relevant convening notice and the Articles of Association, shareholders may participate in a general meeting by electronic means, ensuring, notably, any or all of the following forms of participation: (i) a real-time transmission of the general meeting; (ii) a real-time two-way communication enabling shareholders to address the shareholders' meeting from a remote location; and (iii) a mechanism for casting votes, whether before or during the general meeting, without the need to appoint a proxy who is physically present at the meeting. Any shareholder which participates by electronic means in a general meeting shall be considered present for the purposes of the quorum and majority requirements. The use of electronic means allowing shareholders to take part in a general meeting may be subject only to such requirements as are necessary to ensure the identification of

shareholders and the security of the electronic communication, and only to the extent that they are proportionate to achieving that objective.

If all shareholders are present or represented, the general meeting may be held without prior notice or publication.

The provisions of the law are applicable to general meetings. The Management Board may determine other terms or set conditions that must be respected by a shareholder to participate in any meeting of shareholders in the convening notice (including, but not limited to, longer notice periods).

A shareholder may act at any general shareholders' meeting by appointing another person, shareholder or not, as his proxy in writing by a signed document transmitted by mail or facsimile or by any other means of communication authorized by the Management Board. One person may represent several or even all shareholders.

A board of the meeting (*bureau*) shall be formed at any general shareholders' meeting, composed of a chairperson to be elected from the Management Board, a secretary and a scrutineer, each of whom shall be appointed by the general shareholders' meeting and who do not need to be shareholders. The board of the meeting shall ensure that the meeting is held in accordance with applicable rules and, in particular, in compliance with the rules in relation to convening the meeting, majority requirements, vote tallying and representation of shareholders.

An attendance list must be kept at any general shareholders' meeting.

In accordance with the Articles of Association, each shareholder may vote at a general shareholders' meeting through a signed voting form sent by post, electronic mail, facsimile or by any other means of communication authorized by the Management Board to the Company's registered office or to the address specified in the convening notice. The shareholders may only use voting forms provided by the Company which contain at least (i) the name or corporate denomination of the shareholder, his/her/its address or registered office, (ii) the number of votes the shareholder intends to cast in the general meeting, as well as the direction of his/her/its votes or his/her/its abstention, (iii) the form of the shares held, (iv) the place, date and time of the meeting, (v) the agenda of the meeting, the proposals submitted to the resolution of the meeting as well as for each proposal three boxes allowing the shareholder to vote in favor of or against the proposed resolution or to abstain from voting thereon by ticking the appropriate boxes, (vi) the period within which the form for voting from a remote location must be received by the Company and (vii) the shareholder's signature. The Company will only take into account voting forms received prior to the general shareholders' meeting to which they relate, within the deadlines provided in the Articles of Association. Forms in which no vote is expressed, or which do not indicate an abstention shall be void.

17.7.2 Record Date

Any shareholder who holds one or more share(s) of the Company at 24:00 hours (midnight) (Luxembourg time) on the date falling fourteen days prior to (and excluding) the date of the general shareholders' meeting (the "**Record Date**") shall be admitted to the relevant general shareholders' meeting. Any shareholder who wishes to attend the general meeting must inform the Company thereof at the latest on the Record Date, in a manner to be determined by the Management Board in the convening notice. In case of shares held through a settlement organization or with a professional depository or sub-depository designated by such depository, a holder of shares wishing to attend a general shareholders' meeting should receive from such operator or depository or sub-depository a certificate certifying the number of shares recorded in the relevant account on the Record Date. The certificate should be submitted to the Company at its registered address no later than three business days prior to the date of the general meeting. In the event that the shareholder votes through proxies, the proxy has to be deposited at the registered office of the Company at the same time or with any agent of the Company, duly authorized to receive such proxies. The Management Board may set a shorter period for the submission of the proxy.

17.7.3 Amendment of Articles of Association

Subject to the provisions of the Luxembourg law, any amendment of the Articles of Association requires a majority of at least 2/3 of the votes validly cast at a general shareholders' meeting at which at least half of the share capital is present or represented (in case the second condition is not satisfied, a second meeting may be convened in accordance with the Luxembourg law, which may deliberate regardless of the proportion of the capital represented and at which resolutions are taken at a majority of at least 2/3 of the votes validly cast). Abstention and nil votes will not be taken into account for the calculation of the majority.

17.7.4 Right to Ask Questions at the General Meeting

Every shareholder has the right to ask questions related to items on the agenda of general shareholders' meeting. The Company shall answer questions put to it by shareholders subject to measures which it may take to ensure the identification of shareholders, the good order of general meetings and their preparation and the protection of confidentiality and the Company's business interests. The Company may provide one overall answer to questions having the same content. Where the relevant information is available on the website of the Company in a question and answer format, the Company shall be deemed to have answered the questions asked by referring to the website.

The Articles of Association may provide that shareholders have the right, as soon as the convening notice is published, to ask questions in writing regarding the items on the agenda which will be answered during the general shareholders' meeting. Such questions may be addressed to the Company in writing or by electronic means at the address indicated in the convening notice along with a certificate proving that they are shareholders at the Record Date. The Articles of Association shall fix the time limit within which these written questions must be submitted to the Company.

17.7.5 Adjourning General Shareholders' Meetings

The Management Board may adjourn any general shareholders' meeting already commenced, including any general meeting convened in order to resolve on an amendment of the Articles of Association, for a period of four (4) weeks. The Management Board must adjourn any general shareholders' meeting already commenced if so required by one or several shareholders representing at least 10% of the Company's issued share capital. By such an adjournment of a general shareholders' meeting already commenced, any resolution already adopted in such meeting will be cancelled. For the avoidance of doubt, once a meeting has been adjourned pursuant to the second sentence of this section, the Management Board shall not be required to adjourn such meeting a second time.

17.7.6 Minutes of General Shareholders' Meeting

The board of any general shareholders' meeting shall draw up minutes of the meeting, which shall be signed by the members of the board of the meeting as well as by any shareholder who requests to do so. Any copy and excerpt of such original minutes to be produced in judicial proceedings or to be delivered to any third party shall be signed by the CEO or the CIO of the Management Board or by any two of its members.

17.8 Corporate Governance

The corporate governance rules of the Company are based on applicable Luxembourg laws, the Company's Articles of Association and its internal regulations, in particular the rules of procedure of the Management Board and the Supervisory Board.

As a Luxembourg governed company that is traded on the Frankfurt Stock Exchange, the Company is not required to adhere to the Luxembourg corporate governance regime applicable to companies that are traded in Luxembourg or to the German corporate governance regime applicable to listed companies in Germany. The Company has opted to not apply the Luxembourg or German corporate governance regime on a voluntary basis either.

The information on the corporate governance of the Company is published on the Company's website (www.tonies.com).

18. REGULATORY AND LEGAL ENVIRONMENT

We operate in several countries in the European Union. Therefore, our business is subject to various regulatory requirements under European Union law and the applicable national laws of the European countries in which we operate.

While the relevant laws and regulations are typically of a national scope, within the European Union, a considerable degree of regulatory harmonization exists in a number of areas relevant to our business. The European Union has created a common regulatory framework that applies not only in our most important market Germany but in all member states of the European Union and comprises directives and regulations. Directives only become effective once they are transposed into national law in the respective member state of the European Union and the implementation of directives may vary between member states. Regulations, however, do not require implementation into national law and apply directly and uniformly in all member states of the European Union.

The following description provides an overview of selected regulations applicable to our business.

18.1 Product Safety

18.1.1 Requirement to Ensure Product Safety

As producer of audio players, we have to comply with requirements on general product safety. Directive 2001/95/EC of the European Parliament and the Council of December 3, 2001 on general product safety, as amended (the “**Product Safety Directive**”), applies in the absence of specific provisions for the safety of vehicles. Under the Product Safety Directive, distributors may only supply products that comply with the general safety requirement, must monitor the safety of their products on the market and provide the necessary documents ensuring that such products can be traced. If a producer discovers that a product is dangerous, it must notify the competent governmental authorities and cooperate with them. Unsafe products may be listed in a database publicly accessible throughout the European Union.

In addition to the Directive on Product Safety, special requirements arise out of the Directive 2009/48/EC of the European Parliament and of the Council the European Union of June 18, 2009 on the safety of toys (*i.e.*, products designed or intended, whether or not exclusively, for use in play by children under 14 years of age).

In Germany, the Product Safety Directive has been implemented by the German Product Safety Act (*Produktsicherheitsgesetz*). Additional details are set out in various regulations on the safety of specific products and product groups. A violation of the requirements of European or national law may be sanctioned with fines and, in severe cases, with criminal sanctions.

18.1.2 Consequences of Non-Compliance

A violation of European or national product safety laws and related regulations may be sanctioned with fines and in severe cases even with criminal sanctions.

The German Product Liability Act (*Produkthaftungsgesetz* (the “**Product Liability Act**”)) provides for an additional liability regime with respect to products that cause injury or death of a natural person or damage to property and such liability generally applies irrespective of fault (*verschuldensunabhängig*). The Product Liability Act provides for a liability limit (*Haftungshöchstbetrag*) in an amount of €85.0 million. In addition, in case of damage to property, the owner of such property is required to bear damages in an amount of €500.00 himself.

18.2 Batteries and Electric Waste

Directive 2006/66/EC of the European Parliament and Council on batteries and accumulators and waste batteries and accumulators (the “**Batteries Directive**”) governs the recovery of batteries within the EU and intends to contribute to the protection, preservation and improvement of the quality of the environment by minimizing the negative impact of batteries and accumulators. The Batteries Directive prohibits the distribution of batteries containing certain hazardous substances, sets out cornerstones to establish schemes aiming at high level of collection and recycling of batteries and accumulators and stipulates certain targets for such collection and recycling. The Batteries Directive requires manufacturers and distributors of batteries, including online retailers selling relevant electronic products, to bear a significant amount of the costs associated with proper collection and disposal of end-of-life batteries.

Directive 2012/19/EU of the European Parliament and Council on waste electrical and electronic equipment, as amended (the “**WEEE Directive**”) governs the recovery of electric and electronic equipment within the EU and aims at preventing the creation of waste electrical and electronic equipment, contributing to the efficient use of resources and the re-use, recycling and other forms of recovery of waste electrical and electronic equipment. The WEEE Directive imposes the responsibility for the collection and disposal of waste electrical and electronic equipment on the manufacturers and distributors of such equipment and requires that manufacturers and distributors set up a collection infrastructure and cover all, or a significant part of, the costs associated with recovery, reuse and recycling measures. In Germany, the WEEE Directive has been implemented by the German Federal Electrical Equipment Act (*Elektro- und Elektronikgerätegesetz, ElektroG*), which has been amended recently in May 2021.

18.3 Data Protection and Data Privacy

The collection, processing and other use of personal data is extensively regulated by EU as well as national legislation. At EU level, data protection is primarily governed by Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (“**Data Protection Regulation**”) and supplemented by national legislation (e.g., the German Federal Data Protection Act (*Bundesdatenschutzgesetz*), “**Data Protection Act**”).

In general, European data protection and data privacy laws regulate when and how personal data may be collected, for which purposes and under which legal basis it may be processed, for how long such data may be stored and to whom and how they may be transferred. The Data Protection Regulation contains strict requirements for obtaining the consent (as a legal basis) of data subjects (*i.e.*, the persons to whom personal data relates) to the use and processing of their personal data. Such consent may be withdrawn at any time and without cause, preventing the continued use of the affected data. In addition, a transfer of personal data to countries outside the European Economic Area is subject to specific requirements.

The Data Protection Regulation also requires organizational measures, such as the installation of a data protection officer who, among other things, must monitor compliance with the Data Protection Regulation. In addition, it may require so called data privacy impact assessments, in cases where the data processing is likely to result in a high risk to the rights and freedoms of individuals. From a data security standpoint, the Data Protection Regulation requires us to implement adequate technical and organizational measures to ensure a level of security appropriate to the organization’s processing requirements and risk.

In addition to the Data Protection Regulation and the Data Protection Act, various sector specific statutes set forth rules, which apply to certain industries or businesses. In Germany, operators of online platforms have to comply with the specific requirements of the German Tele Media Act (*Telemediengesetz*, the “**Tele Media Act**”), which takes into consideration particular aspects of online communication. For example, the Tele Media Act provides for additional information obligations, which are stricter than the general requirements of the Data Protection Act (e.g., a requirement to include an imprint on websites and apps). As regards the collection processing and use of personal data in connection with telemedia services the Tele Media Act will be partly replaced by the new Act on Data Protection and Privacy in Telecommunications and Telemedia (*Telekommunikations-Telemedien-Datenschutzgesetz*, “**TTDSG**”). The data protection provisions of the Tele Media Act and the German Telecommunications Act (*Telekommunikationsgesetz*), including the provisions on the protection of telecommunications secrecy, have been adapted to standards of the Data Protection Regulation and the Directive 2002/58/EC (the “**ePrivacy Directive**”) through the TTDSG. The TTDSG was adopted by the German parliament on June 23, 2021.

The following selected areas of data protection and data privacy are, among others, of particular relevance to our business:

18.3.1 Individual Rights of Data Subjects

Under the Data Protection Regulation, data subjects have a right to require information about what data have been recorded with respect to them, how their data is being processed, the right to data portability as well as the right to restrict certain processing of their data. Furthermore, the Data Protection Regulation establishes a so called “right to be forgotten”. Therefore, data subjects may require that data relating to such data subjects are deleted when there is a problem with the underlying legality of the processing or where the data subjects have withdrawn their consent to the use and storage of such data.

18.3.2 Web Analysis

Web analysis technology, such as cookies or tracking tools (e.g., Google Analytics), enables us to utilize traffic to our websites and apps to personalize our offering and marketing efforts to better match the interests of our Users. Even though most web analysis tools allow for the anonymization of data (i.e., by collecting only a part of the Users' IP addresses) and do not allow for a subsequent allocation of such data to individual Users, the use of such tools may still be subject to data privacy laws.

On May 28, 2020 the Federal Court of Germany (*Bundesgerichtshof*), based on a decision by the European Court of Justice of October 1, 2019, ruled that under German law, the use of certain cookies requires a clear affirmative act of the User and that a pre-activated checkbox does not fulfil this requirement. The use of cookies may be restricted further by a new regulation of the European Parliament and of the Council, which is currently undergoing the European legislative process. This legislation provides for an opt-in regime, pursuant to which the use of certain cookies requires a clear affirmative act establishing a freely given, specific, informed and unambiguous indication of users of websites and apps.

18.3.3 Profiling

The Data Protection Regulation imposes various restrictions on profiling. Profiling can be defined as any form of automated processing of personal data intended to evaluate certain personal aspects relating to a natural person or to analyze or predict such person's performance at work, economic situation, location, health, personal preferences, reliability or behavior.

18.3.4 Email Advertisements

Subject to certain exceptions, email advertisements (e.g., newsletters) may only be sent to recipients who have given their explicit prior consent to receiving such communication. In Germany, case law demands that in certain cases consent must be obtained through a so-called double opt in procedure. This procedure requires that recipients give their consent first and then confirm their email address through a second step (i.e., firstly by filling out an online registration form and secondly by confirming their email address after they have registered).

When obtaining consent, the respective sender has to clearly inform the recipients of the scope and consequences of their consent. For example, a declaration of consent may not be hidden in general terms and conditions but must be clearly highlighted. Consent may be withdrawn at any time without cause.

As an exception from the consent requirement, personalized product recommendations may be sent to customers by email without their explicit prior consent, provided that such recommendations only relate to products identical or similar to those previously purchased by these customers and that these customers have been duly informed about their right to object to receiving such recommendations.

18.3.5 Social Plugins

Operators of online platforms use social plugins (e.g., Facebook's "Like" or "Share" buttons) to promote their websites and apps through social media and to communicate with their customers and followers. The use of such social plugins may, however, infringe data privacy laws, depending on the technical design of the relevant plugin. Therefore, some German data protection authorities recommend the use of a two click solution, pursuant to which users must first activate the relevant social plugins before being able to actually click on the relevant buttons.

18.3.6 Consequences of Non Compliance

Noncompliance with the Data Protection Regulation may result in severe fines. Depending on the individual infringement, fines of up to 4% of the annual worldwide turnover for the last year (calculated on a group level) or €20.0 million may be imposed (whichever is higher). Additional penalties may apply, such as the deprivation of profits or an immediate prohibition of the data processing activity. Further adverse consequences of infringements of the Data Protection Regulation may include civil claims for material and immaterial damages of the individuals affected by the infringement. Individual EU Member State implementation laws such as the Data Protection Act also provide for criminal sanctions for specific violations. Finally, in addition to these regulatory risks, infringement of these laws can lead to reputational risk and significantly undermine customers' trust in our business.

18.3.7 New Proposal for a Data Privacy Regulation

The European Union is considering another draft data protection regulation, known as the Regulation on Privacy and Electronic Communications, or ePrivacy Regulation, which would replace the current ePrivacy Directive and address topics such as unsolicited marketing and cookies. Originally planned to be adopted and implemented at the same time as the Data Protection Regulation, the ePrivacy Regulation has been delayed. On February 10, 2021, the Council of the European Union announced it adopted a consolidated version of the ePrivacy Regulation and therefore the trilogue negotiations on the regulation between the Council, the European Parliament and the European Commission have begun. Implementation of the ePrivacy Regulation or other comparable laws and regulations could require us to expend additional time and effort to comply with such new laws and regulations, and we could be subject to new or increased fines, individual claims, commercial liabilities, or regulatory penalties.

18.4 Payment Processes

Directive (EU) 2015/2366 of the European Parliament and of the Council of November 25, 2015 on payment services in the internal market, among other things, covers online based payment services, provides for a uniform regulation of payments via Internet and mobile phones and increased customer protection and requirements for user authentication.

18.5 Cybersecurity

We have to comply with various cybersecurity requirements. In particular, the Data Protection Regulation and the Data Protection Act stipulate that entities which collect and process personal data, including operators of online platforms, must implement certain technical and organizational measures to ensure such data is processed and stored safely, remains confidential and can be restored and accessed again after interruptions. These measures may include physical security against unauthorized access and manipulation (*e.g.*, secure storage and transportation of physical data carriers), password security, authorization concepts, logging of subsequent changes of data, separation of data that has been collected for different purposes, reasonable encryption and protection against accidental loss, destruction or damage of data. Furthermore, the effectiveness of such measures must be tested regularly.

In addition, operators of online platforms must ensure that appropriate compliance measures cover the detection and control of technology-related risks. In Germany, the German Act to Increase the Security of Information Technology Systems (*Gesetz zur Erhöhung der Sicherheit informationstechnischer Systeme*) amended several laws, including the Tele Media Act in 2015. German law requires operators of websites and apps to protect their technology, in particular any data they collect and store, against outside attacks in accordance with the current standards of technology. On May 18, 2021, the Second Act to Increase the Security of Information Technology Systems (*Zweites Gesetz zur Erhöhung der Sicherheit informationstechnischer Systeme*) was adopted. Based on this amendment act, the Federal Office for Information Security (*Bundesamt für Sicherheit in der Informationstechnik*) may now also issue orders against providers of tele media services in the event of certain threats to information security.

Directive (EU) 2016/1148 of the European Parliament and of the Council of July 6, 2016 concerning measures for a high common level of security of network and information systems, among other things, requires digital service providers, including online platforms, to:

- carefully review their existing network security mechanisms;
- implement state of the art security measures aimed at ensuring a level of security appropriate to the risk of the respective provider; and
- establish proper notification measures to promptly notify the competent authority of any incident which has a substantial impact on the services offered in the European Union.

Furthermore, the Data Protection Regulation generally requires us to inform the competent supervisory authorities of any breach of personal data stored or processed by us within 72 hours of becoming aware of such breach. Where the relevant breach is likely to result in a high risk to the rights and freedoms of the affected data subjects, we are also required to inform these data subjects of the breach without undue delay.

18.6 Consumer Protection

We must comply with various consumer protection laws. Throughout the European Union, consumer protection is extensively regulated on the basis of various directives and national laws implementing or complementing such directives that must in particular be taken into account in connection with designing our localized websites and apps. Applicable directives comprise in particular:

- Directive (EC) 2000/31 of the European Parliament and of the Council of June 8, 2000 on certain legal aspects of information society services, in particular electronic commerce, in the internal market, as amended;
- Directive (EC) 2005/29 of the European Parliament and of the Council of May 11, 2005 concerning unfair business-to-consumer commercial practices in the internal market, as amended; and
- Directive (EU) 2011/83 of the European Parliament and of the Council of October 25, 2011 on consumer rights, as amended (the “**Consumer Rights Directive**”).

The aforementioned European directives on consumer protection and the national laws implementing or complementing these directives impose extensive duties and responsibilities on us, in particular:

18.6.1 Information Requirements

Operators of online platforms are subject to extensive and formalized information requirements. For example, they have to provide potential customers with detailed and accurate information on the main characteristics of their products, price and payment details and, to the extent applicable, on statutory withdrawal rights (see Section “*18.6.2 Withdrawal Rights*”). Operators of online platforms have to observe these requirements when designing and structuring their websites and apps as well as their ordering, payment and further processes.

As a result of changing legislation, operators of online platforms are regularly required to adapt their offerings and processes. For example, the Consumer Rights Directive requires online operators to ensure that during the order process, consumers explicitly acknowledge that their order implies an obligation to pay. If placing an order requires activating a button or a similar function, such button must be labeled “order with obligation to pay” or be similarly labeled, and the operator must ensure that consumers are made aware of certain key information relating to the purchase directly before placing orders by activating such button.

18.6.2 Withdrawal Rights

Consumers have the right to withdraw from certain online transactions without cause within 14 days from the day on which the contract was concluded. Operators of online platforms who provide services that are subject to such withdrawal right are required to inform consumers of their statutory withdrawal rights and failure to do so results in an extension of the withdrawal period by twelve months. Consumers must exercise their withdrawal rights by explicitly declaring their withdrawal (*e.g.*, in writing, per email or telephone).

18.6.3 Advertising

Advertising efforts (*e.g.*, promotional games, newsletters and personalized product recommendations) are heavily regulated, in particular if distributed via email. Advertisements may not be misleading, harassing, coercing or unreasonably or otherwise unduly influence consumers. These criteria leave wide room for interpretation, resulting in significant uncertainty as to how regulators, governmental agencies and other competent bodies will apply them.

18.6.4 Consequences of Non-Compliance

Failure to comply with the provisions on consumer protection may give rise to civil liability, administrative orders or fines, and may even result in the invalidity of the relevant purchase agreements. Competitors and consumer protection associations could issue formal warnings, and the latter may also assert claims for injunctive relief.

18.7 Trademarks

The registration and protection of trademarks is regulated by international, European and national legislation:

On an international level, trademark registration and protection are, among other things, governed by the Madrid Agreement Concerning the International Registration of Marks of April 14, 1891, as amended (the “**MMA**”), the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989, as amended (the “**PMMA**”), and the Paris Convention for the Protection of Industrial Property of March 20, 1883, as amended.

On a European level, trademarks are governed by Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015 to approximate the laws of the member states relating to trademarks and, with respect to the creation of a union wide trademark registration and protection regime, by Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017 on the European Union trade mark, as amended.

In Germany, trademarks are governed by the German Federal Trademark Act (*Markengesetz*).

Trademarks may be registered with a national trademark authority (*e.g.*, the German Patent and Trade Mark Office (*Deutsches Patent- und Markenamt*)), the European Union Intellectual Property Office for union wide registration, and, following either national or union-wide registration, via the World Intellectual Property Organization in countries which are parties to the MMA or PMMA for ten-year periods. Such registrations may be renewed repeatedly.

Upon receiving an application, the competent trademark authority will examine whether there are grounds for refusal of granting the trademark registration (*e.g.*, due to a lack of distinctive character of the relevant trademark). Furthermore, proprietors of earlier trademarks may oppose the application for registration within three months of the publication of the application (*e.g.*, if the new trademark and the products or services sold thereunder are identical or similar to their trademark and the products or services sold thereunder). Upon registration of a European Union trademark, the proprietor may prohibit any third party from using such trademark commercially without his prior consent. In addition, national trademark laws of the member states of the European Union stipulate that the proprietor of a European trademark is entitled to, among other things, receive compensation for damages arising from the illegal use of his trademark.

19. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS OF THE 468 SPAC GROUP

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as 468 SPAC or that are in control of or controlled by 468 SPAC must be disclosed unless they are already included as consolidated companies in the 468 SPAC Group consolidated financial statements. Control exists if a shareholder owns more than half of the voting rights in 468 SPAC or, by virtue of an agreement, has the power to control the financial and operating policies of 468 SPAC's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over 468 SPAC's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board, respectively, and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board, respectively, or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

19.1 Transactions with Related Parties

Set forth below is a summary of such transactions with related parties up to and including the date of this Prospectus. Further information, with respect to related party transactions, including quantitative amounts, are included in this Prospectus under “0. 23. *Financial INFORMATION*” on pages F-1 *et seq.*

The Sponsor and 468 SPAC entered into an unsecured loan agreement in the amount of up to €1,100,000 on March 30, 2021 at the time of the incorporation of the Company (the “**468 Shareholder Loan**”). The 468 Shareholder Loan was to be utilized for the purpose of financing third party costs and other working capital requirements (including due diligence costs in connection with the Business Combination) until the Private Placement. The 468 Shareholder Loan had a maturity date of one year after the earlier of (i) 30 months following the Private Placement, and (ii) three months after the consummation of the Business Combination, and earned interest of 2% p.a. The Sponsor and 468 SPAC agreed to set off the amount due as of the date of the private placement of the Sponsor Warrants against the aggregate subscription price for the 5,500,000 Sponsor Warrants (€8,250,000 in the aggregate) subscribed for by the Sponsor in such separate private placement that occurred prior to the date of this Prospectus. The Sponsor waived any interest accrued on the amount due as of the date of this Prospectus. The 468 Shareholder Loan was terminated prior to the date of this Prospectus.

The Sponsor and the Co-Sponsors subscribed to an aggregate of 6,400,000 Sponsor Warrants for a subscription price of €1.50 per Public Warrant in private placements that occurred prior to the date of this Prospectus. Each Sponsor Warrant entitles the holder to subscribe to one Public Share at €1.50 per Public Share. The Sponsor Warrants may not, subject to certain limited exceptions described in this Prospectus, be transferred, assigned or sold by the holder.

468 SPAC and the Sponsor entered into a share purchase agreement with the Co-Sponsors on April 16, 2021, regarding the sale and transfer of 1,013,000 Sponsor Shares for a purchase price of €0.16 per Sponsor Share.

19.2 Relationship with Members of the Management Board and the Supervisory Board

19.2.1 Remuneration of the Members of the Management Board

Given that the Management Board in its current form was only established at the time of the approval this Prospectus, the members of the Management Board have not yet received any annual remuneration.

For a description of the current remuneration of the members of the Management Board, see Section “17.2.3 Compensation and Other Benefits of the Members of the Management Board”.

19.2.2 Remuneration of the Members of the Supervisory Board

Given that the Supervisory Board in its current form was only established at the time of the approval this Prospectus, the members of the Supervisory Board have not yet received any annual remuneration.

For a description of the current remuneration of the members of the Supervisory Board, see Section “17.3.4 Compensation and Other Benefits of the Members of the Supervisory Board”.

19.2.3 Pensions

As of the date of this Prospectus, the Company did not make any pension commitments to members of the Management Board or the Supervisory Board.

20. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS OF BOXINE GROUP

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as Beteiligungs GmbH or that are in control of or controlled by Beteiligungs GmbH must be disclosed unless they are already included as consolidated companies in Beteiligungs GmbH's consolidated financial statements. Control exists if a shareholder owns more than half of the voting rights in Beteiligungs GmbH or, by virtue of an agreement, has the power to control the financial and operating policies of Beteiligungs GmbH's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over Beteiligungs GmbH's financial and operating policies, including close family members and intermediate entities. This includes the managing directors of Beteiligungs GmbH and members of the advisory board (Beirat) and close members of their respective families, as well as those entities over which the managing directors and members of the advisory board, or their respective close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below is a summary of such transactions with related parties for the fiscal years ended December 31, 2020 and 2019, for the six months ended June 30, 2021 and up to and including the date of this Prospectus. Further information, with respect to related party transactions, including quantitative amounts, are contained in the notes to Boxine Group's audited consolidated financial statements as of and for the years ended December 31, 2020, 2019 and 2018 and in the notes to Boxine Group's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2021, which are included in this Prospectus under Section "0. 23. FINANCIAL INFORMATION".

20.1 Transactions with Entities with Significant Influence over the Boxine Group

Transactions with entities with significant influence over the Boxine Group consisted mainly of shareholder loan and interest payments on such loan, management fees as well as the purchase of services and consultation fees.

The following tables show the transactions with related parties for the periods indicated:

	For the period January 1, 2021 to June 30, 2021		For the period January 1, 2020 to June 30, 2020	
	Transaction volume		Transaction volume	
	Interest expenses	Purchases of goods and services	Interest expenses	Purchases of goods and services
<u>Related Parties</u>	(in € thousand)		(in € thousand)	
Transactions with Höllenhunde GmbH.....	(54)		(54)	
Transactions with PIXIPOP.		(132)		(116)
Total	0	(132)	0	(116)

	For the period January 1, 2020 to December 31, 2020		For the period July 12, 2019 to December 31, 2019		
	Transaction volume		Transaction volume		
	Interest expenses	Purchases of goods and services	Interest expenses	Dividends	Purchases of goods and services
<u>Related Parties</u>	(in € thousand)		(in € thousand)		
Transactions with Höllenhunde GmbH.....	(109)		(26)	(136)	
Transactions with PIXIPOP.		410			151
Total	(109)	410	(26)	(136)	151

The following tables show the balances with related parties as of the dates indicated:

Related Parties	As of June 30, 2021		As of June 30, 2020	
	Amounts outstanding		Amounts outstanding	
	Receivables	Payables	Receivables	Payables
	(in € thousand)		(in € thousand)	
Transactions with Höllenhunde GmbH		1,973		1,919
Transactions with PIXIPOP		141		21
Total	0	2,114	0	1,940

Related Parties	As of December 31, 2020		As of December 31, 2019		As of July 12, 2019	
	Amounts outstanding		Amounts outstanding		Amounts outstanding	
	Receivables	Payables	Receivables	Payables	Receivables	Payables
	(in € thousand)		(in € thousand)		(in € thousand)	
Transactions with Höllenhunde GmbH.....		1,919		11,957		0
Transactions with PIXIPOP		21		70		0
Total	0	1,940	0	12,027	0	0

20.2 Relationships with Members of Boxine's Governing Bodies

The managing directors of Holding GmbH Leopold Walde and Dr. Björn-Eric Förster – who are not involved in the operating business – are considered as key management personnel as well as the founders of Boxine GmbH, Patric Faßbender and Marcus Stahl, which operate as managing directors at the level of Boxine and Beteiligungs GmbH.

Expenses for compensation of Beteiligungs GmbH key management personnel are summarized in the table below for the periods indicated.

	Fiscal year ended December 31,		Six months ended June 30,	
	2020	2019	2021	2020
	(in € thousand)		(in € thousand)	
Short-term employee benefits	532	103	324	324
Total	532	103	324	324

20.3 Other Related Party Transactions

PIXIPOP Faßbender Kommunikations-Design & Illustration (“PIXIPOP”) is controlled by Nina Faßbender, the wife of Patric Faßbender and involved in the design of the Tonies. PIXIPOP receives a compensation of €0.1 per sold Tonie figurine as license fee payment.

21. TAXATION IN THE GRAND DUCHY OF LUXEMBOURG

Income received from shares or Public Warrants of the Company is subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the investor and the tax laws of the Company's state of incorporation, statutory seat and place of effective management i.e., Luxembourg, might have an impact on the income received from shares or Public Warrants of the Company.

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of this Prospectus and is subject to any change in law that may take effect after such date. It does not purport to be a comprehensive description of all tax considerations that might be relevant to an investment decision. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the listing and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to investors. Prospective shareholders or warrant holders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject, and as to their tax position.

Please be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in this section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. In addition, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi) as well as personal income tax (impôt sur le revenu). Corporate shareholders or warrant holders may further be subject to net worth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, the solidarity surcharge and net worth tax invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

21.1 Taxation of the Company

21.1.1 Income Tax

From a Luxembourg tax perspective, Luxembourg companies are considered as being resident in Luxembourg provided that they have either their registered office or their central administration in Luxembourg.

The Company is a fully taxable Luxembourg company. The net taxable profit of the Company is subject to corporate income tax ("CIT") and municipal business tax ("MBT") at ordinary rates in Luxembourg.

The maximum aggregate CIT and MBT rate amounts to 24.94% (including the solidarity surcharge for the employment fund) for companies located in the municipality of Luxembourg-city. Liability to such corporation taxes extends to the Company's worldwide income (including capital gains), subject to the provisions of any relevant double taxation treaty. The taxable income of the Company is computed by application of all rules of the Luxembourg income tax law of December 4, 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented and currently applied by the Luxembourg tax authorities ("**LIR**"). The taxable profit as determined for CIT purposes is applicable, with minor adjustments, for MBT purposes. Under the LIR, all income of the Company will be taxable in the fiscal period to which it economically relates and all deductible expenses of the Company will be deductible in the fiscal period to which they economically relate. Under certain conditions, dividends received by the Company from qualifying participations and capital gains realized by the Company on the sale of such participations, may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption regime. A tax credit is generally granted for withholding taxes levied at source within the limit of the tax payable in Luxembourg on such income, whereby any excess withholding tax is not refundable (but may be deductible under certain conditions).

Under the participation exemption regime (subject to the relevant anti-abuse rules), dividends derived from shares may be exempt from income tax if (i) the distributing company is a qualified subsidiary ("**Qualified Subsidiary**") and (ii) at the time the dividend is put at the Company's disposal, the latter holds or commits itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation of at least 10% in the share capital of the Qualified Subsidiary or (b) a direct participation in the Qualified Subsidiary of an acquisition price of at least €1.2 million ("**Qualified Shareholding**"). A Qualified Subsidiary means notably (a) a company covered by Article 2 of the Council Directive 2011/96/EU dated November 30, 2011 (the "**Parent-Subsidiary Directive**") or (b) a non-resident capital company (*société de capitaux*) liable to a tax corresponding

to Luxembourg CIT. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions.

If the conditions of the participation exemption regime are not met, dividends derived by the Company from the Qualified Subsidiary may be exempt for 50 % of their gross amount.

Capital gains realized by the Company on shares are subject to CIT and MBT at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime (subject to the relevant anti-abuse rules), capital gains realized on shares may be exempt from income tax at the level of the Company (subject to the recapture rules) if at the time the capital gain is realized, the Company holds or commits itself to hold for an uninterrupted period of at least 12 months shares representing a direct participation in the share capital of the Qualified Subsidiary (i) of at least 10% or of (ii) an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which shares have been disposed of and the lower of their cost or book value.

For the purposes of the participation exemption regime, shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

21.1.2 Net Worth Tax

The Company is as a rule subject to Luxembourg net worth tax (“NWT”) on its net assets as determined for net worth tax purposes. NWT is levied at the rate of 0.5% on net assets not exceeding €500 million and at the rate of 0.05% on the portion of the net assets exceeding €500 million. Net worth is referred to as the unitary value (*valeur unitaire*), as determined at 1 January of each year. The unitary value is in principle calculated as the difference between (i) assets estimated at their fair market value (*valeur estimée de réalisation*), and (ii) liabilities.

Under the participation exemption regime, a Qualified Shareholding held by the Company in a Qualified Subsidiary is exempt for net worth tax purposes.

As from January 1, 2016, a minimum net worth tax (“MNWT”) is levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, transferable securities and cash at bank exceeds 90% of their total gross assets and €350,000, the MNWT is set at €4,815. For all other companies having their statutory seat or central administration in Luxembourg which do not fall within the scope of the €4,815 MNWT, the MNWT ranges from €535 to €32,100, depending on their total balance sheet.

21.1.3 Other Taxes

The incorporation of the Company through a contribution in cash to its share capital as well as further share capital increase or other amendment to the articles of incorporation of the Company are subject to a fixed registration duty of €75.

21.1.4 Withholding Taxes

Dividends paid by the Company to its shareholders are generally subject to a 15% withholding tax in Luxembourg, unless a reduced treaty rate or the participation exemption applies. Under certain conditions, a corresponding tax credit may be granted to the shareholders. Responsibility for the withholding of the tax is assumed by the Company.

A withholding tax exemption applies under the participation exemption regime (subject to the relevant anti-abuse rules), if cumulatively (i) the shareholder is an eligible parent (“**Eligible Parent**”) and (ii) at the time the income is made available, the Eligible Parent holds or commits itself to hold for an uninterrupted period of at least 12 months a Qualified Shareholding in the Company. Holding a participation through a tax transparent entity is deemed to be a direct participation in the proportion of the net assets held in this entity. An Eligible Parent includes notably (a) a company covered by Article 2 of the Parent-Subsidiary Directive or a Luxembourg permanent establishment thereof, (b) a company resident in a State having a double tax treaty with Luxembourg and liable to a tax corresponding to Luxembourg CIT or a Luxembourg permanent establishment thereof, (c) a capital company (*société de capitaux*) or a cooperative company (*société coopérative*) resident in a Member State of the EEA other than an EU Member State and liable to a tax corresponding to Luxembourg CIT or a Luxembourg permanent establishment thereof or (d) a Swiss capital company (*société de capitaux*) which is subject to CIT in Switzerland without benefiting from an exemption.

No withholding tax is levied on capital gains and liquidation proceeds.

21.2 Taxation of the Shareholders / Warrant Holders

21.2.1 Tax Residency

A shareholder or warrant holder will not become resident, nor be deemed to be resident, in Luxembourg solely by virtue of holding and/or disposing of shares or warrants or the execution, performance, delivery and/or enforcement of his/her rights thereunder.

21.2.2 Income Tax

For the purposes of this paragraph, a disposal may include a sale, an exchange, a contribution, a redemption and any other kind of alienation of the participation or the warrants.

21.2.2.1 Luxembourg Residents

21.2.2.1.1 *Luxembourg Resident Individuals*

Dividends and other payments derived from the shares held by resident individual shareholders, who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the ordinary progressive rates. Under current Luxembourg tax laws, 50% of the gross amount of dividends received by resident individuals from the Company may however be exempt from income tax.

Capital gains realized on the disposal of the shares or warrants by resident individual shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative if the shares or warrants are disposed of within six months after their acquisition or if their disposal precedes their acquisition. Speculative gains are subject to income tax as miscellaneous income at ordinary rates. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of the substantial participation (“**Substantial Participation**”). A shareholder is also deemed to alienate a Substantial Participation if he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a Substantial Participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a Substantial Participation more than six months after the acquisition thereof are taxed according to the half-global rate method (*i.e.*, the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the Substantial Participation).

Capital gains realized on the disposal of the shares or warrants by resident individual holders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the shares or warrants have been disposed of and the lower of their cost or book value.

21.2.2.1.2 *Luxembourg Resident Companies*

Dividends and other payments derived from the shares held by Luxembourg resident fully taxable companies are subject to income taxes, unless the conditions of the participation exemption regime, as described below, are satisfied. A tax credit is generally granted for withholding taxes levied at source within the limit of the tax payable in Luxembourg on such income, whereby any excess withholding tax is not refundable (but may be deductible under certain conditions). If the conditions of the participation exemption regime are not met, 50% of the dividends distributed by the Company to a Luxembourg fully taxable resident company are nevertheless exempt from income tax.

Under the participation exemption regime (subject to the relevant anti-abuse rules), dividends derived from the shares may be exempt from CIT and MBT at the level of the shareholder if (i) the shareholder is an Eligible Parent and (ii) at the time the dividend is put at the shareholder’s disposal, the latter holds or commits itself to hold for an uninterrupted period of at least 12 months a shareholding representing a direct participation of at least 10% in the share capital of Company or a direct participation in the Company of an acquisition price of at least €1.2 million. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions.

Capital gains realized by a Luxembourg fully-taxable resident company on the disposal of the shares are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied.

Under the participation exemption regime (subject to the relevant anti-abuse rules), capital gains realized on the shares or warrants may be exempt from CIT and MBT (save for the recapture rules) at the level of the shareholder if cumulatively (i) the shareholder is a Eligible Parent and (ii) at the time the capital gain is realized, the shareholder holds or commits itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation of at least 10% in the share capital of the Company or (b) a direct participation in the Company of an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value. Under Luxembourg tax law it is debatable to what extent the warrants are eligible for the participation exemption regime although certain case law supports such argumentation in certain circumstances.

For the purposes of the participation exemption regime, shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

For warrant holders, the exercise of the warrants should not give rise to any immediate Luxembourg tax consequences.

21.2.2.1.3 Luxembourg Resident Companies Benefiting From a Special Tax Regime

A shareholder or warrant holder who is a Luxembourg resident company benefiting from a special tax regime, such as (i) a specialized investment fund governed by the amended law of February 13, 2007, (ii) a family wealth management company governed by the amended law of May 11, 2007 (iii) an undertaking for collective investment governed by the amended law of December 17, 2010 or (iv) a reserved alternative investment fund treated as a specialized investment fund for Luxembourg tax purposes and governed by the amended law of July 23, 2016 is exempt from income tax in Luxembourg and profits derived from the shares or warrants are thus not subject to tax in Luxembourg.

21.2.2.2 Luxembourg Non-Residents

Non-resident shareholders or warrant holders, who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the shares or warrants are attributable, are not liable to any Luxembourg income tax, whether they receive payments of dividends or realize capital gains on the disposal of the shares or warrants, except with respect to capital gains realized on a Substantial Participation before the acquisition or within the first 6 months of the acquisition thereof, that are subject to income tax in Luxembourg at ordinary rates (subject to the provisions of any relevant double tax treaty) and except for the withholding tax mentioned above.

Non-resident shareholders or warrant holders having a permanent establishment or a permanent representative in Luxembourg to which or whom the shares or warrants are attributable, must include any income received, as well as any gain realized on the disposal of the shares or warrants, in their taxable income for Luxembourg tax assessment purposes, unless the conditions of the participation exemption regime, as described below, are satisfied. If the conditions of the participation exemption regime are not fulfilled, 50% of the gross amount of dividends received by a Luxembourg permanent establishment or permanent representative are however exempt from income tax. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Under the participation exemption regime (subject to the relevant anti-abuse rules), dividends derived from the shares may be exempt from income tax if cumulatively (i) the shares are attributable to a qualified permanent establishment (“**Qualified Permanent Establishment**”) and (ii) at the time the dividend is put at the disposal of the Qualified Permanent Establishment, it holds or commits itself to hold a Qualified Shareholding in the Company. A Qualified Permanent Establishment means (a) a Luxembourg permanent establishment of a company covered by Article 2 of the Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a capital company (*société de capitaux*) resident in a State having a double tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a capital company (*société de capitaux*) or a cooperative company (*société coopérative*) resident in a Member State of the EEA other than an EU Member State. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Shares held through a tax

transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Under the participation exemption regime (subject to the relevant anti-abuse rules), capital gains realized on the shares or warrants may be exempt from income tax (save for the recapture rules) if cumulatively (i) the shares or warrants are attributable to a Qualified Permanent Establishment and (ii) at the time the capital gain is realized, the Qualified Permanent Establishment holds or commits itself to hold for an uninterrupted period of at least 12 months shares or warrants representing either (a) a direct participation in the share capital of the Company of at least 10% or (b) a direct participation in the Company of an acquisition price of at least €6 million.

Under Luxembourg tax laws currently in force (subject to the provisions of double taxation treaties), capital gains realized by a Luxembourg non-resident shareholder or warrant holder (not acting via a permanent establishment or a permanent representative in Luxembourg through which/whom the shares are held) are not taxable in Luxembourg unless (a) the shareholder or warrant holder holds a Substantial Participation in the Company and the disposal of the shares or warrants takes place less than six months after the shares or warrants were acquired or (b) the shareholder the warrant holder has been a former Luxembourg resident for more than fifteen years and has become a non-resident, at the time of transfer, less than five years ago.

21.2.3 Net Worth Tax

A Luxembourg resident as well as a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the shares or warrants are attributable, are subject to Luxembourg NWT (subject to the application of the participation exemption regime) on such shares or warrants, except if the shareholder or warrant holders is (i) a resident or non-resident individual taxpayer, (ii) a securitization company governed by the amended law of March 22, 2004 on securitization, (iii) a company governed by the amended law of June 15, 2004 on venture capital vehicles, (iv) a professional pension institution governed by the amended law of July 13, 2005, (v) a specialized investment fund governed by the amended law of February 13, 2007, (vi) a family wealth management company governed by the law of May 11, 2007, (vii) an undertaking for collective investment governed by the amended law of December 17, 2010 or (viii) a reserved alternative investment fund governed by the amended law of July 23, 2016.

However, (i) a securitization company governed by the amended law of March 22, 2004 on securitization, (ii) a company governed by the amended law of June 15, 2004 on venture capital vehicles (iii) a professional pension institution governed by the amended law dated July 13, 2005 and (iv) an opaque reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and governed by the amended law of July 23, 2016 remain subject to the MNWT (for further details, please see “21.1.2 Net Worth Tax”).

21.2.4 Other Taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by the shareholder or warrant holder upon the acquisition, holding or disposal of the shares or warrants. However, a fixed or ad valorem registration duty may be due upon the registration of the shares or warrants in Luxembourg in the case where the shares or warrants are physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of the shares or warrants on a voluntary basis.

No inheritance tax is levied on the transfer of the shares or warrants upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death.

Gift tax may be due on a gift or donation of the shares, or warrants if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

The disposal of the shares or warrants is not subject to a Luxembourg registration tax or stamp duty, unless recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

22. TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

Income received from shares or Public Warrants of the Company is subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the investor and the tax laws of the Company's state of incorporation, statutory seat and place of effective management i.e., Luxembourg, might have an impact on the income received from shares or Public Warrants of the Company.

The following section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of shares or Public Warrants in the Company. It is important to note that the legal situation may change, possibly with retroactive effect. This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders of the Company. In particular, this summary does not cover tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. This presentation is based upon domestic German tax laws in effect as of the date of this Prospectus and the provisions of double taxation treaties currently in force between Germany and other countries.

This section does not replace the need for individual shareholders of the Company to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares of the Company and, in particular, what procedures are necessary to secure the repayment of German withholding tax (Kapitalertragsteuer), if possible. Only qualified tax advisors are in a position to adequately consider the particular tax situation of individual shareholders.

22.1 Taxation of Shareholders Tax Resident in Germany

22.1.1 Taxation of Dividend Income

22.1.1.1 Shares held as Non-Business Assets

Dividends received by a shareholder who is subject to an unlimited tax liability in Germany and holds his or her shares as non-business assets are, as a general rule, taxed as capital investment income (*Einkünfte aus Kapitalvermögen*) and, as such, subject to a 25% flat tax plus 5.5% solidarity surcharge thereon resulting in an aggregate tax rate of 26.375% (flat tax regime, *Abgeltungsteuer*), plus church tax, if applicable.

If the shares are held in a custodial account with, or managed by, a German resident credit institution, financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including in each case a German branch of foreign credit institutions or financial service institutions), a securities trading company (*inländisches Wertpapierhandelsunternehmen*) or a securities trading bank (*inländische Wertpapierhandelsbank*) that pays out or credits the shareholder's capital investment income (the "**German Disbursing Agent**") (*inländische Zahlstelle*) the German Disbursing Agent generally withholds German tax at a rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) on the gross amount of the dividends paid by the Company. However, the German Disbursing Agent must reduce the amount of the German withholding tax by the amount of tax withheld in Luxembourg (15% of the dividends as described under "*21.1.4 Withholding Taxes*"). The German tax resident individual's personal income tax liability with respect to dividends is generally satisfied through the withholding. To the extent withholding tax has not been levied, such as in the case of shares kept in custody abroad, the shareholder must report his or her income derived from the shares on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). The Company does not assume any responsibility for the withholding of German tax at source. Shareholders who are subject to an unlimited tax liability in Germany and hold their shares as non-business assets may provide to the German Disbursing Agent either a non-assessment certificate (*Nichtveranlagungsbescheinigung*) issued by their competent local tax office or an exemption declaration (*Freistellungsauftrag*) in the maximum amount of the saver's allowance (*Sparer-Pauschbetrag*) of €801 (or, for couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly, €1,602).

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the German Federal Central Tax Office against the sharing of his or her private information regarding his affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, the church tax on the dividends is also deemed to be discharged when it is deducted. Since the church tax is already deducted as a special expense in the course of the withholding tax deduction, the withheld church tax cannot be deducted in the tax assessment as a special expense (*Sonderausgabe*). If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes

church tax is required to report his dividends in his income tax return. The church tax on the dividends will then be imposed by way of a tax assessment.

Income-related expenses are not tax-deductible, except for the saver's allowance of €801 (or, for couples and for partners in accordance with the registered partnership law filing jointly, €1,602). Private investors who hold the shares as non-business assets can apply to have their investment income assessed in accordance with the general rules on determining the individual tax rate of the shareholder if this results in a lower tax, but even in this case, income-related expenses are not tax-deductible, except for the saver's allowance of €801 (or, for couples and for partners in accordance with the registered partnership law filing jointly, €1,602). Further, in such a case, tax withheld in Luxembourg (15% of the dividends as described under "21.1.4 Withholding Taxes") can generally be credited against the German tax liability on the Luxembourg dividends received by the German tax resident individual. The current double tax treaty between Germany and Luxembourg does not provide for a reduction of Luxembourg withholding tax on dividends for individuals below the 15% Luxembourg domestic withholding tax rate currently levied in Luxembourg.

Pursuant to special rules on the restriction of withholding tax credit, the aforementioned relief in accordance with applicable double taxation treaties as well as the credit of withholding tax described for shares held as private and as business assets (see "22.1.1.2 Shares held as Business Assets") is subject to the following three cumulative prerequisites: (i) the relevant shareholder must qualify as beneficial owner of the shares in the Company for a continuous period of at least 45 days occurring within a period of 45 days prior and 45 days after the due date of the dividends, (ii) the shareholder has to bear at least 70% of the change in value risk related to the shares in the Company during the minimum holding period without being directly or indirectly hedged, and (iii) the shareholder is not required to fully or largely, directly or indirectly, transfer the dividends to third parties (the tests under (i) through (iii) together the "**Minimum Risk Test**"). Should any of the three prerequisites of the Minimum Risk Test not be met, the following applies. As regards the taxation of dividends of shareholders with a tax residence in Germany, three fifths of the withholding tax imposed on the dividends may not be credited against the shareholder's (corporate) income tax liability, but may, upon application, be deducted from the shareholder's tax base in an assessment procedure for the relevant assessment period. A shareholder that has received gross dividends without any deduction of withholding tax (*i.e.*, due to a tax exemption without qualifying for a full tax credit) or that has already obtained a refund of taxes withheld, has to notify the competent local tax office accordingly, file a withholding tax return for an amount of 15% of the relevant dividends in accordance with the statutory formal requirements and pay withholding tax in the amount stated on the aforementioned withholding tax return. The special rule on the restriction of withholding tax credit does not apply to a shareholder whose overall dividend earnings within an assessment period do not exceed €20,000.00 or who has been the beneficial owner of the shares in the Company for at least one uninterrupted year upon receipt of the dividends.

As an exemption, dividend payments that are funded in accordance with the statutory requirements from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; section 27 para. 1, 8 of the German Corporate Tax Act, "**KStG**") and are paid to shareholders who are subject to unlimited tax liability in Germany whose shares are held as non-business assets, do – contrary to the above – not form part of the shareholder's taxable income provided that such capital repayment is upon application of the Company with the German Federal Tax Office officially certified by the latter. Dividend payments funded from the Company's contribution account for tax purposes (a "**Return of Capital**") in accordance with the statutory requirements reduce the shareholder's acquisition costs or, if the Return of Capital exceeds the shareholder's acquisition costs, negative acquisition costs will arise. Both can result in a higher capital gain in case of the shares' disposal (see "22.1.2 Taxation of Capital Gains from sale of Shares" below). This would not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his or her legal predecessors at any point during the five years preceding the (deemed, as the case may be) disposal directly or indirectly held at least 1% of the share capital of the Company (a "**Qualified Participation**"), and (ii) the Return of Capital exceeds the acquisition costs of the shares. In such aforementioned case, a Return of Capital is deemed a sale of the shares and is taxable as a capital gain. In this case, the taxation corresponds with the description in "22.1.2 Taxation of Capital Gains from sale of Shares" made with regard to shareholders maintaining a Qualified Participation.

22.1.1.2 Shares held as Business Assets

If the shares form part of a German business (including a German permanent establishment of a foreign business investor), the taxation of dividends differs depending on whether the shareholder is a corporation, a sole proprietor or a partnership. The flat tax regime does not apply to dividends paid on shares held by a German tax resident shareholder as business assets.

A Return of Capital that is paid to shareholders who are subject to an unlimited tax liability in Germany whose shares are held as business assets in accordance with the statutory requirements are generally fully tax exempt in the hands of such shareholder provided that such capital repayment is upon application of the Company with the German Federal Tax Office officially certified by the latter. To the extent the Return of Capital exceeds the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in “22.1.2 Taxation of Capital Gains from sale of Shares” made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation, this is not undisputed).

Special rules apply to companies operating in the financial and insurance sectors, as well as to pension funds (see “22.5 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds”).

22.1.1.2.1 Corporations

For corporations subject to an unlimited corporate income tax liability in Germany, dividends are, as a general rule, effectively 95% tax exempt from corporate income tax (including solidarity surcharge). 5% of the dividend income is deemed to be non-deductible business expenses and, as such, is subject to corporate income tax plus solidarity surcharge thereon at a total tax rate of 15.825%. However, dividends received by a shareholder holding a participation of less than 10% in the share capital of the Company at the beginning of the respective calendar year (a “**Portfolio Participation**”) (*Streubesitzbeteiligung*) are fully taxed at the corporate income tax rate plus solidarity surcharge thereon. Participations of at least 10% acquired during a calendar year are deemed to be acquired at the beginning of the respective calendar year. Participations held through a partnership that is a partnership being engaged or deemed to be engaged in a business (“**Partnership**”) (*Mitunternehmerschaft*) are attributable to the shareholders *pro rata* in the amount of their participations.

Dividends are fully subject to trade tax, unless the shareholder held an interest of at least 15% in the share capital of the Company at the beginning of the relevant assessment period. In the latter case, effectively 95% of the dividends are also exempt from trade tax. Business expenses actually incurred in connection with the dividends are deductible for corporate income tax and – subject to certain restrictions – also for trade tax purposes. The trade tax rate applicable depends on the tax rate imposed by the local municipalities in which the shareholder maintains its operations or permanent establishment.

Tax withheld on the dividends in Luxembourg is generally not creditable against the corporate income tax liability of the corporate shareholder in Germany, unless the dividend is fully subject to corporate income tax in Germany, *i.e.* the minimum participation does not apply.

Even if the shares are held in a custodial account with a German Disbursing Agent, there is generally no German withholding tax on dividends paid by the Company to a corporate shareholder.

22.1.1.2.2 Sole proprietors (individuals)

Where the shares are held as business assets by an individual who is subject to unlimited tax liability in Germany, 60% of the dividends are taxed at the applicable individual income tax rate plus 5.5% solidarity surcharge on such income tax (partial income taxation method, *Teileinkünfteverfahren*) totaling up to a maximum rate of around 47.5%, plus church tax, if applicable, the so-called partial income method (*Teileinkünfteverfahren*). Correspondingly, only 60% of any business expenses related to the dividends may be deducted for income tax purposes. The partial income method does, however, not apply with respect to church tax (if applicable). Dividends are fully subject to trade tax, unless the sole proprietor holds at least 15% of the Company’s registered share capital at the beginning of the relevant tax assessment period. In this case, the net amount of the dividend (*i.e.*, after deduction of the business expenses directly connected to it) is exempt from trade tax. In general, business expenses are deductible for trade tax purposes but certain restrictions may apply. All or part of the trade tax levied may be credited on a lump sum basis against the sole proprietor’s income taxes, depending on the multiplier set by the relevant municipality and the individual tax situation of the individual shareholder.

Tax withheld in Luxembourg (15% of the dividends as described under “21.1.4 Withholding Taxes”) should be creditable against the German personal income tax liability with respect to the dividend income.

If the shares are held in a custodial account with a German Disbursing Agent, the German Disbursing Agent is not obliged to withhold German tax on dividends paid by the Company provided that the individual certifies to the German Disbursing Agent on an officially prescribed form that the dividends constitute business income of a German business.

22.1.1.2.3 Partnerships

If the shareholder is a Partnership, the individual income tax or corporate income tax is not charged at the level of the Partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. Thus, (corporate) income tax (including solidarity surcharge) and, if applicable, church tax will be assessed and levied only at the level of the partners, whereby, in principle, the respective rules applicable to a direct shareholding described above in subsections “22.1.1.2.1 Corporations” and “22.1.1.2.2 Sole proprietors (individuals)” apply accordingly. Trade tax, however, is assessed and levied at the level of the Partnership if the shares are attributable to a permanent establishment of a commercial business of the Partnership in Germany; this applies irrespective of whether the dividends are attributable to individual partners or corporate partners. The trade tax paid by the Partnership and attributable to the individual’s general profit share is completely or partially credited against the shareholder’s individual income tax on a lump-sum basis. If the Partnership fulfills the prerequisites for the trade tax exemption privilege at the beginning of the relevant tax assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of a corporation which is a partner of such Partnership and to whom at least 10% of the shares in the Company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporation as partner of such Partnership (which includes individual partners and should, under a literal reading of the law, also include any corporation as partner of such Partnership to whom, on a look-through basis, only Portfolio Participations are attributable) should not be subject to trade tax.

The creditability of the tax withheld in Luxembourg against the German corporate or personal income tax depends on whether the partner is a corporation or an individual. If the partner is a corporation, the principles explained for corporations above apply (see “22.1.1.2.1 Corporations” above). If the partner is an individual, the principles explained for individuals above apply (see under “22.1.1.2.2 Sole proprietors (individuals)”).

If the shares are held in a custodial account with a German Disbursing Agent, no German withholding tax arises provided that the Partnership certifies to the German Disbursing Agent on an officially prescribed form that the dividends constitute business income of a German business.

22.1.2 Taxation of Capital Gains from sale of Shares

22.1.2.1 Shares held by Individual Shareholders as Non-Business Assets

Capital gains from the sale and other dispositions (including redemption) of shares which an individual shareholder holds as non-business assets are generally subject to a 25% flat tax (plus 5.5% solidarity surcharge thereon, resulting in an aggregate withholding tax rate of 26.375%), plus church tax, if applicable. Losses from the sale of such shares can only be used to offset capital gains from the disposal of shares in stock corporations during the same year or in subsequent years. The amount of the taxable capital gain from the sale is the difference between (a) the proceeds from the sale and (b) the cost of acquisition of the shares and the expenses directly related to the sale. Income-related expenses may not be deducted from capital gains. Return of Capital in accordance with the statutory requirements which are officially certified accordingly by the German Federal Tax Office upon application by the Company with the German Federal Tax Office reduce the original acquisition costs; if respective Return of Capital exceed the acquisition costs, negative acquisition costs – which can increase a capital gain – can arise in case of shareholders, whose shares are held as non-business assets and do not qualify as Qualified Participation.

If the shares are deposited with or administered by a German Disbursing Agent, the tax on the capital gains is generally settled by way of withholding through the German Disbursing Agent which is required to deduct a withholding tax of 26.375% (including solidarity surcharge), plus church tax, if applicable, of the capital gains from the sale proceeds and remit it to the tax authority. To the extent withholding tax has not been levied, such as in the case of shares kept in custody abroad, the shareholder must report his or her income derived from the shares on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable).

If, however, a shareholder, or in the case of a gratuitous acquisition, the shareholder’s legal predecessor, directly or indirectly held a Qualified Participation, the flat tax regime does not apply and, rather, 60% of any capital gain resulting from the sale is taxable as business income at the shareholder’s individual income tax rate plus 5.5% solidarity surcharge (and church tax, if applicable) on such income tax. Conversely, 60% of a capital loss from the disposal of the shares is generally recognized for tax purposes. Withholding tax is also deducted by

a German Disbursing Agent in the case of a Qualified Participation, but this does not have the effect of a settlement of the shareholder's tax liability. Upon the shareholder's assessment to income tax, the withheld and remitted tax is credited against the individual income tax liability, subject to the Minimum Risk Test (if applicable) and the related rules. To the extent that the amounts withheld exceed the individual income tax liability of the shareholder, they will be refunded.

Income-related expenses are not tax-deductible, except for the saver's allowance of €801 (or, for couples and for partners in accordance with the registered partnership law filing jointly, €1,602). Private investors who hold the shares as non-business assets can apply to have their investment income assessed in accordance with the general rules on determining the individual tax rate of the shareholder if this results in a lower tax, but even in this case, income-related expenses are not tax-deductible, except for the saver's allowance of €801 (or, for couples and for partners in accordance with the registered partnership law filing jointly, €1,602). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, the church tax on the dividends is also deemed to be discharged when it is deducted. Since the church tax is already deducted as a special expense (*Sonderausgabe*) in the course of the withholding tax deduction, the withheld church tax cannot be deducted in the tax assessment as a special expense. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his dividends in his income tax return. The church tax on the dividends will then be imposed by way of a tax assessment.

22.1.2.2 Shares held as Business Assets

Gains on the disposal and other disposition (including redemption) of shares held by an individual or corporation as business assets are in principle not subject to the 25% flat tax plus 5.5% solidarity surcharge thereon (and church tax, if applicable). Withholding tax must only be withheld in the case of a German Disbursing Agent. The tax withheld, however, is not considered to be final as under the flat tax regime. The amount of tax withheld is credited against the shareholder's individual or corporate income tax liability and any amounts withheld in excess of such individual or corporate income tax liability will be refunded, subject to the Minimum Risk Test and the related rules. Even if the shares are held in a custodial account with a German Disbursing Agent, there is generally no German withholding tax (i) in the case of a corporate shareholder, or (ii) if the shareholder holds the shares as assets of a business in Germany and certifies this on an officially prescribed form to the German Disbursing Agent. If a German Disbursing Agent nonetheless withholds tax on capital gains, the tax withheld and remitted (including solidarity surcharge, and church tax, if applicable) will be credited against the individual income tax or corporate income tax liability and any excess amount will be refunded, subject to the Minimum Risk Test and the related rules.

Return of Capital in accordance with the statutory requirements which are officially certified accordingly by the German Federal Tax Office upon application by the Company with the German Federal Tax Office reduce the original acquisition costs. In case of disposal, a higher taxable capital gain can arise therefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

Special rules apply to companies operating in the financial and insurance sectors, as well as to pension funds (see "22.5 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds").

The taxation of capital gains from the disposal of shares held as business assets depends on whether the shareholder is a corporation, a sole proprietor or a Partnership:

22.1.2.2.1 Corporations

For corporations subject to an unlimited corporate income tax liability in Germany, capital gains from the sale of shares are, as a general rule and currently irrespective of any holding period or percentage level of participation, effectively 95% exempt from corporate income tax (including solidarity surcharge) and trade tax. 5% of the capital gains is deemed to be non-deductible business expenses and, as such, is subject to corporate income tax plus solidarity surcharge; business expenses actually incurred in connection with the capital gains from a tax perspective are generally tax-deductible. Losses from the sale of shares and other reductions in profit in connection with the shares are generally not deductible for corporate income tax and trade tax purposes. Capital gains are, irrespective of the percentage level of shareholding, effectively 95% exempt from trade tax.

22.1.2.2.2 Sole proprietors (individuals)

60% of capital gains from the sale of shares are taxed at the individual income tax rate plus 5.5% solidarity surcharge (plus church tax, if applicable) on such income tax where the shares are held as business assets by an

individual who is subject to unlimited tax liability in Germany. Correspondingly, only 60% of the capital losses, other reductions in profit in connection with the shares and business expenses resulting from a share sale may be deducted for income tax purposes. Only 60% of the capital gains are subject to trade tax. Correspondingly, subject to general restrictions, only 60% of the business expenses resulting from a share sale may generally be deducted for trade tax purposes. All or part of the trade tax levied may be credited on a lump sum basis against the sole proprietor's income taxes, depending on the multiplier set by the relevant municipality and the individual tax situation of the individual shareholder.

22.1.2.2.3 Partnerships

If the shareholder is a Partnership, the individual income tax or corporate income tax is not charged at the level of the Partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. Thus, (corporate) income tax (including solidarity surcharge) and, if applicable, church tax will be assessed and levied only at the level of the partners, whereby, in principle, the respective rules applicable to a direct shareholding described above in subsection *22.1.2.2.1 Corporations* and *22.1.2.2.2 Sole proprietors (individuals)* apply accordingly. Trade tax, however, is assessed and levied at the level of the Partnership if the shares are attributable to a permanent establishment of a commercial business of the Partnership in Germany. Generally, 60% of a capital gain attributable to an individual partner and 5% of a capital gain attributable to a corporate partner are taxable. Capital losses or other reductions in profit in connection with the shares sold are not taken into account for purposes of trade tax to the extent they are attributable to a partner that is a corporation, and subject to general restrictions only 60% of these losses or expenses are taken into account to the extent they are attributable to a partner who is an individual.

The trade tax paid by the Partnership and attributable to the individual's general profit share is completely or partially credited against the shareholder's individual income tax in accordance with such lump-sum method.

22.1.3 Taxation of Public Warrants

22.1.3.1 Exercise of the Public Warrants

The tax consequences of an exercise of the Public Warrants are not entirely clear under German tax law. An exercise may be considered a non-taxable acquisition of the underlying Public Shares received upon exercise and thus not a gain realization event. However, there is a risk that the receipt of the Public Shares upon exercise of the Public Warrants is considered a taxable event (e.g., pursuant to Section 20(2) no. 3 lit. a) of the German Income Tax Code (*EStG*)). In this case, gains derived from the exercise of the Public Warrants would be subject to the tax treatment as described for capital gains derived from the sale or other disposition of the Public Warrants under the heading "*22.1.3.2 Sale or other Disposition of the Public Warrants*" below.

22.1.3.2 Sale or other Disposition of the Public Warrants

22.1.3.2.1 Taxation of capital gains of Holders who hold their Public Warrants as private assets

Capital gains derived from the sale or other disposition of Public Warrants by individual German holders who hold their Public Warrants as private assets constitute taxable investment income. Such capital gains are generally subject to personal income tax at a flat rate of 25% (plus 5.5% solidarity surcharge, i.e. in total 26.375%). Capital gains are determined as the difference between (a) the proceeds of the sale or other disposition and (b) the acquisition costs plus the expenses directly connected to the sale or other disposition. It is unclear how the price for a Unit is allocated between the Public Share and the Public Warrant in order to determine the acquisition costs for tax purposes, but the acquisition costs of the Public Warrants may be deemed zero.

Regarding the option of the holder to be taxed at personal progressive rates, the saver's allowance and the non-deductibility of expenses, the description for capital gains derived from Public Shares applies accordingly. Losses resulting from the lapse of Public Warrants as well as losses from the sale or other disposition of Public Warrants, in each case occurring after December 31, 2020, should only be offsettable against similar investment income in an amount of €20,000 per individual tax year. Losses not utilized in the year of their occurrence may be carried forward to subsequent years to be offset up to an amount of €20,000 against similar investment income derived in the respective subsequent year. A carry back of such losses is not permitted.

If the Public Warrants are deposited in a custodial account with or administered by a German Disbursing Agent or a German Disbursing Agent conducts the sale of the Public Warrants, the German Disbursing Agent is generally obliged to withhold tax at a rate of 25% (plus 5.5% solidarity surcharge, i.e., in total 26.375%) on the

capital gains derived from the sale or other disposition of the Public Warrants and disbursed or credited to the holder of the Warrants. The German personal income tax liability with respect to the capital gains is generally satisfied through the withholding. In case the exercise is treated as a taxable event, the German Disbursing Agent may demand that the holder of the Public Warrants provide him the funds necessary to comply with his obligation to withhold tax on the gains derived upon exercise. If the holder refuses to provide the funds to the German Disbursing Agent, the fiscal authorities may claim the withholding tax directly from the holder of the Public Warrants.

Qualified Participation. It is unclear whether the flat tax rate applies to capital gains derived from the sale or other disposition of Public Warrants by a holder who holds a Qualified Participation in the Company, *i.e.*, a holder (or, in case of a gratuitous acquisition, the holder's predecessor or predecessors) who holds or has held a participation of at least 1% in the share capital of the Company in the last five years prior to the sale. In this case, capital gains may be subject to personal income tax at the holder's personal progressive tax rate. However, the partial-income taxation method should apply then to the capital gains derived by such a holder. If the partial-income taxation method applies, only 60% of the capital gains are taxable and only 60% of the losses from the sale or other disposition and of the expenses economically connected to the sale or other disposition are deductible.

22.1.3.2.2 Taxation of capital gains of Holders who hold their Public Warrants as business assets.

In case the Public Warrants are business assets of a German holder, capital gains are not subject to the flat tax rate for Public Warrants held as private assets. The taxation of capital gains (*i.e.*, the difference between (a) the proceeds of the sale or other disposition and (b) the book value) is determined according to whether the German holder is a corporation, an individual or a Partnership:

Corporations. Capital gains of a corporate German holder of the Public Warrants should be fully subject to corporate income tax (plus solidarity surcharge thereon) and trade tax. The participation exemption should not apply to capital gains derived from Public Warrants. There is a risk that losses resulting from the sale, other disposition or lapse of the Public Warrants may be ring-fenced and only offsettable against income from forward transactions (*Termingeschäfte*).

A German Disbursing Agent that holds Public Warrants in a deposit account for a corporate German holder is generally exempt from the obligation to withhold German tax on capital gains derived from the sale or other disposition of the Public Warrants and disbursed or credited to the corporation by the German Disbursing Agent.

Individual entrepreneurs. If the Public Warrants are business assets of an individual entrepreneur, the capital gains are subject to personal income tax at progressive rates (plus the solidarity surcharge thereon) and, if the Public Warrants are attributable to a permanent establishment of a commercial business in Germany of such holder, trade tax. Arguably, the partial-income taxation method applies also to capital gains derived from the sale or other disposition of Public Warrants. In this case, only 60% of the capital gains are taxable and only 60% of the losses from the sale or other disposition and of the expenses economically connected to the sale or other disposition are deductible. There is a risk that losses resulting from the sale, other disposition or lapse of the Public Warrants may be ring-fenced and only offsettable against income from forward transactions (*Termingeschäfte*).

Trade tax can be credited in accordance with a lump-sum tax credit method against the personal income tax of the holder. Depending on the trade tax rate imposed by the local municipality and the personal tax situation of the holder, this may result in a full or partial credit of the trade tax.

A German Disbursing Agent that holds Public Warrants in a deposit account for an individual entrepreneur is exempt from the obligation to withhold German tax on capital gains derived from the sale or other disposition of the Public Warrants and disbursed or credited to the individual entrepreneur, provided that the individual entrepreneur certifies to the German Disbursing Agent on officially prescribed form that the capital gains constitute business income of a German business.

Partnerships. If the German holder is a Partnership, the personal or corporate income tax is not levied at the level of the Partnership but at the level of the respective partner being subject to tax in Germany. The full amount of capital gains included in a corporate partner's share in Partnership profits should be subject to corporate income tax (*i.e.*, the participation exemption should not apply). Capital gains included in an individual partner's share of profits are subject to personal income tax. Arguably, the partial-income taxation method applies to such capital gains. In addition, the capital gains are subject at the full amount to trade tax at the level of the Partnership if the Public Warrants are attributable to a permanent establishment of a commercial business of the Partnership in Germany. However, to the extent that capital gains are included in an individual partner's share in Partnership

profits, it is arguable that the partial-income taxation method applies also for trade tax purposes. There is a risk that losses resulting from the sale, other disposition or lapse of the Public Warrants are ring-fenced and only offsettable against income from forward transactions (*Termingeschäfte*).

An individual partner can generally credit the trade tax paid by the Partnership and attributable to his share in Partnership profits against his personal income tax in accordance with a lump-sum tax credit method, resulting in a full or partial credit of the trade tax depending on the trade tax rate imposed by the local municipality and the personal tax circumstances.

A German Disbursing Agent that holds Public Warrants in a deposit account for a Partnership is exempt from the obligation to withhold German tax on capital gains derived from the sale or other disposition of the Public Warrants and disbursed or credited to the Partnership, provided that the Partnership certifies to the German Disbursing Agent on officially prescribed form that the capital gains constitute business income of a German business.

22.2 Taxation of Shareholders not Tax Resident in Germany

22.2.1 Taxation of Dividend Income

Shareholders who are not tax resident in Germany are only subject to taxation in Germany in respect of their dividend income if their shares form part of the business assets of a permanent establishment or a fixed place of business in Germany, or constitute business assets for which a permanent representative has been appointed in Germany. In general, the situation described above for shareholders tax resident in Germany who hold their shares as business assets applies accordingly (see “22.1.1.2 Shares held as Business Assets”). Subject to the Minimum Risk Test and the related rules, the withholding tax, if any, deducted and remitted to the tax authorities (including solidarity surcharge) is either credited against the individual income tax or corporate income tax liability or refunded in the amount of an excess of such liability.

22.2.2 Taxation of Capital Gains from the sale of shares

Capital gains from the disposal or other disposition (including redemption) of shares by a shareholder not tax resident in Germany are only taxable in Germany if the selling shareholder holds the shares through a permanent establishment or fixed place of business or as business assets for which a permanent representative is appointed in Germany. In such a case, the description above for German tax resident shareholders who hold their shares as business assets applies accordingly (see “22.1.2.2 Shares held as Business Assets”).

22.2.3 Taxation of Public Warrants

Holders (individuals or corporations) of the Public Warrants that are not tax resident in Germany but hold their Public Warrants through a permanent establishment or a fixed place of business in Germany are subject to German tax on the capital gains from the sale or other disposition of the Public Warrants. The rules described above for German holders who hold their Public Warrants as business assets apply accordingly. However, capital gains derived by a corporate holder of the Public Warrants, which is not tax resident in Germany are only exempt from withholding tax if such holder certifies to the German Disbursing Agent on officially prescribed form that the capital gains constitute business income of a German business.

22.3 Potential Change in Law / Amendment of the Solidarity Surcharge Act

As of January 1, 2021, the solidarity surcharge (*Solidaritatzuschlag*) which is an additional levy on the income tax burden of taxable persons in an amount of 5.5% has been partly abolished. Such abolition only affects individuals subject to income tax under the German Income Tax Act (*Einkommensteuergesetz*), hence corporations that are subject to corporate income tax under the German Corporate Income Tax Act (*Korperschaftsteuergesetz*) will not be affected by such abolition at all. As a result of such new law, the solidarity surcharge would only be levied if the income tax burden (*tarifliche Einkommensteuer*) exceeds an exemption limit of €16,956 (or €33,912 in case of married couples or registered civil unions (*eingetragene Lebenspartnerschaften*) filing jointly). If the taxable income of an investor exceeds such exemption limit, the solidarity surcharge rate increases continuously up to a total levy of 5.5% on the income tax burden.

However, the partial abolition of the solidarity surcharge will not affect the withholding of taxes (*Kapitalertragsteuer*). Solidarity surcharge will still be levied on the withholding tax amount and withheld

accordingly. There will not be a refund of any solidarity surcharge (regardless of the aforementioned exemption limits) if the withholding tax cannot be refunded either.

22.4 German Controlled Foreign Corporation Rules (*Außensteuergesetz*)

Tax residents of Germany will have to include in their income (and file corresponding special tax returns with regard to) distributed and undistributed earnings of a foreign company in which they hold directly or indirectly shares if the foreign company qualifies as a low taxed controlled foreign corporation, for German tax purposes. Neither the (partial) exemption of dividends from German tax nor the reduced tax rates under the flat regime (*Abgeltungssteuer*) apply to these amounts; however, a subsequent dividend paid by the foreign company within seven years from the attribution of income pursuant to the controlled foreign corporation rules will be exempt from German taxation in the hands of the investor to the extent of such previously attributed amount. A foreign company generally qualifies as a controlled foreign corporation if the majority of its shares is held by German tax residents and certain expatriates and further requirements are met. However, with regard to certain passive portfolio income (*Zwischeneinkünfte mit Kapitalanlagecharakter*) of a foreign company (including, among other things, interest and capital gains from the disposal of financial instruments but excluding dividends received, and including passive portfolio income generated by a foreign subsidiary of such foreign company) the German shareholders will be required to include these amounts into income on a *pro rata* basis regardless of whether the majority of the shareholders is resident in Germany. The inclusion will take place if the passive portfolio income of such foreign company (as determined under German tax accounting principles) is subject to income tax of less than 25%. However, a German shareholder may escape such taxation of undistributed earnings if he holds less than 1% of the issued share capital of the Company at the end of the Company's fiscal year and can show to the satisfaction of the German tax authorities that regular and substantial trading in the Company's main class of shares takes place at a recognized stock exchange.

The German controlled foreign corporation rules have been amended as of July 1, 2021 in the course of the implementation of the European Anti-Tax Avoidance Directive into German law. As of January 1, 2022, a foreign corporation qualifies as controlled foreign corporation if a German taxpayer alone or together with associated persons holds directly or indirectly more than 50% of the voting rights or the shares in the foreign corporation. With respect to passive portfolio income (*Zwischeneinkünfte mit Kapitalanlagecharakter*) received as of January 1, 2022, a participation of at least 1% or, under certain circumstances, even less than 1% may be sufficient for the German controlled foreign corporations rules to apply.

22.5 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

As an exception to the aforementioned rules, dividends paid to, and capital gains realized by, certain companies in the financial and insurance sector are fully taxable. Since January 1, 2017, the aforementioned exclusions of (partial) tax exemptions for corporate income tax and trade tax purposes apply to shares which, in the case of credit institutions or financial services institutions, are to be allocated to the trading portfolio (*Handelsbestand*) within the meaning of the German Commercial Code (*Handelsgesetzbuch*). As a consequence, such credit institutions or financial services institutions cannot benefit from the effectively 95% exemption from corporate income tax, solidarity surcharge and trade tax. Therefore, dividend income and capital gains are fully taxable. The same applies to shares held by finance companies where (i) credit institutions or financial services institutions hold, directly or indirectly, a participation of more than 50% in the respective finance company, and (ii) the finance company must disclose the shares as current assets (*Umlaufvermögen*) as of the time they are initially recognized as business assets. Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the Parent Subsidiary Directive applies.

22.6 Inheritance and Gift Tax

The transfer of shares to another person by inheritance or gift is generally only subject to German inheritance or gift tax if:

- i. the decedent, donor, heir, beneficiary or other transferee maintained his domicile or habitual abode in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for

German expatriates with residence in the United States) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany); or

- ii. the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or
- iii. the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Company's registered share capital at the time of the inheritance or gift.

Currently, there is no double taxation treaty on inheritance tax and gift tax in force between Germany and Luxembourg. Special rules apply to German citizens living outside Germany and to former German citizens.

The fair value of the shares represents the tax assessment base, which generally corresponds to the stock exchange price of the Company's shares. Depending on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

22.7 The Proposed Financial Transactions Tax

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common financial transaction tax in certain participating member states of the European Union, including Germany. Such directive could, depending on the actual circumstances, apply to certain transactions in the Company's shares, including with respect to secondary market transactions. The issuance and subscription of shares should, however, be exempt. The Commission's Proposal remains subject to negotiations between the participating member states of the European Union and it is currently unclear in what form and when the Commission's Proposal will be implemented, if at all. Recently, the German Federal Minister of Finance has submitted a proposal to introduce a financial transaction tax, which has also not yet been adopted or implemented in Germany. Prospective shareholders are advised to seek their own professional advice in relation to a future financial transaction tax.

22.8 Other Taxes

No German real estate transfer tax, VAT, stamp duty or similar taxes are currently assessed on the purchase, sale or other transfer of shares of the Company. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of VAT on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

23. FINANCIAL INFORMATION

The following English-language consolidated financial statements of A. VI Holding GmbH as of and for the financial year ended December 31, 2020 (F-45-F-85), the English-language consolidated financial statements of A. VI Holding GmbH as of and for the financial year ended December 31, 2019 (F-89-F-103), the English-language consolidated financial statements of Boxine GmbH as of and for the fiscal year ended December 31, 2019 (F-104-F-117) and the English-language consolidated financial statements of Boxine GmbH as of and for the fiscal year ended December 31, 2018 (F-118-F-131), are translations of the respective German-language audited consolidated financial statements and the respective German-language audited financial statements.

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**Audited consolidated interim financial statements
of 468 SPAC I SE prepared in accordance with IFRS
as of June 30, 2021 and for the period from March 29, 2021 to June 30, 2021**

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of
468 SPAC I SE
R.C.S. Luxembourg B252939
9, rue de Bitbourg
L-1273 LUXEMBOURG

Report on the audit of the interim consolidated financial statements

Opinion

We have audited the interim consolidated financial statements of **468 SPAC I SE** and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 29 March 2021 (date of registration) to 30 June 2021, and the notes to the interim consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2021, and of its interim consolidated financial performance and its interim consolidated cash flows for the period from 29 March 2021 (date of registration) to 30 June 2021 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the interim consolidated financial statements » section of our report. We are also independent from the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the interim consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion..

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim consolidated financial statements of the current period. These matters were addressed in the context of the audit of the interim consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting treatment of financial instruments

Description of the Key Audit Matter

As described in Note 9 to the interim consolidated financial statements as at 30 June 2021 and for the period then ended, the Group holds financial instruments in the form of Class A shares, Class A warrants and Class B warrants, respectively in the amount of €295.5 million, €9.9 million and €8.3 million, totaling up €313.6 million out of €315.1 million of total liabilities.

The classification of these financial instruments as equity instruments or financial liabilities in the financial statements is technically complex, as it is not directly derived from their legal form. Rather, classification follows strict principles governed by IAS 32 “Financial Instruments: Presentation” which defines the characteristics of an equity instrument and those of a financial liability. For financial instruments that do not meet the definition of an equity instrument per IAS 32, the classification and measurement further needs to comply with the principles of IFRS 9 “Financial Instruments”.

On the other hand, the valuation of the warrants is highly subjective. These financial instruments are measured at fair value through profit or loss and their fair value is determined based on valuation models, due to the fact that Class A warrants have quoted price but there are no observable transactions while Class B warrants have no quoted price.

The consideration of this matter as significant to the audit was based on its materiality to the interim consolidated financial statements and the fact that inappropriate classification of these financial instruments and/or the inappropriateness of the valuation techniques and assumptions used in the valuation models may materially impact the interim consolidated financial statements.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the Interim Management Report and the Responsibility Statement by the Management Board but does not include the interim consolidated financial statements and our report of the “*réviseur d’entreprises agréé*” thereon.

Our opinion on the interim consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the interim consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

Our audit response

Understanding of the internal control over the process of classification and measurement of financial instruments.

Use of internal financial instrument specialists in our team to assess the compliance of the classification and measurement of the Class A shares, Class A warrants and Class B warrants with prevailing IFRS, particularly IAS 32 “Financial Instruments: Presentation”, IFRS 9 “Financial Instruments” and IFRS 13 “Fair Value Measurement”.

Use of internal valuation specialists in our team to assess the reasonableness of the valuation techniques applied and assumptions used in the valuation models. The audit procedures carried out include: (i) obtain valuation report from the external service provider used by the Group, (ii) analyse the underlying data used in the valuation models, (iii) recalculate the fair value of the financial instruments and (iv) investigate any significant deviation.

Carry out substantive audit procedures with regards to the computation of the amortized cost of the Class A shares as well as testing of all financial instruments’ movements and trace them to the legal documentation.

Ensure compliance of the relevant disclosures in the interim consolidated financial statements (i.e. Notes 2 and 9) with the requirement of the International Financial Reporting Standards.

interim consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the interim consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Responsibilities of the “Réviseur d’Entreprises Agréé” for the audit of the interim consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the interim consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “Réviseur d’Entreprises Agréé” that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Management Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “Réviseur d’Entreprises Agréé” to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “Réviseur d’Entreprises Agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the interim consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the interim consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report.

Report on Other Legal and Regulatory Requirements

We have been appointed as “*réviseur d’entreprises agréé*” by the General Meeting of the Shareholders on 21 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

The interim management report is consistent with the interim consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that no prohibited non-audit services referred to in the EU Regulation N°537/2014 were provided and that we remained independent of the Group in conducting the audit.

Luxembourg, 24 September 2021

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG



Fabien Delante
Réviseur d’entreprises agréé

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Interim consolidated statement of comprehensive income for the period ended 30 June 2021

	Note	Period from 29 March to 30 June 2021 EUR
Revenue		—
Other operating expenses	6	(1,378,017)
Operating loss		(1,378,017)
Finance costs	9,2,10	(1,586,950)
Fair value loss on Class A warrants	9.3	(9,800,000)
Fair value gain on Class B warrants	9.4	1,344,000
Loss before income tax		(11,420,967)
Income tax	7	—
Loss for the period		(11,420,967)
Other comprehensive income		—
Total comprehensive income/(loss) for the period, net of tax		(11,420,967)
Profit/(loss) for the period attributable to:		
Equity holders of the parent		(11,420,967)
Non-controlling interests		—
		(11,420,967)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent		(11,420,967)
Non-controlling interests		—
		(11,420,967)
Earnings/(loss) per share attributable to equity holders of the parent:	8	
Net earnings per share		(1.52)
Diluted earnings per share		(1.52)

The accompanying notes form an integral part of these interim consolidated financial statements.

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Interim consolidated statement of financial position as at 30 June 2021

<u>ASSETS</u>	Note	<u>30 June 2021</u> <u>EUR</u>
Non-current assets		
Cash in escrow	10	301,254,588
Current assets		
Cash and cash equivalents	11	3,630,479
Total assets		<u>304,885,067</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	12	120,000
Share premium		817,600
Accumulated deficit		(11,420,967)
Warrant reserve		262,400
Total equity attributable to owners of the parent		(10,220,967)
Non-controlling interests		—
Total equity		<u>(10,220,967)</u>
Non-current liabilities		
Redeemable Class A shares	9.2	295,454,966
Class A warrants at fair value	9.3	9,900,000
Class B warrants at fair value	9.4	8,256,000
		<u>313,610,966</u>
Current liabilities		
Trade and other payables	13	1,336,123
Directors' fees payable		129,450
Bank overdraft		29,495
		<u>1,495,068</u>
Total liabilities		<u>315,106,034</u>
Total equity and liabilities		<u>304,885,067</u>

The accompanying notes form an integral part of these interim consolidated financial statements.

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Interim consolidated statement of changes in equity for the period ended 30 June 2021

	Note	Share capital EUR	Share premium EUR	Accumulated deficit EUR	Warrant reserve EUR	Total equity attributable to parent EUR	Non-controlling interest EUR	Total equity EUR
Issuance of Class B shares	12	120,000	—	—	—	120,000	—	120,000
Capital contribution without issuance of shares	12		1,080,000	—	—	1,080,000	—	1,080,000
Allocation to Warrant reserve	12	—	(262,400)	—	262,400	—	—	—
Profit/(loss) for the period		—	—	(11,420,967)	—	(11,420,967)	—	(11,420,967)
Balance, 30 June 2021 ...		<u>120,000</u>	<u>817,600</u>	<u>(11,420,967)</u>	<u>262,400</u>	<u>(10,220,967)</u>	<u>—</u>	<u>(10,220,967)</u>

The accompanying notes form an integral part of these interim consolidated financial statements.

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Interim consolidated statement of cash flows for the period ended 30 June 2021

	<u>Note</u>	<u>Period from 29 March to 30 June 2021 EUR</u>
Cash flows from operating activities		
Loss before income tax		(11,420,967)
<i>Adjustment non cash items:</i>		
Finance cost	9.2,10	1,586,950
Fair value loss on Class A warrants	9.3	9,800,000
Fair value gain on Class B warrants	9.4	(1,344,000)
<i>Changes in working capital:</i>		
Increase in trade and other payables		1,495,068
Interest paid		(95,412)
Net cash flows from operating activities		(21,639)
Cash flows from financing activities		
Proceeds from issuance of Class B shares	12	1,200,000
Proceeds from issuance of Class B warrants	9.4	9,600,000
Proceeds from issuance of Class A shares and warrants, net of Private Placement costs	9.2	294,063,428
Net cash flows from financing activities		304,863,428
Net increase in cash and cash equivalents		304,885,067
Restricted cash (Cash in Escrow)	10	(301,254,588)
Cash and cash equivalents, beginning		—
Cash and cash equivalents at end of period		3,630,479

The accompanying notes form an integral part of these interim consolidated financial statements.

468 SPAC I SE

Notes to the interim consolidated financial statements for the period ended 30 June 2021

1. GENERAL INFORMATION

468 SPAC I SE (the “Company” or “Parent”) was incorporated on 18 March 2021 (date of incorporation as per the deed of incorporation agreed between shareholders in front of the notary) in Luxembourg as a European company (*Société Européenne* or “SE”) based on the laws of the Grand Duchy of Luxembourg (“Luxembourg”). The Company is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*, in abbreviated “RCS”) under the number B252939 since 29 March 2021.

The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company’s governing bodies are the Management Board, the Supervisory Board and the shareholders’ meeting. The Company is managed by its Management Board under the supervision and control of the Supervisory Board. This two-tier governance structure was resolved by an extraordinary shareholders’ meeting of the Company held on 9 April 2021. The Management Board is composed of Alexander Kudlich (Chief Executive Officer), Ludwig Ensthaler (Chief Investment Officer), Florian Leibert (Chief Technology Officer) and Daniel Bley (Chief Administration Officer) (the “Management Board”). The Supervisory Board members appointed consists of Gisbert Ruhl, Lea-Sophie Cramer, Johannes Maret and Florian Wendelstadt (the “Supervisory Board”).

The founder of the Company, 468 SPAC Sponsors GmbH & Co. KG, (the “Sponsor”), is an affiliate of Alexander Kudlich, Ludwig Ensthaler and Florian Leibert, the founders of the investment fund 468 Capital GmbH & Co. KG. The Supervisory Board, directly or through their affiliates, as well as Fabian Zilker (together, as “Co-Sponsors”) have also provided funds to the Company.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Accordingly, the interim consolidated financial statements of 468 SPAC I SE and its subsidiaries (collectively the “Group”) were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union for the period from 29 March 2021 (date of registration of the Company with the RCS) to 30 June 2021 and were authorised for issue in accordance with a resolution of the Management Board on 24 September 2021. Any act performed and any transaction carried out by the Company between the date of incorporation and the date of registration is considered to emanate from the Company and is therefore included in the interim consolidated financial statements.

The Company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area, the United Kingdom or Switzerland by way of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the “Business Combination”). The Company will not conduct operations or generate operating revenue unless and until the Company consummates the Business Combination.

The Company will focus on consummating a Business Combination in the technology and technology-enabled sector, with a focus on the sub-sectors marketplaces, direct-to-consumer (D2C), and software & artificial intelligence. The Company has 24 months from the date of the admission to trading to consummate a Business Combination, plus an additional three months if it signs a legally binding agreement with a target within those initial 24 months. Otherwise, the Company will be liquidated and distribute all of its assets to its shareholders (other than the Sponsor and the Co-Sponsors). Any Business Combination will require approval of a majority of the votes cast at the general shareholders’ meeting of the Company.

The Company has 30,000,000 redeemable Class A shares issued and outstanding as at 30 June 2021 which are traded on the regulated market of Frankfurt Stock Exchange under the symbol “SPAC” since 30 April 2021. Likewise, the Company’s 10,000,000 Class A warrants are also traded on the open market of the Frankfurt Stock Exchange under the symbol “SPAW”.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Company's financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year which starts on 29 March 2021 (date of registration with the RCS) and ends on 31 December 2021.

The Interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and on a going concern basis (See Note 3).

The interim consolidated financial statements have been prepared in Euros (EUR), which is the Group's presentation currency, and have been prepared under the historical cost convention, except for financial instruments that are measured at fair value.

2.2. Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is the presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3. Summary of significant accounting policies

International accounting standards include IFRS, IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee) and IFRICs (International Financial Reporting Interpretations Committee).

The repository adopted by the European Commission is available on the following internet site: http://ec.europa.eu/finance/accounting/ias/index_en.htm

a) **New standards, amendments and interpretations that were issued but not yet applicable in as at 30 June 2021 and that are most relevant to the Group**

- **Reference to the Conceptual Framework — Amendments to IFRS 3:** In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

- **Amendments to IAS 1 — not yet endorsed by the EU:** Classification of Liabilities as Current or Non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.
- **Amendments to IAS 1 and IFRS Practice Statement 2 — not yet endorsed by the EU:** Disclosure of Accounting policies. In February 2021, the IASB issued amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.
- **Amendments to IAS 8 — not yet endorsed by the EU:** Definition of Accounting Estimate. In February 2021, the IASB issued amendments to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.
- **Amendments to IAS 37:** Onerous Contracts — Cost of Fulfilling a Contract. The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.
- **Annual improvements to IFRS Standards 2018-2020:** The annual improvements to IFRS consists of amendments to IFRS 1, IFRS 9, IFRS 16, and IAS 41. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory. Currently, the Management Board anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Group.

b) **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the

inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of comprehensive income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

c) **Foreign currencies**

These interim consolidated financial statements are presented in EUR, which is the parent's and subsidiaries functional currency and presentation currency.

Transactions denominated in currencies other than the EUR are recorded at the exchange rate at the transaction date.

d) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset.

Financial assets: The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

Financial assets measured at amortised cost: This is the category most relevant to the Group. A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Group includes in this category cash and cash equivalents and cash in escrow.

Financial liabilities: The financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Group's financial liabilities include trade and other payables, interest-bearing loans and borrowings, redeemable class A shares, and class A and B warrants.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities measured at amortised cost: This is the category most relevant to the Group. After initial recognition, trade and other payables, interest-bearing loans and borrowings, and redeemable class A shares are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Financial liabilities through profit or loss: Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Derecognition: A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Impairment of financial assets: The Group has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to its financial assets. Therefore the Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

e) **Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The carrying amounts of these approximate their fair value.

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the interim consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

h) Taxes

Income tax recognized in the consolidated statement of comprehensive income includes current and deferred taxes.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the interim consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are tested for impairment on the basis of a tax planning derived from management business plans.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

i) Share-based payments

The Management Board is currently assessing whether certain Class B shares and warrants issued to the Sponsor of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably base its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

In any case, the Founder shares and Founder warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Founders only derive the value from the Founder shares and Founder warrants when they are converted into Class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 30 June 2021, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in as part of other operating expenses in the consolidated statement of comprehensive income, together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are

reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the recipient of the share-based payment. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment due to the ongoing outbreak of a novel strain of the coronavirus ("COVID-19").

In December 2019, a COVID-19 outbreak was reported in China, and, in March 2020, the World Health Organization declared it a pandemic. Since being initially reported in China, the coronavirus has spread to over 150 countries. Given the ongoing and dynamic nature of the COVID-19 crisis, it is difficult to predict the impact on the business of potential targets. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others. The ongoing COVID-19 pandemic, the increased market volatility and the potential unavailability of third-party financing caused by the COVID-19 pandemic as well as restrictions on travel and in-person meetings, which may hinder the due diligence process and negotiations, may also delay and/or adversely affect the Business Combination or make it more costly.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

As at 30 June 2021, the significant areas of estimates, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these interim consolidated financial statements are:

- Going concern: Despite the EUR 10,220,967 negative equity of the Group as at 30 June 2021, the Management Board decided to prepare these interim consolidated financial statements on a going concern basis given that part of the Class B warrants amounting to EUR 7,095,000, which are currently presented as a non-current liability, will not be required to be paid in cash. These Class B warrants have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation.

In addition, the Management Board underlying assumption to prepare the interim consolidated financial statements is based on the anticipated successful completion of the Business Combination (See Notes 16 and 17).

- Deferred tax asset: A deferred tax asset in respect of the tax losses incurred has not been recognised as the Management Board estimates uncertainty in terms of future taxable profit against which the Group can utilise the benefits therefrom (See Note 7).

- Classification of Redeemable Class A shares: Judgment on the classification of Redeemable Class A shares. The Management Board assessed the classification of redeemable Class A shares in accordance with IAS 32 under which the redeemable class A shares do not meet the criteria for equity treatment and must be recorded as liabilities. The class A shares features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, the Company classifies the Redeemable Class A shares as financial liabilities at amortised cost in accordance with IFRS 9. The transaction costs directly attributable to issuance of the redeemable class A shares which are subscribed via private placement ("Private Placement") are deducted against the initial fair value.
- Classification and measurement of Warrants: The Management Board assessed the classification of warrants in accordance with IAS 32 under which the warrants do not meet the criteria for equity treatment and must be recorded as derivatives. Accordingly, the Company classifies the Class A warrants and Class B warrants as liabilities at their fair value and adjust them to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the consolidated statement of comprehensive income. The fair value of Class A warrants is determined based on its quoted market price or independently valued using Monte Carlo valuation model for periods when there are no observable trades, as of each relevant date. Likewise, the redeemable class B warrants which are not listed to the stock exchange are also independently valued using the Black-Scholes Option Pricing model to determine its fair value.
 - Class B warrants as share-based payments: The Management Board is currently assessing whether certain Class B shares and warrants issued to the Sponsor of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably base its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

In any case, the Founder shares and Founder warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Founders only derive the value from the Founder shares and Founder warrants when they are converted into Class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 30 June 2021, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

4. GROUP INFORMATION

Subsidiaries

The Group has been newly established on 29 March 2021. The wholly-owned subsidiaries of the Group as at 30 June 2021 are 468 SPAC I Advisors Verwaltungs-GmbH ("468 SPAC I GmbH") and 468 SPAC I Advisors GmbH & Co. KG ("468 SPAC I KG"). 468 SPAC I KG is a German limited partnership managed by 468 SPAC I GmbH as its general partner.

The interim consolidated financial statements of the Group include the Company, 468 SPAC I GmbH and 468 SPAC I KG.

The parent company

As at 31 March 2021, the immediate and ultimate parent company of the Company is 468 SPAC Sponsors GmbH & Co KG based in Germany with a shareholding of 100%, an affiliate of Alexander Kudlich, Ludwig Ensthaler and Florian Leibert.

On 16 April 2021, 468 SPAC Sponsors GmbH & Co KG transferred 13.5% of its holdings to the Co-Sponsors (See Note 12).

Since admission to trading in the regulated market of the Frankfurt Stock Exchange, the Group does not have an ultimate parent company.

Segment information

The Group is currently organised as one reportable segment. The Group has been deemed to form one reportable segment as the Parent and its subsidiaries have been established together for the purpose of acquiring one operating business i.e. the Business Combination (See Note 1).

5. ACQUISITION OF SUBSIDIARIES

The Company acquired 468 SPAC I GmbH and 468 SPAC I KG for an amount of EUR 30,500 which included cash balances of EUR 25,500 (thereof EUR 25,000 from 468 SPAC I GmbH and EUR 500 from 468 SPAC I KG) and acquisition related costs of EUR 5,000. The acquisition related costs have been recognized in the interim consolidated statement of comprehensive income.

The acquired companies are companies with no business. Consequently, the acquisition has been accounted as acquisitions of assets that do not constitute a business combination.

The purchase price for the acquisition was paid on 30 March 2021 by the Sponsor on behalf of the Company as a drawdown under the shareholder loan (See Note 9.1).

6. OTHER EXPENSES

6.1. Other operating expenses

The other operating expenses of EUR 1,378,017 incurred mainly include legal and notarial fees, tax, audit, accounting and consulting services, CSSF fees, insurance and bank charges. This also includes EUR 177,500 of Directors' fees and EUR 5,000 costs linked to the acquisition of 468 SPAC I GmbH and 468 SPAC I KG.

The Company did not have any employees during the financial period ended 30 June 2021.

7. INCOME TAXES

The reconciliation between actual and theoretical tax expense is as follows:

	<u>30 June 2021</u> <u>EUR</u>
Loss for the period before tax	(11,420,967)
Theoretical tax charges, applying the tax rate of 24.94%	(2,848,389)
Tax effect of adjustments from local GAAP to IFRS ¹	1,012,647
Unrecognized deferred tax assets	1,835,742
Income tax	<u>—</u>

The tax rate used in reconciliation above is the Luxembourgish tax rate (24.94%) as the Company is domiciled in Luxembourg. Deferred tax assets have not been recognised in respect of the loss incurred during the period ended 30 June 2021 because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Unused tax losses of the Company can be used within a period of 17 years as per Luxembourg tax law.

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share ("EPS") is calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

¹ Income taxes payable to / recoverable from the tax authorities are determined based on the financial results of 468 SPAC I SE and its subsidiaries as shown in their stand-alone financial statements prepared in local GAAP. Hence adjustments from local GAAP to IFRS may lead to higher / lower taxable result in the consolidated financial statements as compared to that determined based on the stand-alone financial statements.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	<u>30 June 2021</u>
Loss attributable to ordinary equity holders of the parent	(EUR 11,420,967)
Weighted average number of ordinary shares for EPS	7,500,000
Basic and diluted EPS	<u>(EUR 1.52)</u>
	<u>30 June 2021</u>
Number of potential ordinary shares which are antidilutive	
Redeemable Class A shares	30,000,000
Share warrants (Class A and B)	16,400,000
Total	<u>46,400,000</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

9. FINANCIAL LIABILITIES

9.1 Financial liabilities: Interest-bearing loans and borrowings (Loan payable to Sponsor)

The Company as borrower concluded a loan agreement with its shareholder as lender with effect on 30 March 2021 (“shareholder loan”). It was agreed for the loan to be utilized for the purpose of financing third party costs and other working capital requirements until the intended Private Placement. A loan amount of up to EUR 1,100,000 has been granted to the Company. The loan bears annual interest of 2% and was intended to mature one year after the end of the earlier of (i) 30 months following the Private Placement or (ii) three months after completion of the Business Combination.

On 30 March 2021, an amount of EUR 30,500 of the loan has been considered drawn by the Company under the shareholder loan following the payment made by the Sponsor for the acquisition of the subsidiaries (See Note 5). An amount of EUR 3 has been accrued for unpaid interest on the drawn amount as at 31 March 2021.

On 15 April 2021, the Company made an additional drawdown on the loan amounting to EUR 15,000.

On 16 April 2021, the Sponsor agreed to set off the loan balance of EUR 45,500 against the subscription price of the 5,500,000 Class B warrants (See Note 9.4). Consequently, the loan agreement was terminated and any interest accrued on the loan was waived by the Sponsor.

9.2 Financial liabilities: Redeemable Class A shares

On 29 April 2021, the Company has issued 30,000,000 redeemable class A shares (the “Class A shares”) with a par value of EUR 0.016, with International Securities Identification number (“ISIN”) LU2333563281. Holders of Class A common stock are entitled to one vote per share. On the issue date, the Class A shares is measured at amortised cost valued at EUR 293,963,428 net of transaction costs amounting to EUR 5,936,572.

Transaction costs are incremental costs that are directly attributable to the issuance of the Class A shares and its subsequent listing on the Frankfurt Stock Exchange were deducted from its initial fair value. The transaction costs includes Listing Fees (See Note 16), legal fees, audit fees, accounting and administration fees, agency fees and CSSF fees.

As at 30 June 2021, the amortised cost of the Class A shares amounts to EUR 295,454,966 after amortisation of EUR 1,491,538 calculated using the EIR method. The amortisation is presented as part of finance cost in the consolidated statement of comprehensive income. The fair value of Redeemable Class A shares is EUR 294,600,000 based on its quoted price (level 2) as at 30 June 2021.

Class A Shareholders may request redemption of all or a portion of their Class A shares in connection with the Business Combination, subject to the conditions and procedures set forth in the Articles of Association. Class A shares will only be redeemed under the following conditions, (i) the Business Combination is approved

by the general meeting of shareholders and subsequently consummated, (ii) a holder of Class A shares notifies the Company of its request to be redeemed a portion or all of its Class A shares in writing by completing a form approved by the Management Board for this purpose that will be included with the convening notice for the general meeting of shareholders and such notification is received by the Company not earlier than the publication of the notice convening the general meeting of shareholders for the approval of the Business Combination and not later than two business days prior to the date of the general meeting of shareholders convened for the purpose of approving the Business Combination, and (iii) the holder of Class A shares transfers its Class A shares to a trust depository account specified by the Company in the notice convening the general meeting of shareholders.

Each Class A share that is redeemed shall be redeemed in cash for a price equal to the aggregate amount on deposit in the escrow account related to the proceeds from the Private Placement of the Class A shares and warrants, divided by the number of the then outstanding Class A shares, subject to (i) the availability of sufficient amounts on the escrow account and (ii) sufficient distributable profits and reserves of the Company.

Because the Class A shares are redeemable under certain conditions, the Management Board concluded that the Class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the Class A shares are considered as debt instruments (See Note 3).

9.3 Financial liabilities: Class A warrants

On 29 April 2021, the Company had issued 10,000,000 class A warrants (the “Class A warrants”) together with the Class A shares (together, as “Unit”) for an aggregate price of EUR 10 per Unit, each unit comprising one Class A share and one third of a Class A Warrant. The nominal subscription price per Class A warrant was EUR 0.01. Hence total proceeds in relation to the issue of the Class A warrants amount to EUR 100,000. Class A warrants has ISIN code of LU2333564099. Each Class A warrants entitles its holder to subscribe for one Class A share, with a stated exercise price of EUR 11.50, subject to customary anti-dilution adjustments. Holders of Class A warrants can exercise the warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price.

On the issue date, the fair value of Class A warrants was estimated at EUR 9,100,000 (EUR 0.91 per warrant) using Monte Carlo valuation model, resulting in the recognition of a day-one loss of EUR 9,000,000.

As at 30 June 2021, the fair value of Class A warrants was estimated at EUR 9,900,000 (EUR 0.99 per warrant) using Monte Carlo valuation model (level 3), resulting in the recognition of fair value loss of EUR 800,000 for the period from issue date to closing date and a total fair value loss of EUR 9,800,000 for the period from 29 March 2021 to 30 June 2021. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

Class A warrants may only be exercised for a whole number of Class A shares. Class A warrants will become exercisable 30 days after the completion of a Business Combination. Class A warrants expire five years from the date of the consummation of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem Class A warrants upon at least 30 days’ notice at a redemption price of EUR 0.01 per Class A warrant if (i) the closing price of its Class A shares for any 20 out of the 30 consecutive trading days following the consummation of the Business Combination equals or exceeds EUR 18.00 or (ii) the closing price of its Class A shares for any 20 out of the 30 consecutive trading days following the consummation of the Business Combination equals or exceeds EUR 10.00 but is below EUR 18.00, adjusted for adjustments as described in the section of redemption of warrants in the prospectus. Holders of Class A warrants may exercise them after the redemption notice is given.

9.4 Financial liabilities: Class B warrants

On 16 April 2021, the Sponsor and Co-Sponsors have subscribed for an aggregate of 5,500,000 class B warrants at a price of EUR 1.5 per warrant (the “Sponsor Capital At Risk”) and the aggregate price of EUR 8,250,000. The Sponsor agreed to set off EUR 45,500 of the shareholder loan (See Note 9.1) against the subscription price of the Class B warrants. The proceeds from the class B warrants is used to finance the Company’s working capital requirements, Private Placement and listing expenses (except for fixed deferred listing commission which shall be paid from the escrow account), and due diligence cost in connection with the Business Combination.

On the same date, the Sponsor and Co-Sponsors have additionally subscribed for 900,000 class B warrants (together with the 5,500,000 class B warrants representing the Sponsor Capital At Risk, the “Class B Warrants”), at a price of EUR 1,5 per warrant and for an aggregate price of EUR 1,350,000 (the “Additional Sponsor Subscription”). The proceeds from this Additional Sponsor Subscription is used to cover the negative interest, if any on the cash held in escrow (See Note 10). For any excess portion of the Additional Sponsor Subscription remaining after the consummation of the Business Combination and any redemption of Class A shares, the Sponsor and Co-Sponsors may:

- i) elect to either request repayment of the remaining cash portion under the Additional Sponsor Subscription by redemption of the corresponding number of class B warrants subscribed for under the Additional Sponsor Subscription; or
- ii) not to request repayment of the remaining cash portion of the Additional Sponsor Subscription and to keep the class B warrants subscribed under the Additional Sponsor Subscription.

Class B warrants are identical to the Class A warrants underlying the Units sold in the Private Placement, except that the Class B warrants are not redeemable and may always be exercised on a cashless basis while held by the Sponsor and the Co-Sponsors or their Permitted Transferees (defined in the prospectus). Class B warrants are not part of the Private Placement and are not listed on a stock exchange.

On the issue date, the fair value of Class B warrants was estimated at EUR 8,448,000 (EUR 1.32 per warrant) using Black-Scholes option pricing model, resulting in the recognition of a day-one gain of EUR 1,152,000.

As at 30 June 2021, the fair value of the 6,400,000 Class B warrants was estimated at EUR 8,256,000 (EUR 1.29 per warrant) using Black-Scholes option pricing model (level 3), resulting in the recognition of fair value gain of EUR 192,000 for the period from the issue date to closing date and a total fair value gain of EUR 1,344,000 for the period from 29 March 2021 to 30 June 2021. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds and volatility of the warrants by reference to Germany TECDAX index.

10. CASH IN ESCROW

Cash in escrow of EUR 301,254,588 consists of the gross proceeds from the Private Placement and Additional Sponsor Subscription. The cash held in escrow from the gross proceeds on the Private Placement is set aside to pay the following, in case of a Business Combination: i) payment of Class A shares for which the redemption right was exercised, net of any interest and taxes, ii) fixed deferred listing commission and discretionary deferred listing commission, and iii) any remainder values will be returned to the Company (See Note 16). The cash held in escrow from the Additional Sponsor subscription is used to cover the negative interest on the escrow (See Note 9.4).

If the Company does not consummate a Business Combination, the amounts standing on the escrow will be returned to the Company, and after deduction of the unused portion, if any, of the proceeds from the Additional Sponsor Subscription, at first priority distributed to the holders of Class A shares.

The fair value of cash in escrow approximate its carrying value as at 30 June 2021. As at 30 June 2021, the negative interest on the cash in escrow amounts to EUR 95,412 presented as finance cost in the consolidated statement of comprehensive income.

11. CASH AND CASH EQUIVALENTS

The amount of cash and cash equivalents was EUR 3,630,479 as at 30 June 2021.

The fair value of cash and cash equivalents approximate its carrying value as at 30 June 2021.

12. ISSUED CAPITAL AND RESERVES

Share capital – Convertible class B shares

As at 31 March 2021, the subscribed share capital amounts to EUR 120,000 consisting of 12,000,000 class B shares without nominal value.

On 15 April 2021, following the extraordinary general meeting of shareholder, the Company converted the 12,000,000 class B shares into 7,500,000 Class B Shares.

On 16 April 2021, the Sponsor sold a total of 1,013,000 Class B Shares to the Co-Sponsors, namely Chepstow Capital GmbH, Pink Capital GmbH, Maret II GmbH, Florian Wendelstadt and Fabian Zilker. As at 30 June 2021, Class B shares has a par value of EUR 0.016.

Subject to the completion of a Business Combination, all Class B Shares are automatically converted into Class A shares at a ratio of one Class A share for one Class B Share following the day of expiration of the Sponsor Lock-up (as defined below) (the “Promote Conversion”).

The Sponsor and the Co-Sponsors have committed not to transfer, assign, pledge or sell any of the Class B Shares and Class B warrants other than to Permitted Transferees (as defined in the prospectus) until the first anniversary of the Business Combination, or earlier if, at any time, the closing price of the Class A shares for any twenty (20) trading days within a thirty (30) day trading period equals or exceeds twelve euro (EUR 12.00) (the “Sponsor Lock-up”).

The Class B shares will only have nominal economic rights (i.e., reimbursement of their par value, at best, in case of liquidation). The class B shares are not part of the Private Placement and are not listed on a stock exchange.

Share premium

On 15 April 2021, the Sponsor contributed an amount of EUR 1,080,000 to the equity of the Company without issuance of shares. These monies will be used to cover the remuneration of the Management Board of the Group as well as due diligence costs.

On 29 April 2021, the Management Board resolved to allocate EUR 262,400 to the Warrant reserve out of share premium.

Authorised capital

As at 31 March 2021, the authorized capital, excluding the issued share capital, of the Company is set at EUR 1,000,000 consisting of 100,000,000 shares without nominal value.

On 15 April 2021, following the extraordinary general meeting of shareholder, the authorized capital was increased up to EUR 11,943,456 consisting of 746,466,000 class A shares without nominal value. On 29 April 2021, the Company has issued 30,000,000 Class A shares (See Note 9.2).

As at 30 June 2021, the authorized capital, excluding the issued share capital, of the Company is set at EUR 11,463,456 consisting of 716,466,000 shares without nominal value.

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Warrant reserve

Pursuant to Article 30 of the amended Articles of Association, the Management Board shall create a specific reserve in respect of the exercise of any class A warrants or class B warrants issued by the Company (the “Warrant reserve”) and allocate and transfer sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant reserve. The Management Board may, at any time, fully or partially convert amounts contributed to such Warrant reserve as payment for the subscription price of any Class A shares to be issued further to an exercise of class A warrants or class B warrants issued by the Company. Only in case of failure by the Company to secure a Business Combination before the expiry of the imparted time, may the Warrant reserve be used for redemption of Class A Shares, in case where other available reserves are not sufficient. The Warrant reserve is not distributable or convertible prior to the exercise, redemption or expiration of all outstanding class A warrants and class B warrants and may only be used as payment for the Class A Shares issued pursuant to the exercise of such class A warrants and class B warrants; thereupon, the Warrant reserve will be a distributable reserve.

As at 30 June 2021, EUR 262,400 has been allocated to warrant reserve from Share premium.

13. TRADE AND OTHER PAYABLES

Trade and other payables amount to EUR 1,336,123 as at 30 June 2021.

Trade and other payables are related to legal and other services received by the Group. The carrying amounts of these approximate their fair value.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group consists of newly formed companies that have conducted no operations and currently generated no revenue. They do not have any foreign currency transactions. Hence currently the Group does not face foreign currency risks.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Company has completed its Private Placement and listing on the Frankfurt Stock exchange. The proceeds from the Private Placement is deposited in an escrow account. The amount held in the escrow account will only be released in connection with the completion of the Business Combination or the Company's liquidation. As at 30 June 2021, the Management Board believes that the funds available to the Group outside of the secured deposit account are sufficient to pay costs and expenses incurred by the Group prior to the completion of the Business Combination.

Capital management

The Management Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to meet the capital management objective described above, the Group has raised funds through a Private Placement reserved to certain qualified investors inside and outside of Germany, and had the Class A shares and class A warrants issued in the context of this Private Placement admitted to listing and trading on the Frankfurt Stock Exchange. The above-mentioned financial instruments issued as part of this Private Placement represent what the entity is managing as capital, although these instruments are considered as debt instruments or financial liabilities from an accounting standpoint.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions. No specific counterparty risk is being assessed as cash and cash equivalents are mostly deposited with a P-1 to P-2 (Moody's) or A2 (S&P's) rated bank.

15. RELATED PARTIES DISCLOSURES

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions.

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables as at 30 June 2021.

Commitments with related parties

As at 30 June 2021, there have been no commitments with related parties besides those disclosed in Note 16. As at 31 March 2021, the Company had a shareholder loan with the Sponsor (See Note 9.1) which was settled on 16 April 2021.

Transactions with key management personnel

The members of the Management Board and Supervisory Board are entitled to remuneration for their services which amounts to EUR 177,500 as at 30 June 2021 (See Note 6). There are no advances or loans granted to members of the Management Board and Supervisory Board as at 30 June 2021.

16. COMMITMENTS AND CONTINGENCIES

On 16 April 2021, the Company entered into an agreement with its Sponsor and Co-Sponsors, whereby the Sponsor and Co-Sponsors have committed not to transfer, assign, pledge or sell any of the Class B shares and Class B warrants other than to Permitted Transferees in accordance with the Sponsor Lock-up. From the consummation of the Business Combination, the Class A shares received by the Sponsor and Co-Sponsors as a result of conversion of their Class B shares in accordance with the Promote Conversion will become transferrable on the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Class A shares equals or exceeds EUR 12.00 for any 20 trading days within any 30-trading day period. Any Permitted Transferees will be subject to the same restrictions as applicable to the Sponsor and Co-Sponsors with respect to Class B Shares and Class B warrants.

On 16 April 2021, the Company entered into an agreement with its Sponsor and Co-Sponsors, for the subscription of class B warrants (See Note 9.4).

On 27 April 2021, 468 I Advisors KG entered into an agreement with Joh. Berenberg, Gossler & Co. KG (“Berenberg”) on which the 468 I Advisors KG appoints Berenberg to open and maintain the escrow account to keep the gross proceeds from the Private Placement, the gross proceeds from the Additional Sponsor Subscription and any interest earned on the proceeds, on behalf of the Group.

On 27 April 2021, the Company entered into an agreement with Berenberg, operating as Manager or Sole Bookrunner for the Private Placement, by virtue of which the Company is liable to pay a listing fee of 1.5% of the adjusted gross proceeds² from the Private Placement on the date of the completion of the Private Placement (the “Listing Fee”). In addition, the Company shall pay the Sole Bookrunner an aggregate fee of 2.25% on the adjusted gross proceeds from the Private Placement on the completion of the Business Combination (the “Deferred Listing Fee”). The Company may further award Berenberg an additional discretionary fee of up to 0.5% of the adjusted gross proceeds from the Private Placement, in its absolute and full discretion, payable on the date of the completion of the Business Combination. For the purpose of calculating the gross proceeds on the Private Placement, the Company may deduct the proceeds raised from investors known to the Sponsor and presented to the Sole Bookrunner or from shareholders of the Sponsor.

On 2 June 2021, the Company has entered into a non-binding letter of intent (“LoI”) with Boxine GmbH (“Boxine”), an international children’s digital media and entertainment business, concerning a business combination between the Company and Boxine.

The LoI includes an agreement to seek a PIPE investment (private investment in public equity) in an amount up to EUR 100 million that the Company and Boxine intend to consummate in parallel to the envisaged business combination.

The business combination would involve the existing shareholders of Boxine transferring 100% of the outstanding equity and equity equivalents of Boxine to the Company in exchange for (i) new shares in the Company and (ii) a consideration in cash. The combined entity will be listed on the Frankfurt Stock Exchange and will have a shareholder base comprised of (i) Boxine’s existing shareholders, (ii) the Company’s shareholders, and (iii) investors in the PIPE.

The Group has no other commitments and contingencies as at 30 June 2021.

17. EVENTS AFTER THE REPORTING PERIOD

On 30 August 2021, the Company and Boxine entered into a definitive business combination agreement (the “Transaction”). Upon closing of the Transaction, the listed entity is expected to be named Boxine (“Combined Company”).

The Transaction is expected to close in the fourth quarter of 2021, and the shares of the Combined Company will be listed on the Frankfurt Stock Exchange. In addition to the approximately EUR 300 million held in the Company’s escrow account (not taking into account any potential redemptions in connection with the Transaction), a common stock private investment in public equity (“PIPE”) round of EUR 100 million was raised at a price of EUR 10.00 per share from BIT Capital, Baillie Gifford and other leading institutional investors. An

² The gross proceeds from the Private Placement were adjusted for the proceeds raised by the Sponsor for an amount equal to EUR 30 million (the “Adjusted gross proceeds”)

additional EUR 5 million was raised in the PIPE and will be placed in a blocked account for the time of the lock-up and will only be released if, and to the extent required, the founding shareholder of Boxine is obliged to pay taxes in connection with the Transaction during the term of their lock-up. The share consideration to be received by the founding shareholder of Boxine will be reduced accordingly. The Combined Company will have a shareholder base comprised of (i) the current (indirect) Boxine shareholders, (ii) the Company's shareholders and (iii) the investors in the PIPE.

Boxine develops and distributes Tonies, an innovative audio system for children. Boxine has created a new product category that combines the segments of cloud-connected audio, streaming, gaming and toys. Through its business model and customer-centric, data-driven content creation, Boxine has become a popular D2C brand. The Company and Boxine intend to create a globally recognized and industry defining digital children's media and entertainment company.

The closing of the Transaction is subject to the approval of the Company's shareholders and the satisfaction or waiver of certain other customary closing conditions.

There are no other events or conditions after the reporting period requiring disclosure in or adjustment to the interim consolidated financial statements.

**Unaudited condensed consolidated interim financial statements
of A. VI Holding GmbH prepared in accordance
with IFRS on interim financial reporting (IAS 34) as adopted by the EU
for the six-month financial period ended June 30, 2021**

Condensed Consolidated Interim Statement of Financial Position
EU-IFRS Statement of Financial Position

<u>in kEUR</u>	<u>Notes</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
Assets			
Property, plant and equipment	6	4,836	5,324
Right of use assets		388	464
Intangible assets (excl. Goodwill)	7	124,589	125,504
Goodwill		162,236	162,236
Deferred tax assets		5,529	4,355
Non-current assets		297,578	297,883
Inventories	9	40,039	23,062
Trade receivables	10	5,797	16,850
Other assets (short term)	10	12,272	3,296
Cash		2,179	9,079
Current assets		60,287	52,287
Total assets		357,865	350,170
Equity			
Share capital		100	100
Share Premium		203,201	203,201
Translation Reserves		3	23
Retained earnings		-26,084	-9,870
Profit (Loss)		-14,810	-16,214
Equity attributable to owners of the company		162,410	177,240
Non-controlling interests		19,448	21,293
Total equity		181,858	198,533
Liabilities			
Lease liabilities (long term)		327	344
Share-based payment liabilities (long term)	15	6,946	3,471
Deferred tax liabilities		35,908	37,274
Non-current liabilities		43,181	41,089
Income Tax liabilities		450	807
Loans and borrowings (short term)	11	71,621	57,772
Lease liabilities (short term)		76	133
Trade payables (short term)	12	28,489	24,881
Other liabilities (short term)	12	16,354	13,766
Provisions (short term)		15,836	13,189
Current liabilities		132,826	110,548
Total liabilities		176,007	151,637
Total equity and liabilities		357,865	350,170

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income
EU-IFRS Statement of Profit or Loss and Other Comprehensive Income (By nature of expense)

<u>in kEUR</u>	<u>Notes</u>	<u>01.01.2021- 30.06.2021</u>	<u>01.01.2020- 30.06.2020</u>
Continuing Operations			
Revenue	14	61,752	45,858
Changes in inventories		14,888	4,049
Cost of materials		-39,059	-23,816
Gross profit		37,581	26,091
Licensing costs		-12,808	-9,470
Gross profit after Licensing costs		24,773	16,621
Other income		6	13
Personnel expenses	16	-13,977	-6,010
Other expenses	17	-22,175	-12,039
Earnings before interest, taxes, depreciation and amortization (EBITDA) ...		-11,373	-1,415
Depreciation and amortization		-5,887	-5,559
Earnings before interest and taxes (EBIT)		-17,260	-6,974
Finance income		0	1
Finance costs		-1,935	-1,539
Earnings before tax (EBT)		-19,195	-8,512
Tax income		2,542	1,372
Loss for the period		-16,653	-7,140
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation to functional currency		-23	-30
Total comprehensive income for the period		-16,676	-7,170
Profit attributable to:			
Owners of the Company		-14,810	-6,364
Non-controlling interests		-1,842	-776
Total comprehensive income attributable to:			
Owners of the Company		-14,830	-6,390
Non-controlling interests		-1,845	-781
Earnings (loss) per share (in kEUR)			
Basic	18	-0.15	-0.06
Diluted	18	-0.15	-0.06

Condensed Consolidated Interim Statement of Cash Flows
EU-IFRS statement of cash flow

<u>in kEUR</u>	<u>Notes</u>	<u>01.01.2021- 30.06.2021</u>	<u>01.01.2020- 30.06.2020</u>
Profit (loss) for the period		-16,653	-7,140
Depreciation and amortization		5,887	5,559
Finance (income) expenses		1,935	1,538
Tax income		-2,542	-1,372
EBITDA		-11,373	-1,415
Decrease (increase) in trade receivables	10	11,053	9,367
Decrease (increase) in inventories	9	-16,977	-5,021
Increase (decrease) in trade payables	12	3,608	338
Decrease (increase) in net working capital		-2,316	4,684
Decrease (increase) in other assets	10	-10,152	-937
Increase (decrease) in other provisions		2,646	1,580
Increase (decrease) in other liabilities	12	3,532	-2,739
Increase (decrease) in share-based payment liabilities	15	3,474	779
Other non-cash (income) expenses		-151	0
Cash Flow from operating activities		-14,464	1,952
Purchase of property, plant and equipment	6	-922	-1,217
Acquisition of intangible assets	7	-3,485	-1,855
Cash flow from investing activities		-4,407	-3,072
Proceeds from issue of share capital by shareholders of the Parent Company		0	10,415
Proceeds from borrowings		12,121	5,289
Repayments of borrowings		0	-10,420
Interest paid		-53	-68
Payment of lease liabilities		-74	-60
Dividends Paid		0	0
Cash flow from financing activities		11,994	5,156
Net increase (decrease) in cash		-6,877	4,036
Change in cash resulting from exchange rate differences		-23	-30
Net cash at the beginning of the period		9,079	6,849
Net cash at the end of the period		2,179	10,855

Condensed Consolidated Interim Statement of Changes in Equity

in kEUR	Share capital	Share premium	Translation reserve	Retained earnings	Profit (Loss)	Total	Non controlling interest	Total equity
Balance as of 01.01.2021	100	203,201	23	-26,084	0	177,240	21,293	198,533
Total comprehensive income								
Profit (loss) for the period					-14,810	-14,810	-1,842	-16,652
Other comprehensive income			-20			-20	-3	-23
Total comprehensive income	0	0	-20	0	-14,810	-14,830	-1,845	-16,675
Balance as of 30.06.2021	100	203,201	3	-26,084	-14,810	162,410	19,448	181,858
Balance as of 01.01.2020	100	193,058	-33	-9,870	0	183,255	23,271	206,526
Total comprehensive income								
Profit (loss) for the period					-6,364	-6,364	-776	-7,140
Other comprehensive income			-26			-26	-4	-31
Total comprehensive income	0	0	-26	0	-6,364	-6,390	-780	-7,171
Contributions and distributions								
Contribution to capital reserves		10,415				10,415		10,415
Total contributions and distributions	0	10,415	0	0	0	10,415	0	10,415
Changes in ownership interest								
Acquisition of NCI without a change in control		-272				-272		-272
Total changes in ownership interest	0	-272	0	0	0	-272	0	-272
Total transactions with owners of the Company	0	10,143	0	0	0	10,143	0	10,143
Balance as of 30.06.2020	100	203,201	-59	-9,870	-6,364	187,007	22,491	209,498

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

A. VI Holding GmbH (“A. VI” or “the Company”) is incorporated in Germany. The Company is registered in the commercial register at the district court Hamburg under the number HRB 163559. The registered office of the Company is in Schauenburgerstr. 59, 20095 Hamburg, Germany. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as “The Group” or “A. VI”).

A. VI, through its subsidiary Boxine GmbH, is the producer of the innovative audio system ‘tonies’, consisting of a speaker box called toniebox and of various figures marketed under the name tonies, enabling children to listen to stories and music of their choice by placing a tonie atop of the toniebox.

Boxine France, Paris, France was founded in March 2021 with share capital of kEUR 25 outstanding. Boxine GmbH holds all shares in Boxine France.

2 Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements and notes as at and for the six months ended June 30, 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and should be read in conjunction with the A. VI Group’s last annual consolidated financial statements as at and for the year ended December 31, 2020 (‘last annual financial statements’). These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards as adopted by the EU. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the A. VI Group’s financial position and performance since the last annual financial statements.

The Group’s business model is subject to seasonal fluctuations. Usually, the second half of the calendar year (and in particular the fourth quarter) will lead to higher revenues compared to the first half of the year e.g. due to the Christmas season which is typical for retail businesses.

These condensed consolidated interim financial statements were authorized for issue by management on November 3, 2021.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. As amounts are disclosed in thousands of euros, standard commercial rounding may result in rounding differences. In some cases, such rounded amounts and percentages may not correspond 100% to the stated sums when added together and subtotals in tables may differ slightly from non-rounded figures.

2.2 Financial statements

A. VI consistently applied the same accounting policies and methods of computation as described in the last annual financial statements. For information on new standards or amendments refer to note 3.

3 Changes in significant accounting policies

Except as described below, the accounting policies applied in these financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended December 31, 2020.

New standards or amendments effective from January 1, 2021 (e.g. the Interest Rate Benchmark Re-form — Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) did not have a material impact on the condensed consolidated interim financial statements of the Group.

The change in accounting policy will also be reflected in the Group’s consolidated financial statements as at and for the year December 31, 2021.

4 Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

5 Operating segments

The Group manages its operations as a single segment for the purposes of assessing performance and making operating decisions. The management board¹, which consists of the two Co-CEOs and the six C-Level managers, represents the CODM, who regularly reviews the operating results and makes decisions about the allocation of the Group's resources. Based on the management view, the primary performance indicator is Adjusted EBITDA as reported to the CODM. It is defined as adjusted earnings before financial result (net), taxes, depreciation and amortization. Adjustments relate to expenses incurred where management believes adjustments should be made due to extraordinary and non-operational character.

The Group generates its revenue solely through its activities as the producer of the innovative audio system 'tonies'. The revenue comprises income from selling the speaker box called toniebox and of various figures marketed under the name tonies. As the Group operates with the same products around the world throughout its whole business, the CODM reviews operating results, makes decisions about resources to be allocated and assesses performance on an entity-wide level. Hence, all of the Group's assets, liabilities as well as the relevant profit measure (Adjusted EBITDA) are thus only allocable to the one segment and monitored accordingly.

For the purpose of internal management control and resource allocation, the Group has performed corporate management and control at the overall entity level for the six months ended June 30, 2021 and the preceding periods based on German GAAP financials. The following tables comprise the reconciliation of information on the reportable segment from management reporting under German GAAP to the amounts under IFRS reported in the financial statements.

<u>01.01.2021 - 30.06.2021</u>	<u>Boxine Group according to management reporting</u> kEUR	<u>Reconciliation</u> kEUR	<u>A. VI Group according to IFRS</u> kEUR
I. Revenue	62,844	-1,092	61,752
II. Adj. EBITDA	-6,553	1,259	-5,294
EBITDA Adjustments			-6,078
Consolidated EBITDA			-11,372
Depreciation/Amortization			-5,887
Finance Income/Expense			-1,935
Consolidated Profit before tax			-19,193
<u>01.01.2020 - 30.06.2020</u>	<u>Boxine Group according to management reporting</u> kEUR	<u>Reconciliation</u> kEUR	<u>A. VI Group according to IFRS</u> kEUR
I. Revenue	46,696	-838	45,858
II. Adj. EBITDA	632	243	875
EBITDA Adjustments			-2,291
Consolidated EBITDA			-1,416
Depreciation/Amortization			-5,559
Finance Income/Expense			-1,538
Consolidated Profit before tax			-8,513

The reconciliation items related to revenue result from the reclassification of marketing subsidies from operating expenses to reduction of revenue according to IFRS 15.

¹ For clarification: This includes senior management without the managing directors of the A. VI Holding GmbH

The reconciliation items related to EBITDA result from decreased other expenses from leasing contracts under IFRS 16, a reduction of costs of materials due to hedge accounting and decreased other expenses from expected credit losses on trade receivables. In addition to the IFRS adjustments, the reconciliation also includes the effect of holding costs.

With respect to the Group's primary performance indicator, adjusted EBITDA was calculated on the basis of the Group's operating loss as follows:

<u>Adjusted EBITDA</u>	<u>01.01.2021 - 30.06.2021</u>	<u>01.01.2020 - 30.06.2020</u>
	kEUR	kEUR
Loss for the period	-16,653	-7,140
+ Income tax	-2,542	-1,372
+ Finance cost	1,935	1,539
- Finance income	0	-1
Earnings before interest and taxes (EBIT)	-17,260	-6,974
+ Depreciation and amortisation	5,887	5,559
EBITDA	-11,373	-1,415
+ Extraordinary expenses resulting from special projects and one-offs	988	703
+ Extraordinary expenses resulting from own developed software	1,617	808
+ Expenses resulting from share-based payment	3,474	779
Total EBITDA Adjustments	6,079	2,290
Adjusted EBITDA	-5,294	875

6 Property, plant and equipment

Property, plant and equipment mainly comprises technical equipment and machinery as well as other operating and office equipment.

During the six months ended June 30, 2021, the Group acquired assets with a cost of kEUR 922 (six months ended June 30, 2020: kEUR 1,217).

The Group did not recognize any impairment loss and did not dispose of any assets in the interim period ended June 30, 2021 and the comparative period.

7 Intangible assets

Intangible assets mainly comprise capitalised purchased technology bundle (different core technologies), acquired brand and acquired customer relationships.

During the six months ended June 30, 2021, the Group acquired intangible assets with a cost of kEUR 3,485 (six months ended 30 June 2020: kEUR 1,855).

The Group did not recognize any impairment loss and did not dispose of any assets in the interim period ended June 30, 2021 and the comparative period.

8 Leases

During the six months ended June 30, 2021, as well as in the comparative period, the Group did not enter into any new lease agreements that would have resulted in the recognition of a right-of-use asset and lease liability.

The Group has estimated that the potential future lease payments, should it exercise an extension option in one of the property leases, would result in an increase in lease liability of kEUR 85.

The Group has entered into a rental contract for new office spaces in 2019. The commencement date of the contract has been postponed from 2020 to the end of 2021. The Group has estimated that the future lease payments would result in a lease liability of kEUR 4,597.

9 Inventories

Inventories can be broken down to the following items as follows:

<u>Inventories</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	kEUR	kEUR
1. Raw materials	6,723	4,633
2. Work in process	2,262	813
3. Finished goods	31,054	17,616
Total	40,039	23,062

During the six months ended June 30, 2021, the Group reversed its inventory write down amounting to kEUR 45 (six months ended June 30, 2020: kEUR 640 write down of inventory). The write down resulted from turnover and scrap and was included in cost of material in the condensed consolidated statement of profit or loss and OCI.

As of June 30, 2021, part of the inventory of Boxine GmbH were assigned as collateral for liabilities to banks totaling kEUR 21,519 (December 31, 2020: kEUR 9,265).

During the six months ended June 30, 2021, finished goods increased from kEUR 17,616 to kEUR 31,054. This increase is mainly driven by dedicated stock for fast-growing international markets and the seasonal inventory build-up prior to the Christmas season which, for the Group, starts in the third quarter with higher sales to larger resellers.

10 Trade receivables and other assets

Trade receivables and other assets can be broken down as follows:

<u>Trade receivables</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	kEUR	kEUR
Financial assets		
1. Trade receivables	5,782	16,850
2. Receivables from related parties	15	0
Total	5,797	16,850
 <u>Other assets</u>	 <u>30.06.2021</u>	 <u>31.12.2020</u>
	kEUR	kEUR
Other financial assets		
1. Deposits	622	713
2. Receivables from payment providers	342	728
3. Receivables from marketplaces	942	799
4. Other receivables financial	36	38
Sum of other financial assets	1,942	2,278
 Other non-financial assets		
1. Deferred expenses and accrued income	2,065	845
2. Receivables resulting from input taxes and VAT	8,205	58
3. Other receivables non-financial	60	115
Sum of other non-financial assets	10,330	1,018
Total	12,272	3,296

As of June 30, 2021, trade receivables have decreased compared to the financial year end due to high sales at the year end and corresponding high receivables at year end after the Christmas season. These were reversed through payments in the first quarter of 2021. The VAT receivables increase corresponds to the inventories' seasonal build-up together with limited netting of VAT receivables and liabilities during the financial year.

11 Loans and borrowings

Loans and borrowings can be broken down as follows:

<u>Loans and borrowings</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	kEUR	kEUR
Current liabilities		
1. Secured bank loans	21,519	9,265
2. Unsecured bank loans	5,864	5,487
3. Vendor loans	44,238	43,020
Total Current liabilities	71,621	57,772

As of June 30, 2021, credit lines have been utilized in a higher amount with no material changes in the total credit lines. The higher utilization is mainly related to the seasonal inventory build-up. As of June 30, 2021, the Group has outstanding credit lines from overdraft facilities from secured and unsecured bank loans amounting to kEUR 4,617 (December 31, 2020: kEUR 15,248).

Terms and repayment schedule

<u>Loans and borrowings</u>	<u>Original currency</u>	<u>Matures in</u>	<u>Interest type</u>	<u>Effective interest rate</u>	<u>Nominal value</u>	<u>Carrying amount</u>
30.06.2021				in%	kEUR	kEUR
1. Unsecured bank loans	EUR	n/a ²	fix ²	4.50	5,864	5,864
2. Secured bank loans	EUR	n/a ²	fix ²	3.75-4.95	21,519	21,519
3. Vendor loans	EUR	30.09.2021	fix	6.00	40,000	44,238
Total					67,383	71,621

<u>Loans and borrowings</u>	<u>Original currency</u>	<u>Matures in</u>	<u>Interest type</u>	<u>Effective interest rate</u>	<u>Nominal value</u>	<u>Carrying amount</u>
31.12.2020				in%	kEUR	kEUR
1. Unsecured bank loans	EUR	n/a ²	fix ²	4.50	5,487	5,487
2. Secured bank loans	EUR	n/a ²	fix ²	3.75-4.95	9,265	9,265
3. Vendor loans	EUR	30.09.2021	fix	6.00	40,000	43,020
Total					54,752	57,772

Loan covenant

A. VI must ensure that it can meet its financial obligations and that the financial covenants from the credit agreements are complied with.

An extension of the credit lines was agreed with the financing banks, as well as a conditional waiver of extraordinary termination on the part of the banks after non-compliance with agreed financial covenants. For more information refer to note 20.

12 Trade payables and other liabilities

Trade payables and other liabilities can be broken down as follows:

<u>Trade payables</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	kEUR	kEUR
Trade payables		
1. Trade payables	24,848	22,272
2. Trade payables due to related parties	0	15
3. Trade accrued expenses	3,641	2,594
Total	28,489	24,881

² Unsecured and secured bank loans, resulting from overdraft facilities, have cancellation periods subject to individual conditions agreed with the corresponding financial institutions (usually of at least two months). Interest rates are generally fix but are reviewed by the banks on a regular basis.

<u>Other liabilities</u>	<u>30.06.2021</u>	<u>31.12.2020</u>
	kEUR	kEUR
Other financial liabilities		
1. Derivatives	21	1,175
2. Liabilities for licenses	7,374	8,057
3. Liabilities for customer bonus	294	928
4. Other liabilities financial	15	14
Sum of other financial liabilities	7,704	10,174
Other non-financial liabilities		
1. Payroll tax and social security contributions	403	425
2. Liabilities resulting from input taxes and VAT	6,826	2,499
3. Accrued expenses (non-financial)	948	446
4. Other liabilities non-financial	473	222
Sum of other non-financial liabilities	8,650	3,592
Total	16,354	13,766

For information on the increase of VAT payables, refer to note 10.

13 Financial instruments and risk management

Accounting classifications and fair values

The following table provides the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value. The fair values (Market-to-market) are calculated on the basis of stochastic models taking into account the discounted expected future cash flows of the reciprocal payment obligations as of the measurement date.

<u>Financial instruments</u>	<u>Note</u>	<u>Mandatorily at FVTPL - others</u>	<u>Financial assets at amortized costs</u>	<u>Other financial liabilities</u>	<u>Total</u>	<u>Fair value</u>
		kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 30.06.2021						
1. Trade and other receivables	10	—	7,739	—	7,739	n/a
2. Cash		—	2,179	—	2,179	n/a
Financial assets not measured at fair value		0	9,918	0	9,918	0
1. Secured bank loans	11			21,519	21,519	n/a
2. Unsecured bank loans	11			5,864	5,864	n/a
3. Vendor loans	11			44,238	44,238	n/a
4. Trade and other payables	12			36,172	36,172	n/a
Financial liabilities not measured at fair value		0	0	107,793	107,793	0
1. Forward exchange contracts used for economic hedging	12	21			21	21
Financial liabilities measured at fair value		21	0	0	21	21

<u>Financial instruments</u>	<u>Note</u>	<u>Mandatorily at FVTPL - others</u>	<u>Financial assets at amortized costs</u>	<u>Other financial liabilities</u>	<u>Total</u>	<u>Fair value</u>
		kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 31.12.2020						
1. Trade and other receivables	10		19,128		19,128	n/a
2. Cash			9,079		9,079	n/a
Financial assets not measured at fair value						
value		0	28,207	0	28,207	0
1. Secured bank loans	11			9,265	9,265	n/a
2. Unsecured bank loans	11			5,487	5,487	n/a
3. Vendor loans	11			43,020	43,020	n/a
4. Trade and other payables	12			33,880	33,880	n/a
Financial liabilities not measured at fair value						
value		0	0	91,652	91,652	0
1. Forward exchange contracts used for economic hedging	12	1,175			1,175	1,175
Financial liabilities measured at fair value						
value		1,175	0	0	1,175	1,175

The fair value of forward exchange contracts used for economic hedging (TARF), based on Level 2 of the fair value hierarchy, is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

There were no reclassifications between levels of the fair value measurement hierarchy for all periods.

The Group has exposure to credit risk, liquidity risk and market risk (mainly currency and interest rate risk) arising from financial instruments. These risks remained unchanged and were described in detail in the Group's last annual financial statements.

14 Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements.

The following tables present the revenue from contracts with customers disaggregated by primary geographical market and major products.

<u>Revenue from contracts with customers</u>	<u>01.01.2021 - 30.06.2021</u>	<u>01.01.2020 - 30.06.2020</u>
	kEUR	kEUR
Primary geographical markets		
DACH (Germany, Austria, Switzerland)	56,722	44,629
UK	2,527	1,229
US	2,503	0
Total	61,752	45,858
Major products		
Starterset	17,027	10,411
Content Tonies	41,180	32,386
Creative Tonies	2,137	1,740
Other (e.g. Accessories and Mytonies)	1,408	1,321
Total	61,752	45,858

15 Share-based payments

Starting in March 2020 the Group has implemented a share based payment compensation scheme for eligible employees in the form of virtual stock options based on a future potential profit based on an exit price of the business minus the initial investment and transaction cost. The scheme is entirely cash-settled and is intended to improve the long-term employee-retention.

The scheme has a vesting period of 48 to 60 months and cliff periods between 6 and 24 months. It includes a fixed percentage of a potential result or a combined fixed and variable percentage based on defined performance conditions based on quantities sold.

As of June 30, 2021 (December 31, 2020), the scheme involves 18 (14) employees of the C and D-management-level representing 3.7% (2.1%) fixed and up to 0.4% (0.4%) variable of the virtual shares. As of June 30, 2021, no vesting has taken place.

<u>Assumptions used</u>	<u>01.01.2021 - 30.06.2021</u>
Expected average volatility (in %)	35.34
Risk free rate (in %)	-0.59
Expected Duration (in years)	4.30

During the six months ended June 30, 2021, a total of kEUR 3,474 was recognized as personnel expenses for these employees (six months ended June 30, 2020: kEUR 779). The fair value has been calculated using the Black-Scholes model.

16 Personnel expenses

Employee benefits expense include the following items:

<u>Personnel expenses</u>	<u>01.01.2021 - 30.06.2021</u>	<u>01.01.2020 - 30.06.2020</u>
	kEUR	kEUR
1. Wages and salaries	9,082	4,416
2. Social security contributions	1,421	815
3. Cash-settled share-based payments	3,474	779
Total	13,977	6,010

During the six months ended June 30, 2021, the increase in personnel expenses in comparison to the comparative period amounts to kEUR 7,967. The increase mainly results from additional hiring in order to support further growth as well as the addition of further employees to the share-based payment program. For further information on the effects from share-based payments refer to Note 15.

17 Other expenses

Other expenses include the following:

<u>Other expenses</u>	<u>01.01.2021 - 30.06.2021</u>	<u>01.01.2020 - 30.06.2020</u>
	kEUR	kEUR
1. Logistic costs	6,783	4,537
2. Marketing and sales costs	5,241	2,385
3. Insurance and contributions	3,155	1,397
4. Legal, audit and consulting fees	2,690	1,585
5. IT costs	2,976	993
6. Administration costs	673	743
7. Non-period expenses	77	240
8. Miscellaneous other operating expenses	580	159
Total	22,175	12,039

During the six months ended June 30, 2021, the increase in other expenses in comparison to the comparative period amounts to kEUR 10,136. The increase in most positions is mainly attributable to the Group's business growth. The increase in IT costs is attributable to revenue dependent cloud-cost and further improvements in the IT services to support the operating business.

18 Earnings per share

The Company is a private limited liability company, which allots interests (shares) of the Company to its shareholders.

Earnings per share (basic) and earnings per share (diluted) are calculated based on the earnings attributable to the A. VI Holding GmbH shareholders.

Dilutive effects did not occur.

The loss attributable to the shareholders of A. VI Holding GmbH (basic and diluted) amount to kEUR 14,810 (2020: kEUR 6,364). The weighted average number of interests in circulation (basic and diluted) amounts to 100,000 (2020: 100,000).

<u>Profit attributable to ordinary shareholders (basic)</u>	<u>01.01.2021 - 30.06.2021</u>	<u>01.01.2020 - 30.06.2020</u>
	kEUR	kEUR
Profit (loss) for the year, attributable to the owners of the Company	-14,810	-6,364
Dividends on non redeemable preference shares	0	0
Profit (loss) attributable to ordinary shareholder	-14,810	-6,364
<u>Weighted-average number of ordinary shares (basic)</u>	<u>01.01.2021 - 30.06.2021</u>	<u>01.01.2020 - 30.06.2020</u>
	# shares	# shares
Issued ordinary shares at January 1	100,000	100,000
Weighted-average number of ordinary shares at June 30	100,000	100,000
<u>EPS</u>	<u>01.01.2021 - 30.06.2021</u>	<u>01.01.2020 - 30.06.2020</u>
	kEUR	kEUR
Earnings attributable to shareholders in kEUR	-14,810	-6,364
Average number of shares outstanding	100,000	100,000
Basic earnings in kEUR per share	-0.15	-0.06
Diluted earnings in kEUR per share	-0.15	-0.06

19 Related parties

A. Parent and ultimate controlling party

A. VI is currently not included in any consolidated financial statements at a level of its shareholders.

B. Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation comprised the following:

<u>Key management personnel compensation</u>	<u>01.01.2021 - 30.06.2021</u>	<u>01.01.2020 - 30.06.2020</u>
	kEUR	kEUR
Short-term employee benefits	324	324
Total	324	324

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control were as follows.

<u>Related parties</u>	<u>01.01.2021 - 30.06.2021</u>			<u>01.01.2020 - 30.06.2020</u>		
	<u>Transaction volume</u>			<u>Transaction volume</u>		
	<u>Interest expenses</u>	<u>Sales of goods and services</u>	<u>Purchases of goods and services</u>	<u>Interest expenses</u>	<u>Sales of goods and services</u>	<u>Purchases of goods and services</u>
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Transactions with Höllenhunde GmbH	-54	-	-	-54	-	-
Transactions with PIXIPOP	-	-	-132	-	-	-116
Total	-54	0	-132	-54	0	-116

<u>Related parties</u>	<u>30.06.2021</u>		<u>31.12.2020</u>	
	<u>Amounts outstanding</u>		<u>Amounts outstanding</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Receivables</u>	<u>Payables</u>
	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>
Transactions with Höllenhunde GmbH		1,973		1,919
Transactions with PIXIPOP		141		21
Total	0	2,114	0	1,940

PIXIPOP Faßbender Kommunikations-Design & Illustration is controlled by Nina Fassbender, the wife of Boxine GmbH Co-CEO Patric Fassbender and involved in the design of the Tonies. Compensation is paid as a fixed amount per item sold.

In addition to these operating transactions, a contractual share purchase option between the purchaser A. VI Holding GmbH and Höllenhunde GmbH, arranged in 2019 in the context of the acquisition of Boxine Group, was exercised resulting in a total payment of kEUR 10,420 to Höllenhunde GmbH in H1/2020.

20 Events after the reporting period

The following subsequent events occurred after June 30, 2021 and could have a significant impact on A. VI future results of operations, financial position, and net assets.

The group has a financing need which is typical for a group that expects an ongoing strong growth over the next years.

On August 30, 2021, a business combination agreement was signed between A. VI and 468 SPAC I SE, Luxembourg, Luxembourg, which is traded on the Frankfurt Stock Exchange, aimed at a merger of A. VI and 468 SPAC I SE. Closing of the transaction is planned for the fourth quarter of 2021. It is intended to provide EUR 170m of primary proceeds (net of transaction costs) to the business of A. VI and its subsidiaries after the merger to invest into international expansion and to repay outstanding debt. As part of the transaction, an amendment of the company's existing share-based payment compensation scheme in the form of virtual stock options is being implemented in the fourth quarter of 2021 to make it suitable for public capital markets.

On September 30, 2021 a Vendor Loan between the subsidiary A. VI Beteiligungs GmbH and various previous shareholders as part of a delayed purchase price consideration in context of the acquisition of Boxine GmbH was due. Out of a total loan amount of mEUR 40 (or mEUR 44.8 including accrued interest), a total of mEUR 4.0 (or mEUR 4.4 including accrued interest) was repaid. The remainder was prolonged. For a majority of this amount outstanding the maturity was extended to the earlier of (i) closing of the business combination agreement with 468 SPAC I SE or (ii) end of February 2022. An amount of mEUR 1.4 has a maturity until December 31, 2021, while an amount of mEUR 16.8 has a maturity until March 31, 2022.

On July 8, 2021 and on September 22, 2021, a subordinate credit agreement of mEUR 30 and mEUR 7 respectively, was concluded between the subsidiary A. VI Beteiligungs GmbH and Santo Holding (Deutschland) GmbH (mEUR 27 and mEUR 6.3 respectively) and another indirect shareholder (mEUR 3 and mEUR 0.7 respectively). Maturity of the credit agreement is June 30, 2022. Its purpose is to provide bridge funding until further equity funding to finance further international expansion is available (*see business combination agreement with 468 SPAC I SE above*) and to partially repay other debt due during the year (*see Vendor Loan below*). Santo Holding (Deutschland) GmbH is indirect shareholder in the company via its participation in Armira (Strategy G) Active Invest GmbH & Co. KG.

During 2021, various discussion with the banks providing working capital lines to Boxine GmbH took place. A loan agreement for mEUR 5 expiring on August 31, 2021, was prolonged until the end of the year 2021 with potential for further extension subject to the execution of the aforementioned 468 SPAC I SE transaction and the capital injection described therein.

Furthermore, after a covenants breach, covenants for parts of the bank lines were re-discussed and modified so that on level of the sub-group Boxine GmbH the sum of subordinated shareholder loans and equity under local GAAP amounts to at least mEUR 7 at all times.

If the merger of A. VI and 468 SPAC I SE cannot be completed as contractually agreed due to a material adverse effect -especially if the shareholders do not approve the transaction-, certain shareholders of A. VI have

indicated their interest to inject further equity to the Group. In addition, based on discussions with potential capital providers A.VI has had during the year, it seems likely that the Group could also obtain debt financing. Altogether it is expected that the Group will be able to cover its financing needs at least until the end of 2022. Insofar, if the merger cannot be completed as agreed, the Group's ability as a going concern is dependent on the continuous financing through its shareholders and debt providers.

However, as the SPAC deal has not yet been closed and no contractual agreements are currently in place with shareholders and potential debt providers, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Düsseldorf, November 3, 2021.

Management

Leopold Walde

Dr. Björn-Eric Förster

**Audited consolidated financial statements of A. VI Holding GmbH
prepared in accordance with IFRS as adopted by the EU
as of and for the financial year ended December 31, 2020**

Consolidated Statement of Financial Position
IFRS Statement of Financial Position

<u>in kEUR</u>	<u>Notes</u>	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>12.07.2019</u>
Assets				
Property, plant and equipment	7	5,324	1,807	—
Right of use assets	7, 9	464	220	—
Intangible assets (excl. Goodwill)	8	125,504	132,483	—
Goodwill	8	162,236	162,236	—
Deferred tax assets	26	4,355	4,314	—
Non-current assets		<u>297,883</u>	<u>301,060</u>	<u>—</u>
Inventories	10	23,062	12,693	—
Trade receivables	11	16,850	17,054	—
Other assets (short term)	11	3,296	3,007	—
Cash	12	9,079	6,849	13
Current assets		<u>52,287</u>	<u>39,603</u>	<u>13</u>
Total assets		<u>350,170</u>	<u>340,663</u>	<u>13</u>
Equity				
Share capital	13	100	100	13
Share Premium	13	203,201	193,058	—
Translation Reserves	13	23	-33	—
Retained earnings	13	-9,870	-136	—
Profit (Loss)	13	-16,214	-9,734	—
Equity attributable to owners of the company		<u>177,240</u>	<u>183,255</u>	<u>13</u>
Non-controlling interests	6	21,293	23,271	—
Total equity		<u>198,533</u>	<u>206,526</u>	<u>13</u>
Liabilities				
Loans and borrowings (long term)	15	—	40,585	—
Lease liabilities (long term)	15	344	100	—
Share-based payment liabilities (long term)	21	3,471	—	—
Deferred tax liabilities	26	37,274	39,982	—
Non-current liabilities		<u>41,089</u>	<u>80,667</u>	<u>—</u>
Income Tax liabilities	26	807	1,222	—
Loans and borrowings (short term)	15	57,772	17,647	—
Lease liabilities (short term)	15	133	122	—
Trade payables (short term)	16	24,881	13,529	—
Other liabilities (short term)	16	13,766	11,212	—
Provisions (short term)	17	13,189	9,736	—
Current liabilities		<u>110,548</u>	<u>53,468</u>	<u>—</u>
Total liabilities		<u>151,637</u>	<u>134,135</u>	<u>—</u>
Total equity and liabilities		<u>350,170</u>	<u>340,663</u>	<u>13</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income
IFRS Statement of Profit or Loss and Other Comprehensive Income (By nature of expense)

<u>in kEUR</u>	<u>Notes</u>	<u>01.01.2020 - 31.12.2020</u>	<u>12.07.2019- 31.12.2019</u>
Continuing Operations			
Revenue	19	134,573	45,725
Changes in inventories		8,380	-25,704
Cost of materials	20	-75,484	-13,805
Gross profit		67,469	6,216
Licensing costs	20	-23,086	-7,334
Gross profit after Licensing costs		44,383	-1,118
Other income	23	568	237
Personnel expenses	22	-15,640	-1,879
Other expenses	24	-35,783	-9,828
Earnings before interest, taxes, depreciation and amortization (EBITDA) ...		-6,472	-12,588
Depreciation and amortization	7, 9	-11,330	-3,373
Earnings before interest and taxes (EBIT)		-17,802	-15,961
Finance income	25	1	0
Finance costs	25	-3,472	-961
Earnings before tax (EBT)		-21,273	-16,922
Tax income	26	3,073	5,992
Profit (loss) for the period		-18,200	-10,930
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation to presentation currency	18	63	-37
Total comprehensive income for the period		-18,137	-10,967
Profit attributable to:			
Owners of the Company		-16,214	-9,243
Owners of the Company (Through anticipated acquisition/ NCI-Put)		0	-491
Non-controlling interests	6	-1,986	-1,198
Total comprehensive income attributable to:			
Owners of the Company		-16,158	-9,275
Owners of the Company (Through anticipated acquisition/ NCI-Put)		0	-492
Non-controlling interests	6	-1,979	-1,202

Consolidated Statement of Cash Flows
IFRS statement of cash flow for the period ended December 31st

<u>in kEUR</u>	<u>Notes</u>	<u>01.01.2020 - 31.12.2020</u>	<u>12.07.2019- 31.12.2019</u>
Profit (loss) for the period		-18,200	-10,930
Depreciation and amortization	7,9	11,330	3,373
Interest (income) expenses	25	3,471	961
Income taxes	26	-3,073	-5,992
EBITDA		-6,472	-12,588
Decrease (increase) in trade receivables	11	204	-7,909
Decrease (increase) in inventories	10	-10,369	24,868
Increase (decrease) in trade payables	16	11,260	-8,704
Decrease (increase) in net working capital		1,095	8,255
Loss on disposal of property, plant and equipment	7	-59	0
Decrease (increase) in other assets	11	-287	146
Increase (decrease) in other provisions	17	3,452	12,249
Increase (decrease) in other liabilities	16	2,553	-4,118
Increase (decrease) in share-based payment liabilities	21	3,471	0
Other non-cash (income) expenses		0	415
Cash Flow from operating activities		3,753	4,359
Acquisition of subsidiaries, net of cash acquired	5	0	-197,985
Purchase of property, plant and equipment	7	-3,460	-219
Acquisition of intangible assets	8	-4,213	-803
Cash flow from investing activities		-7,673	-199,007
Proceeds from issue of share capital by shareholders of the Parent Company	27	10,415	193,265
Proceeds from borrowings	15	6,410	15,000
Repayments of borrowings	15	-10,420	-6,203
Interest paid	15	-193	-376
Payment of lease liabilities	15	-125	-29
Dividends Paid		0	-136
Cash flow from financing activities		6,087	201,521
Net increase in cash		2,167	6,873
Change in cash resulting from exchange rate differences		63	-37
Net cash at the beginning of the period		6,849	13
Net cash at the end of the period		9,079	6,849

Consolidated Statement of Changes in Equity
IFRS Statement of Changes in Equity

in kEUR	Notes	Share capital	Share premium	Translation reserve	Retained earnings	Profit (Loss)	Total	Non controlling interest	Total equity
Balance as of 01.01.2020		100	193,058	-33	-9,870	0	183,255	23,271	206,526
Total comprehensive income									
Profit (loss) for the period	6					-16,214	-16,214	-1,986	-18,200
Other comprehensive income	6			56			56	7	63
Total comprehensive income		0	0	56	0	-16,214	-16,158	-1,979	-18,137
Contributions and distributions									
Contribution to capital reserves			10,415				10,415		10,415
Total contributions and distributions		0	10,415	0	0	0	10,415	0	10,415
Changes in ownership interest									
Acquisition of NCI without a change in control			-272				-272		-272
Total changes in ownership interest		0	-272	0	0	0	-272	0	-272
Total transactions with owners of the Company									
		0	10,143	0	0	0	10,143	0	10,143
Balance as of 31.12.2020		100	203,201	23	-9,870	-16,214	177,240	21,293	198,533

IFRS Statement of Changes in Equity

in kEUR	Notes	Share capital	Share premium	Translation reserve	Retained earnings	Profit (Loss)	Total	Non-controlling interest	Total equity
Balance as of 12.07.2019		13	0	0	0	0	13	0	13
Total comprehensive income									
Profit (loss) for the period	6					-9,734	-9,734	-1,198	-10,932
Other comprehensive income	6			-33			-33	-4	-37
Total comprehensive income		0	0	-33	0	-9,734	-9,767	-1,202	-10,969
Contributions and distributions									
Issue of ordinary shares	87	193,177					193,264		193,264
Dividends					-136		-136		-136
Total contributions and distributions		87	193,177	0	-136	0	193,128	0	193,128
Changes in ownership interest									
Acquisition of NCI without a change in control			-119				-119		-119
Acquisition of subsidiary with NCI								24,473	24,473
Total changes in ownership interest		0	-119	0	0	0	-119	24,473	24,354
Total transactions with owners of the Company									
		87	193,058	0	-136	0	193,009	24,473	217,482
Balance as of 31.12.2019		100	193,058	-33	-136	-9,734	183,255	23,271	206,526

Notes to the Consolidated Financial Statements

1 General information

A. VI Holding GmbH (“A. VI” or “the Company”) is incorporated in Germany. The Company is registered in the commercial register at the district court Hamburg under the number HRB 163559. The registered office of the Company is in Schauenburgerstr. 59, 20095 Hamburg, Germany. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as “The Group” or “A. VI”).

A. VI, through its subsidiary Boxine GmbH, is the producer of the innovative audio system ‘tonies’, consisting of a speaker box called toniebox and of various figures marketed under the name tonies enabling children to listen to stories and music of their choice by placing a tonie atop of the toniebox.

Since the Company was established on July 12, 2019, the entity presents a short comparative period for 2019, which limits the comparability of the presented periods.

On August 8, 2019 the 25,000 shares of A. VI Beteiligungs GmbH, Maria-Theresia-Straße 11, 81675 München, Germany, established on July 3, 2019 and registered in the commercial register at the district court München under the number HRB 249934, were contributed for EUR 1 per share to A. VI Holding GmbH.

Effective October 3, 2019, the Company acquired all shares in Boxine GmbH, Grafenberger Allee 120, 40237 Düsseldorf, Germany, including its wholly owned subsidiaries

- Boxine Sales DAB GmbH, Düsseldorf, Germany
- Boxine Productions GmbH, Düsseldorf, Germany
- Boxine Development GmbH, Düsseldorf, Germany
- Boxine UK Ltd, Bishops Stortford, UK

All Companies have been fully consolidated since their respective acquisition date and thereby been included in these consolidated financial statements. For further information relating to the acquisition of subsidiaries refer to note 5. Boxine Sales DAB GmbH, Boxine Productions GmbH and Boxine Development GmbH have been merged into Boxine GmbH as of January 1, 2020.

In connection with the transaction described above, 11% of the shares in A. VI Beteiligungs GmbH were sold to Höllenhunde GmbH. For details please refer to notes 5 and 6.

Boxine US Inc. was founded on November 20, 2019 with share capital of kEUR 21 (kUSD 25) outstanding. Boxine GmbH holds all shares in Boxine US Inc.

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial statements are A. VI’s first consolidated financial statements in accordance with IFRS 1 including the current short reporting period from July 12, 2019 to December 31, 2019 as well as an opening balance as of July 12, 2019. The consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information are presented for the short reporting period. The consolidated financial statements of A. VI have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as endorsed by the European Union as of December 31, 2020. The term IFRS also includes all valid International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Interpretation Committee (IFRIC). The financial statements were authorised by management on October 11, 2020.

The assets and liabilities in the consolidated statement of financial position were classified in accordance with IAS 1 as current/non-current with the criteria defined by IAS 1.54 et seqq.

A. VI has decided to prepare a consolidated statement of profit or loss and other comprehensive income using the nature of expense method.

A. VI has elected to present consolidated comprehensive income using a ‘one-statement’ approach. The consolidated statement of financial position complies with the classification requirements of IAS 1 “Presentation

of Financial Statements”. When presenting items of other comprehensive income, items reclassified to profit or loss are presented separately from items that are never reclassified. Assets and liabilities are classified by maturity. A. VI presents consolidated cash flows from operating activities using the indirect method. Individual items of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position are combined in order to improve the clarity of presentation. These items are explained in the notes to the consolidated financial statements.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. As amounts are disclosed in thousands of euros, standard commercial rounding may result in rounding differences. In some cases, such rounded amounts and percentages may not correspond 100% to the stated sums when added together and subtotals in tables may differ slightly from non-rounded figures.

2.2 Financial statements

A. VI has not prepared consolidated financial statements in accordance with previous accounting principles. As there are no financial statements comparable to these consolidated financial statements, the obligation according to IFRS 1.23 in connection with IFRS 1.24ff to disclose reconciliations of the transition to reporting in accordance with IFRS is not applicable.

2.3 Going concern

The consolidated financial statements were prepared on a going concern basis according to IAS 1.25.

Regarding a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern we refer to note 28, “Events after the reporting date”.

2.4 Measurement basis

The consolidated financial statements have been prepared on the basis of historical costs. This does generally not apply to derivative financial instruments, as they are recognised at fair value as of the balance sheet date. A corresponding explanation is provided in the context of the respective accounting policies.

2.5 Functional currency and presentation currency

These consolidated financial statements are presented in Euro, which is A. VI’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.6 Current/ non-current classification

An asset is classified as current if it is expected to be realised or consumed within A. VI’s normal operating cycle of one year. All other assets are classified as non-current.

A liability is classified as current if it is expected to be settled within A. VI’s normal operating cycle. All other liabilities are classified as non-current.

3 Significant accounting policies

A. VI has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

3.1 Consolidation

3.1.1 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment and on adhoc basis in case of triggering events. Any gain on a bargain purchase is recognised in profit or loss after further verification. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

If non-controlling interests (NCI) hold written put options, the anticipated-acquisition method is used. As a result, the interests of non-controlling shareholders, corresponding to the written put option, are derecognised and a financial liability is recognised. The recognition of the financial liability implies that the interests subject to the written put option are deemed to have been acquired already.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 Non-controlling interests

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

3.2 Foreign currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within cost of materials.

3.2.2 Foreign currency operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions. Throughout the year month end and monthly average rates are used for the translation of balance sheet or profit and loss statements from foreign subsidiaries.

Foreign currency differences are recognised in Other Comprehensive Income (OCI) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

3.3 Property, plant and equipment

3.3.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

3.3.2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to A. VI. All other expenditure for property, plant and equipment is recognised immediately as an expense.

3.3.3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Property (Right-of-Use Assets)	2-10 years
Vehicles (Right-of-Use Assets)	2-3 years
Technical equipment and machinery	3-10 years
Other equipment, operating and office equipment	3-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.3.4 Derecognition

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. The gain or loss arising from the sale or retirement of a property, plant and equipment is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in profit or loss under other income or other expenses.

3.4 Intangible assets

3.4.1 Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

3.4.2 Other intangible assets

Other intangible assets, including patents and trademark, customer relationships, software and order backlog that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.4.3 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3.4.4 Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Patents and Trademark	15 years
Customer relationships	10-15 years
Software	3-7 years
Order backlog	0.25 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4.5 Derecognition

An intangible asset shall be derecognised on disposal or when no further economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the income statement when the asset is derecognised. This is recognised under other income or other expenses.

3.5 Leases

At inception of a contract, A. VI assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A. VI solely acts as a lessee.

At commencement or on modification of a contract that contains a lease component, A. VI allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

A. VI recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to A. VI by the end of the lease term or the cost of the right-of-use asset reflects that A. VI will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, A. VI's incremental borrowing rate. Generally, A. VI uses its incremental borrowing rate as the discount rate.

A. VI determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that A. VI is reasonably certain to exercise, lease payments in an optional renewal period if A. VI is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless A. VI is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in A. VI's estimate of the amount expected to be payable under a residual value guarantee, if A. VI changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, A. VI assesses whether:

- The contract involves the use of an identified asset — this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- A. VI has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- A. VI has the right to direct the use of the asset. A. VI has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used throughout the period of use. When all the decisions about how and for what purpose the asset is used are predetermined, A. VI has the right to direct the use of the asset if either:
 - A. VI has the right to operate the asset; or
 - A. VI designed the asset in a way that predetermines how and for what purpose it will be used.

A. VI presents its leases in ‘right-of-use assets’ in the statement of financial position.

A. VI has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. A. VI recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the simple weighted average price. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Impairment due to limited marketability of items is taken into account by means of write-downs.

3.7 Impairment

3.7.1 Non-derivative financial assets

Financial instruments

The Group generally measures loss allowances at an amount equal to 12-month expected credit losses (ECLs) (general approach) for the following:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. However, no adjustment was necessary as of 31 December 2019 and 31 December 2020.

The Group recognises loss allowances at an amount equal to lifetime ECLs (simplified approach) for the following:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that A. VI expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when A. VI has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.7.2 Non-financial assets

At each reporting date, A. VI reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment and on adhoc basis in case of triggering events.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGU). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

3.9 Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognised if A. VI has a present obligation to a third party based on a past event, an outflow of resources to settle the obligation is probable and the amount of the obligation can be reliably estimated. Provisions are discounted if the effect is material.

Provisions where the outflow of resources is likely to occur within the next year are classified as current, and all other provisions as non-current.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

3.10 Financial instruments

3.10.1 Recognition and initial measurement

Trade receivables are initially recognised when they are originated. Financial assets and financial liabilities are initially recognised when A. VI becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.10.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; Fair Value through Other Comprehensive Income (FVOCI) — debt investment; FVOCI — equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.10.3 Derecognition

Financial assets

A. VI derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which A. VI neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

A. VI derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. A. VI also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.10.4 Derivative financial instruments

Derivative financial instruments

The Group holds derivative financial instruments to economically hedge part of its foreign currency risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

3.11 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A. VI recognises revenue when it transfers control over a good to a customer.

Further information on the nature and timing of the settlement of performance obligations arising from contracts with customers, including significant terms and conditions of payment, and the related revenue recognition principles are described in Note 19.

3.12 Share-based payments

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognised in profit or loss.

3.13 Personnel expenses

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.14 Finance income and finance costs

Finance cost of A. VI includes interest expense from loans and borrowings, interest expenses from leasing and from factoring. Interest expense is recognised in the financial statement in the period in which it is incurred using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.15 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items are recognised directly in equity or in OCI.

3.15.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

3.15.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which A. VI expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria of IAS 12.74 are met.

3.16 New and amended IFRS

A number of new and revised standards and amendments to standards have been issued by the reporting date and come into force in annual periods beginning on or after January 1, 2021. They are also available for early adoption. However, A. VI has not adopted any of the new or amended standards in preparing these consolidated financial statements.

The following table lists the recent changes to IFRS that are required to be applied for an annual period beginning after the effective dates. The amended standards and interpretations are not expected to have a significant impact on A. VI's consolidated financial statements.

<u>Standard (Amendments)</u>	<u>Title of standard or amendments</u>	<u>Effective date</u>
IAS 8.30, EU Endorsement has been made by the date of release for publication		
IFRS 4 (A)	Extension of the Temporary Exemption from Applying IFRS 9 ("Deferral of IFRS 9")	January 1, 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (A)	Interest Rate Benchmark Reform Phase 2	January 1, 2021
IFRS 16 (A)	Covid-19-Related Rent Concessions	June 6, 2020
IAS 8.30 EU endorsement is still pending		
IFRS 17	Insurance Contracts	January 1, 2023
IFRS 3 (A)	Reference to Conceptual Framework	January 1, 2022
IFRS 10 and IAS 28 (A)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely
IAS 1 (A)	Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 16 (A)	Property, Plant and Equipment: Proceeds before intended Use	January 1, 2022
IAS 37 (A)	Onerous Contracts — Cost of Fulfilling a Contract	January 1, 2022
Improvements to IFRS 2019 – 2020	Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	January 1, 2022

4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

When measuring the fair value of an asset or a liability, A. VI uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

These consolidated financial statements include the following significant items whose carrying amounts depend substantially on judgements and the underlying assumptions and estimates:

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 9 — **Lease term:** whether the Group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at December 31, 2020 that have a significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 5 — **Acquisition of subsidiaries:** key assumption about underlying fair values of the acquired identifiable assets and liabilities assumed; major assumptions are the future development according to the 5 year budget as well as the value of trade name, customer base and technology
- Note 7 and 8 — **Intangible and tangible assets:** key assumptions about underlying useful lives and future utilization of the assets value;
- Note 8 — **Goodwill:** key assumption about the recoverable amounts of the CGU and the underlying 5 year budget;
- Note 8 — **Impairment test of intangible assets:** key assumption about useful lives and underlying recoverable amounts;
- Note 17 — **Recognition and measurement of provisions:** key assumptions about the likelihood and magnitude of an outflow of resources, in particular for licence provisions;
- Note 18.2.1 — **Measurement of ECL allowance for trade receivables:** key assumptions in determining the weighted-average loss rate;
- Note 26 — **Recognition of deferred tax assets:** availability of future taxable profit against which deductible temporary differences can be used as well as the future utilization of tax losses carried forward for Boxine GmbH.

5 Acquisition of subsidiaries

For a description of the acquired companies see note 1.

Boxine Acquisition

The management as well as the shareholders expect that the acquisitions will lead to dynamic growth in terms of increasing revenue and earnings and consequently to an increase in enterprise value.

The following table shows all direct and indirect acquired subsidiaries in the short reporting period 2019:

<u>Company</u>	<u>Location</u>	<u>Primary activity</u>	<u>Date of the acquisition</u>	<u>Purchased shares (%)</u>
Boxine Group	Düsseldorf	Producer of the innovative audio system 'tonies', consisting of a speaker box called toniebox and of various figures marketed under the name tonies enabling children to listen to stories and music of their choice by placing a tonie atop of the toniebox.	October 3, 2019	89

Revenue and net income of the combined entity for the comparative short reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the short reporting period are presented in the following table:

<u>kEUR</u>	<u>A. VI Holding GmbH</u>	<u>Boxine Group</u>	<u>Total</u>
	<i>12.07. 2019 – 31.12. 2019</i>	<i>12.07. 2019 – 31.12. 2019</i>	<i>12.07. 2019 – 31.12. 2019</i>
Revenue	0	64,590	64,590
Net income/(loss)	-33	-13,464	-13,497

In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on July 12, 2019.

Boxine Group

The following table summarises the impact of the acquisition, as of October 3, 2019:

<u>Reconciliation of Goodwill</u>	<u>kEUR</u>
Assets	
Property, plant and equipment	1,983
Intangible assets (excl. Goodwill)	134,879
Deferred tax assets	4,186
Non-current assets	141,047
Inventories	37,561
Trade receivables	9,450
Other assets (short term)	2,850
Cash	602
Current assets	50,463
Liabilities	
Other liabilities (long term)	221
Deferred tax liabilities	45,559
Non-current liabilities	45,780
Loans and borrowings	13,702
Other liabilities (short term)	36,176
Current liabilities	49,878
Net identifiable assets	95,852
Consideration transferred	223,586
<i>Thereof: paid in cash and cash equivalents</i>	198,586
<i>Thereof: liabilities incurred</i>	25,000
NCI put liability (anticipated acquisition)	10,028
NCI	24,473
Goodwill	162,236

The goodwill is mainly attributable to know-how of the workforce and growth opportunities with prospective customers. None of the goodwill recognised is expected to be deductible for tax purposes.

As of the acquisition date, the fair value of trade receivables amount to kEUR 9,450 while the gross contractual amounts of trade receivables amount to kEUR 9,496. Therefore, the best estimate at the acquisition date of contractual cash flows not expected to be collected amount to kEUR 46.

For the three months ended December 31, 2019, Boxine Group contributed revenue of kEUR 45,725 and a net loss of kEUR 9,638 to A. VI's result.

The Group incurred costs of kEUR 1,417 in connection with the business combination, mainly for legal advice and due diligence. These costs are included in other operating expenses.

6 Non-controlling interests

The following tables summarise the information relating to the Group's sub-group that has material NCI, before any intra-group eliminations:

<u>A. VI Beteiligungs sub group</u>	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>12.07.2019</u>
<u>NCI percentage</u>	<u>11%</u>	<u>11%</u>	<u>0%</u>
	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>
1. Non-current assets	297,883	301,060	0
2. Current assets	47,252	34,421	13
3. Non-current liabilities	41,090	80,667	0
4. Current liabilities	<u>110,539</u>	<u>43,298</u>	<u>0</u>
Net assets	193,507	211,515	13
Net assets attributable to NCI	21,293	23,271	0

<u>A. VI Beteiligungs sub group</u>	<u>01.01.2020- 31.12.2020</u>	<u>12.07.2019- 31.12.2019</u>
1. Revenue	134,573	45,725
2. Profit (loss)	-18,072	-10,899
3. OCI	63	-37
Total comprehensive income	-18,009	-10,935
Profit allocated to NCI	-1,986	-1,198
OCI allocated to NCI	7	-4
1. Cash Flow from operating activities	429	481
2. Cash Flow from investment activities	-844	-25,694
3. Cash Flow from financing activities (dividends to NCI: nil)	670	25,398
Net increase in cash	255	185

7 Property, plant and equipment and right of use

Property, plant and equipment (including right of use) can be broken down to the following items:

<u>Property, plant and equipment</u>	<u>Right of use</u>	<u>Land and building</u>	<u>Technical equipment and machinery</u>	<u>Fixtures and fittings</u>	<u>Assets under construction</u>	<u>Total</u>
<u>Cost</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>
Balance as of 12.07.2019	0	0	0	0	0	0
Acquired through business combination	251	0	1,363	368	0	1,982
Additions	<u>0</u>	<u>0</u>	<u>169</u>	<u>50</u>	<u>0</u>	<u>219</u>
Balance as of 31.12.2019	251	0	1,533	418	0	2,202
Additions	380	34	2,431	657	337	3,839
Disposals	0	0	0	0	0	0
Reclassification	0	43	564	280	0	887
Balance as of 31.12.2020	631	77	4,528	1,355	337	6,928

<u>Property, plant and equipment</u>	<u>Right of use</u>	<u>Land and building</u>	<u>Technical equipment and machinery</u>	<u>Fixtures and fittings</u>	<u>Assets under construction</u>	<u>Total</u>
<u>Depreciation</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>
Balance as of 12.07.2019	0	0	0	0	0	0
Depreciation	31	0	55	89	0	175
Balance as of 31.12.2019	31	0	55	89	0	175
Depreciation	136	10	534	224	0	904
Reclassification	0	20	-54	95	0	61
Balance as of 31.12.2020	167	30	535	408	0	1,140

	<u>Right of use</u>	<u>Land and building</u>	<u>Technical equipment and machinery</u>	<u>Fixtures and fittings</u>	<u>Assets under construction</u>	<u>Total</u>
<u>Carrying amounts</u>	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Carrying amounts on 12.07.2019	0	0	0	0	0	0
Carrying amounts on 31.12.2019	220	0	1,478	329	0	2,027
Carrying amounts on 31.12.2020	464	47	3,993	947	337	5,788

8 Intangible assets and goodwill

8.1 Reconciliation of carrying amount and amortization

Intangible assets can be broken down to the following items as follows:

<u>Intangible assets</u>	<u>Brand</u>	<u>Tech-nology</u>	<u>Customer relationship</u>	<u>Order backlog</u>	<u>Patents, licenses and similar rights and values</u>	<u>Total</u>
<u>Cost</u>	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 12.07.2019	0	0	0	0	0	0
Acquired through business combination	34,738	90,688	4,819	669	3,965	134,879
Additions					803	803
Balance as of 31.12.2019	34,738	90,688	4,819	669	4,768	135,682
Additions					4,213	4,213
Reclassification					-887	-887
Balance as of 31.12.2020	34,738	90,688	4,819	669	8,093	139,007

<u>Intangible assets</u>	<u>Brand</u>	<u>Tech-nology</u>	<u>Customer relationship</u>	<u>Order backlog</u>	<u>Patents, licenses and similar rights and values</u>	<u>Total</u>
<u>Amortization</u>	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 12.07.2019	0	0	0	0	0	0
Amortization	579	1,511	110	669	329	3,199
Balance as of 31.12.2019	579	1,511	110	669	329	3,199
Amortization	2,316	6,046	439	0	1,624	10,425
Reclassification					-62	-62
Disposals					-59	-59
Balance as of 31.12.2020	2,895	7,557	549	669	1,833	13,503

<u>Carrying amounts</u>	<u>Brand</u>	<u>Tech-nology</u>	<u>Customer relationship</u>	<u>Order backlog</u>	<u>Patents, licenses and similar rights and values</u>	<u>Total</u>
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Carrying amounts on 12.07.2019	0	0	0	0	0	0
Carrying amounts on 31.12.2019	34,159	89,176	4,710	0	4,438	132,483
Carrying amounts on 31.12.2020	31,843	83,130	4,271	0	6,260	125,504

The brand and the capitalised purchased technology bundle (different core technologies) represent the majority of the intangible assets as well as the total assets. Both assets have an expected useful life of 15 years and are amortised on a straight-line basis.

Customer relationship assets generating future revenues are divided between the B2B and the B2C business with a useful life of 15 years and 10.25 years respectively.

8.2 Goodwill and impairment test

The carrying amount of goodwill as of the balance sheet date is shown in the following table:

<u>Carrying Amounts</u>	<u>Goodwill</u> kEUR
Carrying amount as of 12.07.2019	0
Additions recognised from business combinations	162,236
Carrying amount as of 31.12.2019	162,236
Carrying amount as of 01.01.2020	162,236
Additions/(-)disposals recognised from business combinations	0
Carrying amount as of 31.12.2020	162,236

A. VI consists of only one cash-generating unit (CGU). The goodwill resulting from the acquisition of Boxine GmbH is attributable in full to this CGU. There were no triggering events in the reporting period. No impairment has been recognised in the reporting periods. The Goodwill is tested for impairment annually and on adhoc basis in case of triggering events.

The recoverable amount of the CGU is based on the value in use, which is estimated by discounted cash flow. The company assumes a substantial increase in demand due to additional market penetration and additionally developed markets as well as stable purchase prices. The key assumptions used in estimating the recoverable amounts are outlined below. The values assigned to the key assumptions represent management's assessment of future developments in the relevant industry and are based on historical values from external and internal sources. In addition, the expected sales growth on new markets entered (especially UK, USA and France) as well as other international markets that will be approached from Germany have been considered. And finally, the assessment of the optimization potential on the procurement side has been taken into account. Both, expansionary capital expenditure and cost optimization potential, have only been taken into account to the extent that the entity was committed as of December 31, 2020.

Impairment-test input variables	<u>2020</u>		<u>2019</u>	
	<u>Year</u> <u>1-5</u>	<u>6 cont.</u>	<u>Year</u> <u>1-5</u>	<u>6 cont.</u>
	in %	in %	in %	in %
Discount rate	10.51%	11.70%	10.30%	11.70%
Revenue growth rate	39.30%	1.50%	36.27%	1.50%
Gross profit growth rate	47.31%	1.50%	45.24%	1.50%

The discount rates are pre-tax figure estimated on the basis of the historical average weighted cost of capital for the industry.

The cash flow forecasts contained specific estimates for five years and a perpetual growth rate thereafter. The planned Revenue growth rate and Gross profit growth rate was determined on a group basis.

9 Leases

A. VI leases four office properties, one in Düsseldorf, two in Schwäbisch Gmünd and one in California as well as two vehicles. The lease maturity runs from two up to ten years.

A. VI does not have the option to purchase the assets at the end of the contract term. For the movements in right of use assets refer to the table below.

Two property leases contain an extension option exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of kEUR 85. The Group has entered into a rental contract for new office spaces in 2019. The commencement date of the contract has been postponed from 2020 to the end of 2021. The Group has estimated that the future lease payments would result in a lease liability of kEUR 4,597.

Moreover, the Group leases further office properties and vehicles with contract terms of up to one year or unlimited contracts with option to terminate in due time. As these leases are short-term, the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

<u>Leases</u>	<u>Land and buildings</u>	<u>Vehicles</u>	<u>Total</u>
<u>Right-of-use assets</u>	kEUR	kEUR	kEUR
2019			
Balance as of 12.07.2019	0	0	0
Depreciation charge for the year	27	4	31
Additions to right-of-use assets	<u>222</u>	<u>29</u>	<u>251</u>
Balance as of 31.12.2019	<u>195</u>	<u>25</u>	<u>220</u>
2020			
Balance as of 01.01.2020	195	25	220
Depreciation charge for the year	121	15	136
Additions to right-of-use assets	<u>380</u>	<u>0</u>	<u>380</u>
Balance as of 31.12.2020	<u>454</u>	<u>10</u>	<u>464</u>

When measuring lease liabilities, A. VI discounted lease payments using a risk-free rate plus a credit spread individual for each contract. For the calculation of the risk-free rates, the spot rate for a European AAA bond is selected for each lease. The selected term of the spot rate is corresponding to the half of the term of the lease contract. This is due to the fact that the AAA rated bonds are bullet payments with full amortization and the rental payments are monthly payments. The use of half the term instead of the entire term of the lease thus serves as a maturity adjustment.

To determine the credit risk premium, the credit spreads of each loan of A. VI were first determined.

To calculate the credit spreads, the spot rates (risk-free rates) at the issue date of the loans were first determined. The selected term of the spot rate is corresponding to the half of the term of the loan contract. Next the spot rate was subtracted from the borrowing rate of the loan agreement to obtain the respective credit spreads. Subsequently, the spreads were weighted on the basis of the loan volumes. Finally, the discount rate for each lease liability was the individual risk-free rate plus the credit spread.

<u>Leases</u>	<u>2020</u>	<u>2019</u>
	kEUR	kEUR
Amounts recognised in profit or loss		
1. Interest on lease liabilities	14	3
2. Expenses relating to short-term leases	251	28
Amounts recognised in the statement of cash flows		
1. Total cash outflow of leases	<u>403</u>	<u>63</u>

10 Inventories

Inventories can be broken down to the following items as follows:

<u>Inventories</u>	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>12.07.2019</u>
	kEUR	kEUR	kEUR
1. Raw materials	4,633	2,644	0
2. Work in process	813	1,075	0
3. Finished goods	<u>17,616</u>	<u>8,974</u>	<u>0</u>
Total	<u>23,062</u>	<u>12,693</u>	<u>0</u>

Write downs of inventory recognised as an expense have been performed in 2020 amounting to kEUR 1.049 (turnover and scrap) and in 2019 amounting to kEUR 461 (scrap).

As of December 31, 2020, part of the inventory of Boxine GmbH (2019: Boxine Sales DAB GmbH) were assigned as collateral for liabilities to banks totaling kEUR 9,265 (31.12.2019: kEUR 3,673, 12.07.2019: kEUR 0). The security comprises the assignment of ownership of the warehouse with changing stock of finished goods. There were no other collaterals for liabilities in the financial year or in the prior year. For further information see note 15.

11 Trade receivables and other assets

Trade receivables and other assets can be broken down as follows:

Trade receivables	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
Financial assets			
1. Trade receivables	16,850	17,016	0
2. Receivables from related parties	0	38	0
Total	16,850	17,054	0
Other assets	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
Other financial assets			
1. Deposits	713	396	0
2. Receivables from payment providers	728	296	0
3. Receivables from marketplaces	799	78	0
4. Other receivables financial	38	2	0
Sum of other financial assets	2,278	772	0
Other non-financial assets			
1. Deferred expenses and accrued income	845	1,378	0
2. Receivables resulting from input taxes and VAT	58	454	0
3. Other receivables non-financial	115	403	0
Sum of other non-financial assets	1,018	2,235	0
Total	3,296	3,007	0

The Group participates in a factoring program under which it receives early payment of its invoices from a bank by factoring its receivables from B2B customers. Under the arrangement, a bank agrees to pay amounts outstanding from a qualifying customer in respect of invoices owed to the Group and receives settlement from the customer at a later date. The principal purpose of this program is to facilitate efficient payment processing and improve the Group's liquidity by enabling payments from customers before their due date.

The Group derecognises the original outstanding receivables from its customers in accordance with IFRS 9. As of December 31, 2020, the Group's factored receivables amount to kEUR 11,746 (31.12.2019: kEUR 12,476, 12.07.2019: kEUR 0). As of December 31, 2020, receivables outstanding from factoring to the bank amount to kEUR 8,525 (31.12.2019: kEUR 10,826, 12.07.2019: kEUR 0).

The payments from the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e. payments for the sale of goods.

12 Cash

Cash comprise cash and cash at banks. As of December 31, 2020 A. VI, had cash with a carrying amount of kEUR 9,079 (2019: kEUR 6,849). As the amount of cash is below EUR 500 no amount is presented.

Cash	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
1. Cash	0	0	0
2. Cash at banks	9,079	6,849	13
Total	9,079	6,849	13

13 Equity

The changes in the various components of equity from January 1, 2020 through December 31, 2020 are shown in A. VI's consolidated statement of changes in equity.

There are 100,000 subscribed shares in 2020 (31.12.2019: 100,000 subscribed shares, 12.07.2019: 12,500 subscribed shares). The par value of each share is EUR 1. All shares are paid in full.

The share premium reflects the capital contribution to A. VI by its shareholders amounting to kEUR 193,177 in 2019 as well as the contribution to capital reserves in 2020 in the amount of kEUR 10,415.

With the acquisition of Boxine Group, A.VI Beteiligung GmbH initially acquired 100 % of the shares in Boxine GmbH. The former shareholders received a share in A.VI Beteiligung GmbH amounting to 15% as part of the transaction. A total of 4% were written as a NCI-put option that the company chose to account for using the anticipated acquisition method leading to a total NCI share in the transaction of 11%. Changes to the resulting put-liability are accounted for within equity. For more information on non-controlling interests refer to note 6.

In 2019 the Group declared and paid a dividend amounting to kEUR 135 to non-controlling interest of A. VI Beteiligungs GmbH.

Other comprehensive income includes a translation reserve for exchange differences in translation to presentation currency amounting to kEUR 23 in 2020 (31.12.2019: kEUR -33, 12.07.2019: kEUR 0). For more information on currency exchange refer to note 3.2.

14 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Within the scope of capital management, the company's business objective, in addition to ensuring the going concern of the company, is to increase the value of the company in the long term.

The Group's equity ratio decreased from 61% to 57% due to the decrease in total assets and the consolidated net loss for the year. The Group plans to increase its equity ratio going forward. It is in the process of completing a capital markets transaction raising additional equity funding. Part of this funding will be used to repay the majority of its outstanding debt. For further information, please refer to note 28.

As at the year end, the Group had unused credit facilities in the amount of kEUR 15,248 out of a total line of credit of kEUR 30,000. Additional credit lines and financing were successfully negotiated and implemented from the beginning of 2021. The Group was able to meet its financial obligations at all times during the reporting year and thereafter. For further information on waivers during the reporting period, refer to note 15.

15 Loans and borrowings

Loans and borrowings can be broken down as follows:

<u>Loans and borrowings</u>	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>12.07.2019</u>
	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>
Non-current liabilities			
1. Vendor loans	0	40,585	0
Total Non-current liabilities	0	40,585	0
Current liabilities			
1. Current portion of secured bank loans	9,265	3,673	0
2. Current portion of unsecured bank loans	5,487	3,827	0
3. Current portion of vendor loans	43,020	0	0
4. Put liability	0	10,147	0
Total Current liabilities	57,772	17,647	0
Total	57,772	58,232	0

For Information about A. VI's exposure to interest rate, foreign currency and liquidity risks please refer to note 18.2.

Terms and repayment schedule

<u>Loans and borrowings</u>		<u>Original</u>	<u>Matures in</u>	<u>Interest type</u>	<u>Effective</u>	<u>Nominal</u>	<u>Carrying</u>
31.12.2020		<u>currency</u>			<u>interest rate</u>	<u>value</u>	<u>amount</u>
					<u>in %</u>	<u>kEUR</u>	<u>kEUR</u>
1.	Unsecured bank loans	EUR	n/a ¹	fix ¹	4.50	5,487	5,487
2.	Secured bank loans	EUR	n/a ¹	fix ¹	3.75-4.95	9,265	9,265
3.	Vendor loans	EUR	30.09.2021	fix	6.00	40,000	43,020
Total						54,752	57,772

<u>Loans and borrowings</u>		<u>Original</u>	<u>Matures in</u>	<u>Interest type</u>	<u>Effective</u>	<u>Nominal</u>	<u>Carrying</u>
31.12.2019		<u>currency</u>			<u>interest rate</u>	<u>value</u>	<u>amount</u>
					<u>in %</u>	<u>kEUR</u>	<u>kEUR</u>
1.	Unsecured bank loans	EUR	n/a ¹	fix ¹	4.97	3,827	3,827
2.	Secured bank loans	EUR	n/a ¹	fix ¹	4.5-4.95	3,673	3,673
3.	Vendor loans	EUR	30.09.2021	fix	6.00	40,000	40,585
4.	Put liability	EUR	n/a	n/a	n/a	10,147	10,147
Total						57,647	58,232

As of December 31, 2020, the Group has outstanding credit lines from overdraft facilities from secured and unsecured bank loans amounting to kEUR 15,248 (31.12.2019: kEUR 10,000).

Regarding the assignment of inventories as collateral for liabilities to banks refer to note 10.

The put liability has been exercised in H1/2020 resulting in a share transfer from the minority shareholder to the majority shareholder, decreasing the non-controlling interests from 15% to 11%.

Loan covenant

A. VI must ensure that it can meet its financial obligations and that the financial covenants from the credit agreements are complied with.

The Group has secured bank loans with a carrying amount of kEUR 9,265 at December 31, 2020 (31.12.2019: kEUR 3,673, 12.07.2019: kEUR 0) and unsecured bank loans with a carrying amount of kEUR 5,487 at December 31, 2020 (31.12.2019: kEUR 3,827, 12.07.2019: kEUR 0)

A. VI was obliged to maintain several financial ratios regarding the secured bank loans at the level of Boxine subgroup.

Failure to comply with a financial covenant constitutes a material reason for terminating the loan and alternatively entitles to demand the provision or strengthening of collateral. This might lead to the immediate repayment of the outstanding amount. In some cases, covenants were breached but waivers were granted accordingly and new covenants were agreed.

Reconciliation of movements of liabilities to cash flows arising from financing activities

The following table provides a reconciliation between the opening and closing balances in the consolidated statement of financial position. The changes from financing cash flows loans and borrowings and lease liabilities are presented separately.

¹ Unsecured and secured bank loans, resulting from overdraft facilities, have cancellation periods subject to individual conditions agreed with the corresponding financial institutions (usually of at least two months). Interest rates are generally fix but are reviewed by the banks on a regular basis.

<u>Loans and borrowings & Lease liabilities (Reconciliation of movements)</u>	<u>Bank loans</u> kEUR	<u>Lease liabilities</u> kEUR	<u>Vendor loans</u> kEUR	<u>Put liability</u> kEUR	<u>Total</u> kEUR
Balance as of 31.12.2019	7,500	222	40,585	10,147	58,453
Changes arising from obtaining control of subsidiaries	—	—	—	—	—
Changes from financing cash flows					
<i>Proceeds from loans and borrowings</i>	6,410	—	—	—	6,410
<i>Repayment of borrowings</i>	—	—	—	-10,420	-10,420
<i>Payments of lease liabilities</i>	—	-125	—	—	-125
<i>Interest paid</i>	—	-14	—	—	-14
Total changes from financing cash flows	6,410	-139	—	-10,420	-4,149
Liability-related					
<i>New lease liabilities</i>	—	380	—	—	380
<i>Modification of put liabilities</i>	—	—	—	273	273
<i>Interest expense</i>	842	14	2,435	—	3,291
Total liability-related other changes	842	394	2,435	273	3,944
Balance as of 31.12.2020	14,752	477	43,020	0	58,249

<u>Loans and borrowings & Lease liabilities (Reconciliation of movements)</u>	<u>Bank loans</u> kEUR	<u>Other loans</u> kEUR	<u>Lease liabilities</u> kEUR	<u>Vendor loans</u> kEUR	<u>Put liability</u> kEUR	<u>Total</u> kEUR
Balance As of 12.07.2019	0	0	0	0	0	0
Changes arising from obtaining control of subsidiaries	12,276	1,426	—	25,000	10,028	48,730
Changes from financing cash flows						
<i>Proceeds from loans and borrowings</i>	—	—	—	15,000	—	15,000
<i>Repayment of borrowings</i>	-4,777	-1,426	—	—	—	-6,203
<i>Payments of lease liabilities</i>	—	—	-29	—	—	-29
<i>Interest paid</i>	-265	—	-3	—	—	-268
Total changes from financing cash flows	-5,042	-1,426	-32	15,000	0	8,500
Liability-related						
<i>New lease liabilities</i>	—	—	251	—	—	251
<i>Modification of lease liabilities</i>	—	—	—	—	119	119
<i>Interest expense</i>	265	—	3	587	—	855
Total liability-related other changes	265	0	254	587	119	1,225
Balance as of 31.12.2019	7,500	0	222	40,585	10,147	58,454

16 Trade payables and other liabilities

<u>Trade payables</u>	<u>31.12.2020</u> kEUR	<u>31.12.2019</u> kEUR	<u>12.07.2019</u> kEUR
Trade payables			
1. Trade payables	22,272	12,605	0
2. Trade payables due to related parties	15	0	0
3. Trade Accrued expenses	2,594	924	0
Sum of Trade payables	24,881	13,529	0

<u>Other liabilities</u>	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>12.07.2019</u>
	kEUR	kEUR	kEUR
Other financial liabilities			
1. Derivatives	1,175	97	0
2. Liabilities for licenses	8,057	8,127	0
3. Liabilities for customer bonus	928	283	0
4. Other liabilities financial	14	0	0
Sum of other financial liabilities	10,174	8,507	0
Other non-financial liabilities			
1. Payroll tax and social security contributions	425	101	0
2. Liabilities resulting from input taxes and VAT	2,499	2,437	0
3. Accrued expenses (non-financial)	446	166	0
4. Other liabilities non-financial	222	1	0
Sum of other non-financial liabilities	3,592	2,705	0
Total	13,766	11,212	0

Accrued expenses mainly consist of advertisement subsidies and personnel expenses.

For information about A. VI's exposure to currency and liquidity risks please refer to note 18.2.

17 Other Provisions

<u>Other provisions</u>	<u>Warranties</u>	<u>Licenses</u>	<u>Other</u>	<u>Total</u>
	kEUR	kEUR	kEUR	kEUR
Balance as of 31.12.2019	250	9,034	452	9,736
Added		3,566	2	3,568
Utilised		0	0	0
Reserved	4	111	0	115
Balance as of 31.12.2020	246	12,489	454	13,189
Date of maturity				
Current	246	12,489	454	13,189
Non-current				0
Total other provisions	246	12,489	454	13,189

<u>Other provisions</u>	<u>Warranties</u>	<u>Licenses</u>	<u>Archiving costs</u>	<u>Total</u>
	kEUR	kEUR	kEUR	kEUR
Balance as of 12.07.2019	0	0	0	0
Acquired through business combination		5,450	447	5,897
Added	250	3,749	5	4,004
Utilised				
Reserved		165		165
Balance as of 31.12.2019	250	9,034	452	9,736
Date of maturity				
Current	250	9,034	452	9,736
Non-current	0	0	0	0
Total other provisions	250	9,034	452	9,736

The provisions for licences were recognised to cover the fees for the performance right organizations and collecting societies and similar organizations. The sales figures of the previous business years and the expected fee were used to determine the licence provision.

Major uncertainties relate to the actual warranty expenses incurred and related outflow of resources whether in cash or exchange material. Furthermore, the calculation of potential license payments is based on assumptions derived from current discussions with licensors and expected calculation schemes. The outflow of resources will be short-term as soon as the underlying calculation schemes are finalised between the parties involved.

18 Financial instruments and risk management

18.1 Financial instruments

The following table provides the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value. The fair values (MTM) are calculated on the basis of stochastic models taking into account the discounted expected future cash flows of the reciprocal payment obligations as of the measurement date.

<u>Financial instruments</u>	<u>Note</u>	<u>Mandatorily at FVTPL - others</u>	<u>Financial assets at amortised costs</u>	<u>Other financial liabilities</u>	<u>Total</u>	<u>Fair Value</u>
		kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 31.12.2020						
1. Trade and other receivables	11		19,128		19,128	n/a
2. Cash	12		9,079		9,079	n/a
Financial assets not measured at fair value . . .		0	28,207	0	28,207	n/a
1. Secured bank loans	15			9,265	9,265	n/a
2. Unsecured bank loans	15			5,487	5,487	n/a
3. Vendor loans	15			43,020	43,020	n/a
4. Trade and other payables	16			33,880	33,880	n/a
Financial liabilities not measured at fair value		0	0	91,652	91,652	n/a
1. Forward exchange contracts used for economic hedging	16	1,175			1,175	1,175
Financial liabilities measured at fair value		1,175	0	0	1,175	1,175
As of 31.12.2019						
1. Trade and other receivables	11		17,826		17,826	n/a
2. Cash	12		6,849		6,849	n/a
Financial assets not measured at fair value . . .		0	24,675	0	24,675	0
1. Secured bank loans	15			3,673	3,673	n/a
2. Unsecured bank loans	15			3,827	3,827	n/a
3. Vendor loans	15			40,585	40,585	n/a
4. Put liability	15			10,147	10,147	n/a
5. Trade and other payables	16			21,939	21,939	n/a
Financial liabilities not measured at fair value		0	0	80,172	80,172	n/a
1. Forward exchange contracts used for economic hedging	16	97			97	97
Financial liabilities measured at fair value		97	0	0	97	97
As of 12.07.2019						
1. Cash	12		13		13	n/a
Financial assets not measured at fair value . . .		0	13	0	13	n/a

In accordance with IFRS 7.29, the Group does not disclose the fair values of financial instruments if the carrying amounts of financial assets or liabilities are a reasonable approximation of the fair values.

The fair value of forward exchange contracts used for economic hedging (TARF), based on Level 2 of the fair value hierarchy, is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

If reclassifications to other levels of the measurement hierarchy are necessary, they are made at the end of the fiscal year in which the event that requires the reclassification occurs. There were no reclassifications for all periods.

18.2 Financial risk management

A. VI's managing directors have overall responsibility for the establishment and oversight of A. VI's risk management framework. The managing directors are also responsible for developing and monitoring its risk management policies. Leopold Walde and Dr. Björn-Eric Förster are not involved in the operating activities of Boxine Group and have internally delegated the responsibilities for risk management in Boxine Group to the managing directors of Boxine Group

A. VI's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. A. VI, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The company is currently adjusting internal risk management and internal controls processes to be compliant with the requirements of a public company. This involves a detailed documentation of processes, controls implemented and related management testing. Where necessary, processes are adjusted and additionally controls are implemented. This process is expected to be materially completed until year-end 2021.

A. VI's main financial liabilities include trade payables and loans and borrowings consisting of secured and unsecured bank loans as well as lease liabilities. The primary purpose of these financial liabilities is to finance A. VI's operations and provide guarantees to support its operations. Furthermore, the Group has other payables and cash directly related to its business activities. A. VI is mainly exposed to liquidity risk as well as low credit and market risk.

18.2.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum credit exposure is represented by the carrying amounts of financial assets deducted by the Company's insurances for specific assets. The Company monitors its risk regularly.

Expected credit loss assessment for counterparties

The Company allocates each exposure to a credit risk based on data that is determined to be predictive of the risk of loss.

The maximum credit risk is presented in the following table:

<u>Maximum credit risk of financial assets</u>	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>12.07.2019</u>
	<u>kEUR</u>	<u>kEUR</u>	<u>kEUR</u>
Trade receivables	5,521	3,665	0
Other financial assets	2,278	772	0
Cash	9,079	6,849	13

Other financial assets mainly reflect deposits and receivables from payment providers for which the risk of default is low. No material impairment losses for other financial assets were therefore identified for any of the reported periods.

Cash mainly consist of bank balances. The corresponding creditworthiness is also monitored regularly. Due to the good credit rating of the banks, the cash have a very low risk of default. No material impairment losses were therefore identified for any of the reported periods.

For trade receivables, the Company applies the so-called "simplified approach" and recognises the expected credit losses over the entire remaining term already upon addition. Under the simplified approach, the Company determines the expected credit losses by category of the trade receivables, taking into account historical default rates on the basis of historical default data from the last financial year and taking into account forward-looking macroeconomic indicators.

The Company differentiates between receivables from businesses and receivables from individual customers. For the latter, no expected credit losses were recognised. For receivables from businesses the Company has taken out an insurance for multiple customers. Therefore, not all receivables from businesses are taken into account for the maximum credit risk exposure.

A bad debt provision is recognised on an individual basis under the simplified approach if one or more events with an adverse effect on the debtor's credit rating have occurred. These events are, among others, payment delays, an impending insolvency or concessions by the debtor due to payment difficulties. Trade receivables are written off directly when their recoverability is no longer reasonably expected. This is the case, for example, when the debtor is determined to be insolvent.

Expected credit loss on trade receivables relate only to contracts with customers and have developed as follows:

	<u>Expected credit loss</u> kEUR
Balance as of 01.01.2020	57
Bad debt on trade receivables recognised through profit and loss	<u>19</u>
Balance as of 31.12.2020	<u>76</u>

	<u>Expected credit loss</u> kEUR
Balance as of 12.07.2019	0
Bad debt on trade receivables acquired through a business combination	46
Bad debt on trade receivables recognised through profit and loss	<u>10</u>
Balance as of 31.12.2019	<u>57</u>

<u>Credit risk</u>	<u>Weighted-average loss rate</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
31.12.2020	in %	kEUR	kEUR	kEUR
Current (not past due)	0.79%	4,303	34	4,270
1-30 days past due	0.96%	246	2	244
31-60 days past due	1.73%	86	1	85
61-90 days past due	3.30%	397	13	384
More than 90 days past due	<u>5.12%</u>	<u>488</u>	<u>25</u>	<u>463</u>
Total	<u>1.37%</u>	<u>5,521</u>	<u>76</u>	<u>5,445</u>

<u>Credit risk</u>	<u>Weighted-average loss rate</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
31.12.2019	in %	kEUR	kEUR	kEUR
Current (not past due)	0.79%	2,675	21	2,654
1-30 days past due	1.00%	200	2	198
31-60 days past due	1.80%	70	1	69
61-90 days past due	3.43%	323	11	312
More than 90 days past due	<u>5.33%</u>	<u>397</u>	<u>21</u>	<u>376</u>
Total	<u>1.54%</u>	<u>3,665</u>	<u>57</u>	<u>3,609</u>

18.2.2 Liquidity Risk

Liquidity risk is the risk that A. VI will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

A. VI aims to maintain the level of its cash at an amount in excess of expected cash outflows on financial liabilities.

Exposure to liquidity risk

The following table shows the remaining contractual maturities of A. VI's financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

<u>Liquidity risk</u>	<u>Carrying amount</u>	<u>Total</u>	<u>< 1 years</u>	<u>1-5 years</u>	<u>More than 5 years</u>	<u>Interest rate</u>
	kEUR	kEUR	kEUR	kEUR	kEUR	
Balance as of 31.12.2020						
Secured bank loans	9,265	9,637	9,637			3.75%-4.95%
Unsecured bank loan	5,487	5,734	5,734			4.5%
Vendor loan	43,020	44,800	44,800			6%
Lease liabilities	477	568	151	193	224	
Trade and other payables	33,880	33,880	33,880			
Forward exchange contracts used for economic hedging	1,175	1,175	1,175			
Total	93,304	95,794	95,377	193	224	
As of 31.12.2019						
Secured bank loans	3,673	3,855	3,855			4.5%-4.95%
Unsecured bank loan	3,827	4,017	4,017			4.966%
Vendor loan	40,585	44,800		44,800		6%
Lease liabilities	222	232	130	102	—	
Trade and other payables	21,939	21,939	21,939			
Put Liability	10,147	10,147	10,147			
Forward exchange contracts used for economic hedging	97	97	97			
Total	80,491	85,087	40,185	44,902	0	
As of 12.07.2019						
Secured bank loans	—	—				
Unsecured bank loan	—	—				
Vendor loan	—	—				
Loans from related parties	—	—				
Lease liabilities	—	—	—	—	—	
Trade and other payables	—	—				
Put Liability	—	—				
Interest rate swaps used for hedging	—	—				
Forward exchange contracts used for hedging	—	—				
Total	0	0	0	0	0	

A. VI is exposed to liquidity risks, if the financial covenants for the secured and unsecured bank loans are not met. During the preparation period, an extension of the credit lines was agreed with the financing banks, as well as a conditional waiver of extraordinary termination on the part of the banks after non-compliance with agreed financial covenants.

A. VI has also implemented a daily cash reporting to ensure a current view over the short-term liquidity compared to planned cash outflows.

The interest payments for the secured bank loans in the table above reflects the interest rate at the reporting date. The interest rate may change if the market interest rates change as well as a specific leverage ratio will not be maintained.

18.2.3 Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect A. VI's income or the value of its holdings of financial instruments. The financial instruments affected by market risk essentially comprise of financial liabilities.

Interest rate risk

In general, interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. With regard to A. VI, certain recognised loans and borrowings have interest rates based on variable parameters.

The following table shows the fixed-interest or non-interest-bearing liabilities and the variable interest-bearing liabilities:

Carrying amounts of financial liabilities bearing interest in kEUR	31.12.2020		31.12.2019		12.07.2019	
	Fixed-interest or non-interest-bearing	Variable interest rate	Fixed-interest or non-interest-bearing	Variable interest rate	Fixed-interest or non-interest-bearing	Variable interest rate
	Loans and borrowings	43,020	14,752	40,585	7,500	

The sensitivity to interest rates is as follows for the secured bank loan:

Effects on profit before tax	Loans and borrowings (+100 BP)		Loans and borrowings (-100 BP)	
	kEUR		kEUR	
	31.12.2020	217	-217	
	31.12.2019	181	-181	
	12.07.2019	0	0	

Currency risk

A. VI is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which loans and borrowings and trade payables are denominated and the respective functional currency of A. VI. The functional currency of A. VI is Euro. Revenues are partly denominated in USD and GBP, while most of revenue is still generated in EUR. Procurement is partly denominated in USD for key suppliers (e.g. for tonies) and some IT services utilised.

The following table shows A. VI's exposure to currency risk:

Market risk	31.12.2020			31.12.2019			12.07.2019		
	kEUR	k\$	k£	kEUR	k\$	k£	kEUR	k\$	k£
Trade receivables	—	4,695	872	—	—	478	—	—	—
Secured bank loans	1	1,069	972	5	2	296	—	—	—
Trade payables	—	-6,268	-215	—	-6,483	-115	—	—	—
Net exposure	1	-504	1,629	5	-6,481	659	0	0	0

Forward exchange contracts amounting to kEUR 1,175 (31.12.19: kEUR 97) are used by the Group to secure against currency risks from purchases in USD.

The following significant exchange rates have been applied:

	Average rate		Exchange rate as of		
	2020	2019	31.12.2020	31.12.2019	12.07.2019
\$	1.1422	1.1074	1.2170	1.1234	1.1151
£	0.8897	0.8787	0.9062	0.8508	0.9126

In 2020 foreign currency translation resulted in income of kEUR 1,667 (2019: kEUR 427) and expenses of kEUR 1,600 (2019: kEUR 372).

The sensitivity to currencies is as follows for the balance sheet items:

<u>Effects on profit before tax</u>	<u>USD Net exposure (+10%)</u>	<u>USD Net exposure (-10%)</u>	<u>GBP Net exposure (+10%)</u>	<u>GBP Net exposure (-10%)</u>
	kEUR	kEUR	kEUR	kEUR
31.12.2020	38	-46	163	-200
31.12.2019	609	-744	95	-116
12.07.2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Other market risks

A. VI is not significantly exposed to other market risks.

19 Revenue

The following tables present the revenue from contracts with customers disaggregated by primary geographical market and major products.

<u>Revenue from contracts with customers</u>	<u>01.01.2020-31.12.2020</u>	<u>12.07.2019-31.12.2019</u>
	kEUR	kEUR
Primary geographical markets		
DACH	125,967	44,314
UK	5,847	1,411
US	2,759	0
Total	<u>134,573</u>	<u>45,725</u>
Major products		
Starterset	43,426	16,397
Content Tonies	83,466	25,701
Creative Tonies	3,765	1,709
Other (e.g. Accessories and Mytonies)	3,916	1,918
Total	<u>134,573</u>	<u>45,725</u>

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with a customer. A. VI recognised revenue when it transfers control over a good to a customer. Relevant return options are considered where applicable and material.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

<u>Type of product</u>	<u>Nature and timing of satisfaction of performance obligation, including significant payment terms</u>	<u>Revenue recognition under IFRS 15</u>
Startersets, Tonies and Accessories	<p>B2B: Since A. VI Holding GmbH mainly uses the incoterm DDP, customers obtain control of the product when they receive it. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30-90 days.</p> <p>B2C: Customers obtain control of the product when they receive it. Invoices are directly payable depending on customers choice of payment method.</p>	<p>Revenue is recognised when the customer receives the product. Marketing subsidies and customer bonuses as well as any discounts are deducted from revenue</p>

<u>Type of product</u>	<u>Nature and timing of satisfaction of performance obligation, including significant payment terms</u>	<u>Revenue recognition under IFRS 15</u>
Mytonies	Invoices are generated and revenue is recognised at the point in time of the download of items from the platform invoices are usually payable immediately as credit cards. Paypal or direct transfers are being used.	Revenue is recognised when the download is performed

20 Cost of materials and licensing costs

Cost of materials can be broken down as follows:

<u>Cost of materials</u>	<u>01.01.2020-31.12.2020</u>	<u>12.07.2019-31.12.2019</u>
	<u>kEUR</u>	<u>kEUR</u>
1. Raw materials and consumables used	74,200	13,488
2. Purchased services	1,284	317
Total	75,484	13,805

The costs for purchased services mainly consist of quality control services.

The licensing costs reported separately in the statement of profit and loss comprise expenses for various licenses and concessions in the amount of kEUR 23,086 (2019: kEUR 7,334).

21 Share-based payments

Starting in March 2020 the Group has implemented a share based payment compensation scheme for eligible employees in the form of virtual stock options based on a future potential profit based on an exit price of the business minus the initial investment and transaction cost. The scheme is entirely cash-settled and is intended to improve the long-term employee-retention.

The scheme has a vesting period of 48 to 60 months and cliff periods between 6 and 24 months. It includes a fixed percentage of a potential result or a combined fixed and variable percentage based on defined performance conditions based on quantities sold.

As of 31 December 2020, the scheme involves 14 employees of the C and D- management-level representing 2.1% (fixed) and up to 0.4% (variable) of the virtual shares. As of 31 December 2020, no vesting has taken place.

<u>Assumptions used</u>	<u>2020</u>
Expected average volatility (in %)	40.34
Risk free rate (in %)	-0.75
Expected Duration (in years)	4.72

In 2020 a total of kEUR 3,472 was recognised as personnel expenses for these employees. The fair value has been calculated using the Black-Scholes model.

22 Personnel expenses

In the financial year 2020 A. VI employs on average 205 (2019: 116) employees.

Employee benefits expense include the following items:

<u>Personnel expenses</u>	<u>01.01.2020-31.12.2020</u>	<u>12.07.2019-31.12.2019</u>
	<u>kEUR</u>	<u>kEUR</u>
1. Wages and salaries	10,314	1,512
2. Social security contributions	1,854	367
3. Cash-settled share-based payments	3,472	0
Total	15,640	1,879

23 Other income

Other income includes the following:

<u>Other income</u>	<u>01.01.2020 - 31.12.2020</u>	<u>12.07.2019 - 31.12.2019</u>
	<u>kEUR</u>	<u>kEUR</u>
1. Non-period income	393	62
2. Reversal of provisions (other non-period income)	115	165
3. Other income	60	10
Total	568	237

24 Other expenses

Other expenses include the following:

<u>Other expenses</u>	<u>01.01.2020 - 31.12.2020</u>	<u>12.07.2019 - 31.12.2019</u>
	<u>kEUR</u>	<u>kEUR</u>
1. Logistic costs	11,542	4,046
2. Marketing and sales costs	8,306	617
3. Insurance and contributions	4,958	967
4. Legal, audit and consulting fees	4,030	1,026
5. IT costs	3,386	264
6. Administration costs	1,206	269
7. Non-period expenses	656	1,529
8. Warranties	439	921
9. Miscellaneous other operating expenses	1,260	189
Total	35,783	9,828

Other expenses include research and development costs of kEUR 1,835 (2019: kEUR 373).

25 Financial income and finance cost

Financial results are broken down as follows:

<u>Finance income</u>	<u>01.01.2020 - 31.12.2020</u>	<u>12.07.2019 - 31.12.2019</u>
	<u>kEUR</u>	<u>kEUR</u>
Other interest income	1	0
Total	1	0

<u>Finance cost</u>	<u>01.01.2020 - 31.12.2020</u>	<u>12.07.2019 - 31.12.2019</u>
	<u>kEUR</u>	<u>kEUR</u>
Interest expense from related party loans	2,435	587
Interest expense from current accounts	773	265
Interest expense from leasing	14	3
Interest expense from factoring	181	67
Other interest expense	69	39
Total	3,472	961

All finance income and cost results from financial assets and liabilities not measured at FVTPL.

Interest from loans

For information about A. VI's exposure to interest rates please refer to note 18.2.3.

Transaction costs related to the secured bank loan

For information about the transaction costs related to the secured bank loan refer to note 15.

26 Income taxes

Amounts recognised in profit or loss

The amounts recognised in profit or loss are as follows:

<u>Income tax</u>	<u>01.01.2020 - 31.12.2020</u>	<u>12.07.2019 - 31.12.2019</u>
	kEUR	kEUR
Current year tax expense		
Current tax prior year from tax loss carry back	377	-3,283
Changes in estimates related to prior years	-53	3,571
Total current year tax expense	<u>324</u>	<u>288</u>
Deferred tax income		
Origination and reversal of temporary differences and tax loss carry forwards (expense)	2,749	5,704
Total Deferred tax income	<u>2,749</u>	<u>5,704</u>
Tax income on continuing operations (expense)	<u>3,073</u>	<u>5,992</u>

In 2020 the applicable income tax rate was 31.225% (2019: 31,225%).

The income tax liabilities amount to kEUR 807 (2019: kEUR 1,222).

IFRIC 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. In this context, the Group assumed that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. Furthermore, the Group considered whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing. As a result, the Group does not see any material impact for the consolidated financial statements.

Reconciliation of effective tax rate

The reconciliation of effective tax rate is as follows:

<u>Reconciliation of effective tax rate</u>	<u>01.01.2020 - 31.12.2020</u>	<u>12.07.2019 - 31.12.2019</u>
	kEUR	kEUR
Earnings before tax from continuing operations	-21,273	-16,922
Expected tax using the company's tax rate (31.225%)	6,642	5,284
Current-year tax losses for which no deferred tax asset is recognised (tax losses all companies except Boxine GmbH)	-1,866	632
Tax effect from tax losses transferred to prior periods	324	288
Non-recorded DTA of IFRS 2 adjustments	-1,084	0
Non-deductible expenses / Trade tax adjustments	-241	-85
Tax rate difference US/Germany	0	0
Other	-702	-127
Effective tax income	<u>3,073</u>	<u>5,992</u>
Profit (loss) for the period	<u>-18,200</u>	<u>-10,930</u>

Movement in deferred tax balances

Deferred tax assets and liabilities are attributable to the following items:

<u>Deferred tax assets and liabilities</u>	31.12.2020	Recognised in profit or loss	01.01.2020
	kEUR	kEUR	kEUR
1. Other Provision	138	0	138
2. Trade receivables	7	7	0
3. Inventories	922	-3,224	4,146
4. Leasing	34	34	0
5. Hedging transactions	367	337	30
6. Tax loss carryforwards	2,887	2,887	0
Deferred tax assets	4,355	41	4,314
7. Intangible assets	37,274	2,708	39,982
Deferred tax liabilities	37,274	2,708	39,982
Total	32,919	2,749	35,668

<u>Deferred tax assets and liabilities</u>	31.12.2019	Recognised in profit or loss	Acquired through Business Combination	12.07.2019
	kEUR	kEUR	kEUR	kEUR
1. Other Provision	138	0	138	
2. Inventories	4,146	98	4,048	
3. Hedging Transactions	30	30	0	
Deferred tax assets	4,314	128	4,186	0
4. Intangible assets	39,982	896	40,878	
5. Trade receivables	0	208	208	
6. Inventories	0	4,472	4,472	
Deferred tax liabilities	39,982	5,576	45,558	0
Total	35,668	5,704	41,372	0

Unrecognised deferred tax assets

As of December 31, 2020, deferred tax assets in respect of the recognition of a liability for share-based payments amounting to kEUR 1,084 (31.12.2019: kEUR 0, 12.07.2019: kEUR 0) have not been recognised.

Deferred tax assets have only been recognised for tax losses resulting from Boxine GmbH. For all other entities, the effect of tax losses amounting to kEUR 1,866 (31.12.2019: kEUR -632, 12.07.2019: kEUR 0) have not been recognised.

27 Related parties

A. Parent and ultimate controlling party

The current shareholders of A. VI are the following entities, none of which is a controlling party from its shareholding:

AH Beteiligung 6 GmbH & Co. KG	18.44%
Armira Parallel Pool(A) GmbH & Co. KG	6.05%
Armira Parallel Pool(B) GmbH & Co. KG	1.63%
Armira (Strategy B) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy C) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy E) Active Invest GmbH & Co. KG	0.78%
Armira (Strategy F) Active Invest GmbH & Co. KG	0.29%
Armira (Strategy G) Active Invest GmbH & Co. KG	16.69%
Armira (Strategy I) Active Invest GmbH & Co. KG	0.78%
Armira (Strategy J) Active Invest GmbH & Co. KG	0.78%
Armira (Strategy L) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy M) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy N) Active Invest GmbH & Co. KG	0.74%
Armira (Strategy O) Active Invest GmbH & Co. KG	0.78%
Armira (Strategy P) Active Invest GmbH & Co. KG	0.58%

Armira (Strategy Q) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy R) Active Invest GmbH & Co. KG	0.97%
Armira Jebesen Active Invest GmbH & Co. KG	2.66%
Armira F&F 2019-II GmbH & Co. KG	15.11%
Armira F&F 2019-III GmbH & Co. KG	8.36%
Armira F&F 2019/20 GmbH & Co. KG	1.04%
Panorama Growth Partners II, LP	6.64%
ELQ Lux Holding S.à.r.l.	3.69%
FLA Invest GmbH & Co., KG	3.54%
LuxCo Active Invest GmbH & Co. KG	8.14%
PE I Invest GmbH & Co. KG	0.39%

Please note that the individual share values have been rounded to the second decimal place and that this results in a marginal rounding difference in total.

A. VI is currently not included in any consolidated financial statements at a level of its shareholders. Armira Management GmbH or Armira Administration GmbH are acting as a general partner in the Armira investors. None of the limited partners have a shareholding of more than 25%.

B. Transactions with key management personnel

The managing directors Leopold Walde and Dr. Björn-Eric Förster – who are not involved in the operating business – are considered as key management personnel as well as the founders of Boxine GmbH, Patric Faßbender and Marcus Stahl, which operate as managing directors at the level of Boxine GmbH and A. VI Beteiligungs GmbH.

Key management personnel compensation

Key management personnel compensation comprised the following.

<u>Key management personnel compensation</u>	01.01.2020 -	12.07.2019-
	31.12.2020	31.12.2019
	kEUR	kEUR
Short-term employee benefits	532	103
Total	532	103

Compensation of the Group's key management personnel includes salaries and non-cash benefits. Leopold Walde and Dr. Björn-Eric Förster did not receive any compensation from the Group.

Other key management transactions

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control were as follows.

<u>Related parties</u>	01.01.2020 - 31.12.2020		12.07.2019- 31.12.2019		
	Transaction volume		Transaction volume		
	Interest expenses	Purchases of goods and services	Interest expenses	Dividends	Purchases of goods and services
	kEUR	kEUR	kEUR	kEUR	kEUR
Transactions with Höllenhunde GmbH	-109		-26	-136	
Transactions with PIXIPOP		410			151
Total	-109	410	-26	-136	151

<u>Related parties</u>	31.12.2020		31.12.2019		12.07.2019	
	Amounts outstanding		Amounts outstanding		Amounts outstanding	
	Receivables	Payables	Receivables	Payables	Receivables	Payables
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Transactions with Höllenhunde GmbH		1,919		11,957		0
Transactions with PIXIPOP		21		70		0
Total	0	1,940	0	12,027	0	0

PIXIPOP Faßbender Kommunikations-Design & Illustration is controlled by Nina Fassbender, the wife of Boxine GmbH Co-CEO Patric Fassbender and involved in the design of the Tonies. Compensation is paid as a fixed amount per item sold.

In addition to these operating transactions a contractual share purchase option between the purchaser A. VI Holding GmbH and Höllenhunde GmbH was arranged in 2019 in the context of the acquisition of Boxine Group. The put liability resulting from this transaction amounted to kEUR 10,147 at December 31, 2019 and has been exercised resulting in an total payment of kEUR 10,420 to Höllenhunde GmbH in H1/2020. For further information please refer to note 13.

28 Events after the reporting period

The following subsequent events occurred after the end of the 2020 fiscal year that could have a significant impact on A. VI future results of operations, financial position, and net assets.

In March 2021, a subsidiary of Boxine GmbH was founded in France to drive further international expansion. Initial sales to customers were already made in September 2021.

The group has a financing need which is typical for a group that expects an ongoing strong growth over the next years.

On August 30, 2021, a business combination agreement was signed between A. VI and 468 SPAC I SE, Luxembourg, Luxembourg, which is traded on the Frankfurt Stock Exchange, aimed at a merger of A. VI and 468 SPAC I SE. Closing of the transaction is planned for the fourth quarter of 2021. It is intended to provide EUR 170m of primary proceeds (net of transaction costs) to the business of A. VI and its subsidiaries after the merger to invest into international expansion and to repay outstanding debt. As part of the transaction, an amendment of the company's existing share-based payment compensation scheme in the form of virtual stock options is being implemented in the fourth quarter of 2021 to make it suitable for public capital markets.

On September 30, 2021 a Vendor Loan between the subsidiary A. VI Beteiligungs GmbH and various previous shareholders as part of a delayed purchase price consideration in context of the acquisition of Boxine GmbH was due. Out of a total loan amount of mEUR 40 (or mEUR 44.8 including accrued interest), a total of mEUR 4.0 (or mEUR 4.4 including accrued interest) was repaid. The remainder was prolonged. For a majority of this amount outstanding the maturity was extended to the earlier of (i) closing of the business combination agreement with 468 SPAC I SE or (ii) end of February 2022. An amount of mEUR 1.4 has a maturity until December 31, 2021, while an amount of mEUR 16.8 has a maturity until March 31, 2022.

On July 8, 2021 and on September 22, 2021, a subordinate credit agreement of mEUR 30 and mEUR 7 respectively, was concluded between the subsidiary A VI Beteiligungs GmbH and Santo Holding (Deutschland) GmbH (mEUR 27 and mEUR 6.3 respectively) and another indirect shareholder (mEUR 3 and mEUR 0.7 respectively). Maturity of the credit agreement is June 30, 2022. Its purpose is to provide bridge funding until further equity funding to finance further international expansion is available (see business combination agreement with 468 SPAC I SE above) and to partially repay other debt due during the year (see Vendor Loan below). Santo Holding (Deutschland) GmbH is indirect shareholder in the company via its participation in Armira (Strategy G) Active Invest GmbH & Co. KG.

During 2021, various discussion with the banks providing working capital lines to Boxine GmbH took place. A loan agreement for mEUR 5 expiring on August 31, 2021, was prolonged until the end of the year 2021 with potential for further extension subject to the execution of the aforementioned 468 SPAC I SE transaction and the capital injection described therein.

Furthermore, after a covenants breach, covenants for parts of the bank lines were re-discussed and modified so that on level of the sub-group Boxine GmbH the sum of subordinated shareholder loans and equity under local GAAP amounts to at least mEUR 7 at all times.

If the merger of A. VI and 468 SPAC I SE cannot be completed as contractually agreed due to a material adverse effect -especially if the shareholders do not approve the transaction-, certain shareholders of A. VI have indicated their interest to inject further equity to the Group. In addition, based on discussions with potential capital providers, A.VI has had during the year, it seems likely that the Group could also obtain debt financing. Altogether it is expected that the Group will be able to cover its financing needs at least until the end of 2022. Insofar, if the merger cannot be completed as agreed, the Group's ability as a going concern is dependent on the continuous financing through its shareholders and debt providers.

However, the SPAC deal has not yet been closed and no contractual agreements are currently in place with shareholders and potential debt providers, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Düsseldorf, October 11, 2021

Management

Leopold Walde

Dr. Björn-Eric Förster

Independent Auditors' Report

To the Shareholders of A. VI Holding GmbH, Hamburg

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of A. VI Holding GmbH, Hamburg ("the Company"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Germany, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Notes 2.3 "Going Concern" and Note 28 "Events after the reporting period" in the consolidated financial statements, in which the legal representatives describe that:

- unchanged to prior years, the group continues to have a financing need which is typical for a group that expects an ongoing strong growth over the next years.
- on 30 August 2021, a business combination agreement was signed between A. VI and 468 SPAC I SE, Luxembourg, Luxembourg, which is traded on the Frankfurt Stock Exchange, aimed at a merger of A. VI and 468 SPAC I SE. Closing of the transaction is planned for the fourth quarter of 2021. It is intended to provide EUR 170m of primary proceeds (net of transaction costs) to the business of A. VI and its subsidiaries after the merger to invest into international expansion and to repay outstanding.
- on 30 September 2021 a Vendor Loan between the subsidiary A. VI Beteiligungs GmbH and various previous shareholders as part of a delayed purchase price consideration in context of the acquisition of Boxine GmbH was due. Out of a total loan amount of EUR 40m (or EUR 44.8m including accrued interest), a total of EUR 4,0m (or EUR 4,4m including accrued interest) was repaid. The remainder was prolonged. For a majority of this amount outstanding the maturity was extended to the earlier of (i) closing of the business combination agreement with 468 SPAC I SE or (ii) end of February 2022. An amount of EUR 1,4m has a maturity until 31 December 2021, while an amount of EUR 16,8m has a maturity until 31 March 2022.
- on July 8, 2021 and on 22 September 2021, a subordinate credit agreement of EUR 30m and EUR 7m respectively, was concluded between the subsidiary A VI Beteiligungs GmbH and Santo Holding (Deutschland) GmbH (EUR 27m and EUR 6,3m respectively) and another indirect shareholder (EUR 3m- and EUR 0,7m respectively). Maturity of the credit agreement is 30 June 2022. Its purpose is to provide bridge funding until further equity funding to finance further international expansion is available (see business combination agreement with 468 SPAC I SE above) and to partially repay other debt due during the year (see Vendor Loan above). Santo Holding (Deutschland) GmbH is indirect shareholder in the company via its participation in Armira (Strategy (G) Active Invest GmbH & Co. KG.
- during the adjusting period in 2021, various discussion with the banks providing working capital lines to Boxine GmbH took place. A loan agreement for EUR 5m expiring on 31 August 2021, was prolonged until the end of the year 2021 with potential for further extension subject to the execution of the aforementioned 468 SPAC I transaction and the capital injection described therein.

- after a covenants breach, covenants for parts of the bank lines were re-discussed and modified so that on level of the sub-group Boxine GmbH the sum of subordinated shareholder loans and equity under local GAAP amounts to at least EUR 7m at all times.

The legal representatives state that if the merger of A. VI and 468 SPAC I SE cannot be completed as contractually agreed due to a material adverse effect -especially if the shareholders do not approve the transaction-, the shareholders of A. VI indicated their interest to inject further equity to the Group. In addition, based on discussions A.VI has had during the year with potential capital providers, it seems likely that the Group could also obtain debt financing. Altogether, it is expected that the Group will be able to cover its financing needs at least until the end of 2022. Insofar, if the merger cannot be completed as agreed, the Group's ability as a going concern is dependent on the continuous financing through its shareholders and debt providers.

We draw attention to Note 2.3 "Going Concern" and Note 28 "Events after the reporting period" in the group financial statements, which describes that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors'

report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 11 October 2021 KPMG AG

Wirtschaftsprüfungsgesellschaft

Jessen
Wirtschaftsprüfer
(German Public Auditor)

Ramsauer
Wirtschaftsprüfer
(German Public Auditor)

**Audited consolidated financial statements of A. VI Holding GmbH
prepared in accordance with German Commercial Code (*Handelsgesetzbuch*)
as of and for the financial year ended December 31, 2019**

CONSOLIDATED BALANCE SHEET as at 31 December 2019

A. VI Holding GmbH, Hamburg

	EQUITY AND LIABILITIES			
	31 December 2019		12 July 2019	
	EUR	EUR	EUR	EUR
ASSETS				
A. Fixed assets				
I. Intangible assets				
I. Industrial property rights and similar rights and assets as well as licences to such rights and assets acquired for a consideration	126,599,867.30		100,000.00	25,000.00
2. Goodwill	161,658,122.80	288,257,990.10	193,177,337.00	-31,313.55
II. Property, plant and equipment				
2. Technical equipment and machinery	1,478,139.59			
3. Other equipment, operating and office equipment	329,129.32	1,807,268.91		
	329,129.32	290,065,259.01		
B. Current assets				
I. Inventories				
1. Raw materials and supplies	2,643,972.17			
2. Work in progress	1,075,455.06			
3. Finished goods and merchandise	8,973,401.91	12,692,829.14		
II. Receivables and other assets				
1. Trade receivables	17,322,153.37			
2. Other assets	1,361,501.21	18,683,654.58	12,500.00	
III. Cash and cash equivalents		6,848,567.08		12,500.00
		38,225,050.80		25,000.00
C. Prepaid expenses		1,378,222.05		
D. Deferred tax assets		4,283,450.04		
		333,951,981.90		25,000.00
A. Equity				
I. Subscribed capital			100,000.00	25,000.00
II. Capital reserve			193,177,337.00	
III. Foreign currency translation differences			-31,313.55	
IV. Profit/loss carried forward				
V. Net income/loss for the year		-11,829,353.56		
a. Income/loss for the year		-135,822.71		
b. Distribution		-11,965,176.27		
VI. Non-controlling interests		32,333,436.10		
		213,614,283.28		25,000.00
B. Provisions				
1. Tax provisions			1,222,445.00	
2. Other provisions			19,236,514.35	
			20,458,959.35	
C. Liabilities				
1. Liabilities to banks			7,499,835.49	
2. Trade payables			12,604,984.78	
3. Other liabilities			43,125,088.99	
thereof for social security: EUR 7,268.90				
thereof tax liabilities: EUR 2,539,736.36				
			63,229,909.26	
D. Deferred tax liabilities			36,648,830.01	
			333,951,981.90	25,000.00

CONSOLIDATED INCOME STATEMENT

A. VI Holding GmbH, Hamburg

	12 July - 31 December 2019	
	EUR	EUR
1. Revenue		46,531,579.38
2. Increase (PY: decrease) in finished goods and work in progress		-25,704,347.59
3. Other operating income		820,666.72
4. Cost of materials		
a) Cost of raw materials, supplies and purchased goods	-13,391,300.96	
b) Cost of purchased services	-317,275.25	-13,708,576.21
5. Personnel expenses		
a) Wages and salaries	-1,511,564.35	
b) Social security, pension and other benefits	-367,488.87	-1,879,053.22
thereof for pensions: EUR 39,456.89		
6. Amortisation, depreciation and write-downs of intangible assets and property, plant and equipment		-7,339,267.89
7. Other operating expenses		-17,313,629.87
8. Interest and similar expenses		-896,816.44
9. Income taxes		5,497,793.81
10. Earnings after taxes		-13,991,651.31
11. Net income/loss for the financial year		-13,991,651.31
12. Distribution		-135,822.71
13. Net income/loss for the year attributable to minority interests		2,162,297.75
14. Consolidated net loss		-11,965,176.27

Notes to the consolidated financial statements for the short financial year from 12 July 2019 to 31 December 2019 of A. VI Holding GmbH Group, Hamburg

General information

The Group's parent company is A. VI Holding GmbH, Schauenburgerstraße 59, 20095 Hamburg. The Company is listed in the Commercial Register of Hamburg, Section B, under no. 163559.

The consolidated balance sheet and the consolidated income statement are structured in accordance with the provisions of Sections 266 and 275 of the German Commercial Code (HGB), respectively.

Accounting policies are based on the statutory provisions set out in Sections 238 et seqq. and Sections 264 et seqq. HGB. In addition to these regulations, the provisions of the German Limited Liability Companies Act (GmbHG) were observed. The German Accounting Standards (GAS) were also applied.

Preparation of the consolidated financial statements

In accordance with Section 290 (1) in conjunction with Section (2)(1) HGB we are required for the first time to prepare consolidated financial statements. Accordingly, no prior-year figures can be presented.

A. VI Holding GmbH, Munich, prepares consolidated financial statements for the largest group of companies with which A. VI Holding GmbH as a subsidiary – and including its own subsidiaries – is affiliated. These consolidated financial statements are published in the German Federal Gazette (Bundesanzeiger).

These consolidated financial statements have been prepared in accordance with Section 290 et seqq. HGB and the relevant provisions of the GmbHG. In addition to the parent company, the following companies are included in the consolidated financial statements from the date of acquisition:

- A. VI Beteiligungs GmbH, 84.51% shareholding (from 1 October 2019)
- Boxine GmbH, Düsseldorf, wholly owned¹ (from 1 October 2019)
- Boxine Sales DAB GmbH, Düsseldorf, wholly owned² (from 1 October 2019)
- Boxine Productions GmbH, Düsseldorf, wholly owned² (from 1 October 2019)
- Boxine Development GmbH, Düsseldorf, wholly owned² (from 1 October 2019)
- Boxine UK Ltd., Bishop's Stortford, UK, wholly owned² (from 1 October 2019)

These consolidated financial statements, in accordance with Section 264 (3)(4) HGB, exempt Boxine GmbH and A. VI Beteiligungs GmbH from preparing and publishing consolidated financial statements.

Consolidation methods

All companies were included in the consolidated financial statements by way of full consolidation. The following consolidation methods were applied in the financial year.

Uniform accounting policies

Uniform accounting policies have been applied in preparing the financial statements of consolidated companies.

Capital consolidation

The revaluation method was used for the capital consolidation of all consolidated companies in accordance with Section 301 HGB. For this purpose, the book value of the consolidated company was compared with the fair value of the assets less liabilities on the date of acquisition. Any excess of assets over liabilities is presented as goodwill and amortised on a straight-line basis over a remaining useful life of 10 years.

¹ Held by A. VI Beteiligungs GmbH

² Held by Boxine GmbH

Consolidation of intercompany accounts

Intercompany payables and receivables are eliminated pursuant to Section 303 (1) HGB by offsetting all receivables and liabilities between companies included in the consolidated financial statements at their nominal value. Any differences from foreign currency translation are recognised by the Group within consolidated equity as 'foreign currency translation differences'.

Elimination of intercompany profits

Unrealised gains arising from transactions within the Group were eliminated.

Consolidation of income and expenses

Revenue from intercompany sales and other intercompany income was offset against the corresponding expenses, so that the consolidated income statement now only shows expenses and income from transactions with non-consolidated companies and external third parties. Any differences from foreign currency translation are recognised by the Group within consolidated equity as 'foreign currency translation differences'.

Foreign currency translation

The parent company and the German subsidiaries prepare their annual financial statements in EUR. The subsidiary in the United Kingdom prepares its annual financial statements in GBP. In accordance with Section 308a HGB, the equity of this company is translated into EUR using historical exchange rates as at the date of initial consolidation. All other balance sheet items are translated into EUR using the average spot exchange rate as at the balance sheet date. The items in the income statement are translated using the average spot exchange rate for the Group's proportionate financial year. Any resulting exchange differences are reported by the Group within consolidated equity under 'foreign currency translation differences'.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are calculated pursuant to Section 274 and Section 306 HGB.

Uniform accounting policies

Interest on borrowings is generally not taken into account.

Intangible assets acquired for a consideration are recognised at cost.

Provided the use of assets acquired for a consideration is limited in time, they are written down on a straight-line basis over their expected useful lives of three to seven years.

Hidden reserves and charges were identified, valued and allocated as part of a purchase price allocation conducted in the course of acquisition of Boxine GmbH. The excess amount is recognised as goodwill in the amount of KEUR 165,803 and amortised over the expected useful life of 10 years. The useful life was determined based on the assumptions regarding the usability of the benefits from the acquisition taking into account the market potential and the foreign expansion that has already been initiated.

Assets were identified as hidden reserves in the purchase price allocation and valued using the following approaches:

The value of the brand was determined on the basis of the relief from royalty method; the technology bundle and order backlog were valued using the residual value method. KEUR 124,883 in intangible fixed assets was recognised in the year under review.

Furthermore, finished goods were revalued. The valuation was based on the selling price less an appropriate profit margin of the products, which was determined on the basis of the respective intercompany transfer prices of Boxine GmbH.

The valuation methods result in expected useful lives of 15 years for the brand and the technology bundle, while the order backlog is written down in the year of acquisition and finished goods are valued on the reporting date at group cost.

Property, plant and equipment are measured at cost less depreciation – where subject to depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, ranging from 3 to 10 years for technical equipment and machinery and 3 to 10 years for other equipment, operating and office equipment.

Depreciation of moveable assets added in the course of first-time consolidation is continued in accordance with the separate financial statements of the consolidated companies.

Low-value assets costing up to EUR 800.00 are written down in full in the year of their acquisition.

Inventories are stated at cost. If the fair market values are lower as at the balance sheet date, these lower values are recognised.

Reductions in value due to limited marketability of items are taken into account by means of write-downs. Write-downs are based on the required expenses to restore the items to their full marketability.

Receivables and other assets are stated at cost. If a lower fair value arises as at the balance sheet date, this value is recognised.

Receivables denominated in foreign currency are valued at the European Central Bank's closing rate as at the balance sheet date.

Risks related to trade receivables are accounted for through appropriate specific and general allowances.

Cash and cash equivalents are recognised at nominal value. Reserves denominated in foreign currency are translated at the average spot exchange rate as at the reporting date.

Provisions are valued at the settlement amount deemed necessary based on prudent commercial judgement.

Liabilities are recognised at their settlement amount. Liabilities denominated in foreign currency are valued at the European Central Bank's closing rate as at the balance sheet date.

The income statement is prepared using the nature of expense method.

Expenses and income are recognised at nominal value.

Expenses and income denominated in foreign currency are translated into EUR at the European Central Bank's closing rate on the date of recognition.

Differences arising from the European Central Bank's closing rate used on the date of recognition and the rate used on payment of the foreign currency amount are recognised as exchange rate differences within the cost of materials, as transactions denominated in foreign currency are attributable to the cost of materials.

Notes to the balance sheet

Movements in individual items of fixed assets are shown in the attached statement of movements in fixed assets.

All trade receivables and other assets have a remaining term of one year or less.

The Company's share capital amounts to KEUR 100 and is fully paid. There are non-controlling interests in the subsidiary amounting to 15.49%.

As part of further planned changes in ownership interests at shareholder level after the reporting date, contributions to the capital reserve in the amount of EUR 9.9 million are anticipated. As at the reporting date, however, these contributions had not yet been finalised for financial reporting purposes. These transactions will not change the share capital.

Other provisions total KEUR 19,234 and break down as follows:

<u>Other provisions</u>	<u>KEUR</u>
Licences	17,162
Advertising allowance	705
Provision for warranty	693
Customer bonuses	283
Leave provisions	118
Other personnel provisions	48
Financial statements and audit	38
Other provisions	190

Provisions for licences include a provision recognised for the first time for disputed fees for prior years in the amount of KEUR 2,176 and for the current financial year in the amount of KEUR 1,845.

The following collateral was provided to secure liabilities to banks totalling KEUR 7,500:

- Assignment of ownership of Boxine Sales DAB GmbH's warehouse (with changing inventory) as security

As at 31 December 2019, the Group has the following available credit lines:

<u>Lender</u>	<u>Type of credit</u>	<u>Amount of credit line (EUR)</u>	<u>Interest rate in % per annum</u>
Bankhaus Lampe	Current account - master	4,000,000.00	4.95%
Commerzbank	Current account / Guarantee	2,500,000.00	4.95%
Deutsche Bank	Current account - master	6,500,000.00	4.95%
National Bank	Current account - master	3,000,000.00	4.95%
Volksbank Düsseldorf / Neuss	Current account - master	1,500,000.00	4.95%

The following statement of liabilities provides information on the composition of liabilities and their remaining terms:

<u>in thousands of euros (KEUR)</u>	<u>Total</u>	<u>thereof with a remaining term of</u>		
		<u>less than 1 year</u>	<u>1 to 5 years</u>	<u>more than 5 years</u>
Liabilities to banks	7,500	7,500		
Trade payables	12,605	12,605		
Liabilities to shareholder	1,810		1,810	
Other liabilities	38,768		38,768	
Tax liabilities	2,540	2,540		
Social security liabilities	7	7		

As at the reporting date, the Company held forward exchange contracts to hedge foreign exchange risks, obliging it to purchase US dollars at the fixed date and fixed exchange rate. The fair value of the concluded transactions was KEUR -97 as at the balance sheet date.

The following breakdown shows the composition of deferred tax assets and liabilities.

Deferred tax assets and liabilities

<u>Balance sheet item</u>	<u>Initial value / KEUR</u>	<u>Net value of deferred tax assets/liabilities 31 Dec. 2019 / KEUR</u>
Deferred tax assets	13,718	4,283
Deferred tax liabilities	122,162	36,649

The tax rate of deferred tax assets corresponds to the average German tax rate of 31.225%, while the rate for deferred tax liabilities amounts to 30% for assets arising from purchase price allocation. For reasons of

materiality, the respective company-specific tax rate was not used for the assets arising from purchase price allocation; instead, a uniform tax rate of 30% was applied in accordance with German Accounting Standard (GAS) 18.42.

Other financial obligations are shown in the following table:

<u>Future rental and lease commitments</u>	<u>KEUR</u>
Due within one year	950
Due in one to five years	2,552
Due after more than five years	3,177
Total	<u>6,679</u>

Notes to the income statement

External sales by region are broken down as follows:

Germany	EUR 42.5 million
Remaining European Union	EUR 3.1 million
Rest of Europe	EUR 0.9 million
Other countries	—

Social security costs of KEUR 32 relate to pensions and other benefits.

Other operating expenses mainly relate to the following items:

	<u>KEUR</u>
Licence fees	7,334
Distribution costs/warehousing costs	3,942
Legal and advisory fees	978
Advertising expenses	974
Insurance and contributions	954

Expenses for licences include provisions recognised for disputed fees for the short financial year 2019 in the amount of KEUR 833.

Notes to the statement of cash flows

Cash and cash equivalents shown in the statement of cash flows comprise the balance sheet item B.III presented under assets.

Significant events after the end of the financial year

Boxine Sales DAB GmbH, Boxine Productions GmbH and Boxine Development GmbH were merged into Boxine GmbH with effect from 1 January 2020.

Other disclosures

The total fee invoiced by the group auditor of KEUR 39 solely relates to audit services.

An average of 116.3 persons were employed in the Group and break down as follows:

<u>Employees within Group</u>	<u>Average number</u>
Full-time employees, excluding senior staff	94.2
Part-time employees, excluding senior staff	19.1
Managerial staff	3.0

There were no related party transactions that were not carried out at arm's length conditions.

Managing Directors of A. VI Holding GmbH are:

- Philipp Hassanzadeh, Managing Director, Munich (from 12 July 2019 until 27 August 2021)
- Christian Bailly, Managing Director, Munich (from 12 July 2019 until 21 July 2021)
- Dr Björn-Eric Förster, Managing Director, Munich (from 21 July 2021)
- Leopold Walde, Managing Director, Munich (from 27 August 2021)

The Company's managing directors receive no remuneration from the Company. Leopold Walde and Dr Björn-Eric Förster are not involved in the operational management of Boxine GmbH and its subsidiaries.

With reference to Section 314 (3) sentence 2 in conjunction with Section 286 (4) HGB, the total remuneration of management is not disclosed.

Düsseldorf, 11 November 2021

A. VI Holding GmbH (Group)

Dr Björn-Eric Förster, Managing Director

Leopold Walde, Managing Director

A. VI Holding GmbH (Group) - Movements in fixed assets 2019

	Accumulated amortisation, depreciation and write-downs										Book value		
	12 July	Additions	First-time consolidation	Reclassifications	31 Dec.	12 July	Additions	First-time consolidation	Disposals	Reclassifications	31 Dec.	12 July	31 Dec.
I. Intangible assets													
1. Industrial property and similar rights and assets, as well as licences to such rights and assets		1,054,653.38	128,868,183.38	187,809.28	130,110,646.04		3,050,963.41	459,815.33			3,510,778.74	0.00	126,599,867.30
2. Goodwill			165,803,202.87	-651,594.96	165,803,202.87		4,145,080.07				4,145,080.07	0.00	161,658,122.80
3. Advance payments	0.00	1,054,653.38	295,322,981.21	-463,785.68	295,913,848.91	0.00	7,196,043.48	459,815.33	0.00	0.00	7,655,858.81	0.00	288,257,990.10
II. Property, plant and equipment													
1. Technical equipment and machinery		169,226.28	1,756,700.11	298,050.00	2,223,976.39		54,504.73	691,332.07			745,836.80	0.00	1,478,139.59
2. Other equipment, operating and office equipment		49,475.26	506,979.08	188,145.99	744,600.33		88,719.68	326,751.33			415,471.01	0.00	329,129.32
3. Advance payments	0.00	218,701.54	2,286,089.50	-22,410.31	2,968,576.72	0.00	143,224.41	1,018,083.40	0.00	0.00	1,161,307.81	0.00	1,807,268.91
III. Financial assets													
Shares in affiliated companies	0.00	188,221,427.43	-188,221,427.43	0.00	0.00		0.00	0.00			0.00	0.00	0.00
	0.00	188,221,427.43	-188,221,427.43	0.00	0.00		0.00	0.00			0.00	0.00	0.00
Total fixed assets	0.00	189,494,782.35	109,387,643.28	0.00	298,882,425.63	0.00	7,339,267.89	1,477,898.73	0.00	0.00	8,817,166.62	0.00	290,065,259.01

A. VI Holding GmbH (Group)

Statement of changes in equity 2019

	Subscribed capital		PARENT COMPANY			Non-Controlling interests			Consolidated equity	
	Subscribed capital	uncalled	Capital reserve pursuant to Section 272 (2)(1) HGB	Foreign currency translation differences	Consolidated net income/loss	Total	prior to foreign currency and net income/loss	Foreign currency translation differences	Consolidated net income/loss	Total
Balance at 12 July 2019	25,000.00	-12,500.00	193,177,337.00	—	193,252,337.00	12,500.00	32,333,436.10	—	—	12,500.00
Issue of shares	75,000.00	—	—	—	12,500.00	12,500.00	—	—	—	225,585,773.10
Uncalled outstanding contributions	—	12,500.00	—	—	—	—	—	—	—	12,500.00
Distribution	—	—	—	—	-135,822.71	-135,822.71	—	—	—	-135,822.71
Foreign currency translation	—	—	—	-31,313.55	-31,313.55	-31,313.55	5,739.86	-5,739.86	—	-37,053.41
Consolidated net/loss income for the year	—	—	—	—	—	—	2,162,297.75	-2,162,297.75	-2,162,297.75	-11,829,353.56
Balance at 31 December 2019	100,000.00	—	193,177,337.00	-31,313.55	181,280,847.18	-11,829,353.56	34,501,473.71	-5,739.86	-2,162,297.75	213,614,283.28

A. VI Holding GmbH (Group) - Statement of cash flows

	<u>Reporting year</u>	<u>Opening balance</u>
1. Consolidated profit/loss for the period (consolidated net income/net loss for the financial year) including share of profit of non-controlling interests	-13,991,651.31	0.00
2. +/- Depreciation/amortisation/(reversal of) impairment losses on fixed assets	7,339,267.89	0.00
3. +/- Increase/decrease in provisions	6,389,996.71	0.00
4. +/- Other non-cash expenses/income	4,934,520.34	0.00
4. -/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	16,992,141.32	0.00
5. +/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-12,871,964.51	0.00
6. +/- Interest expense/income	891,400.40	0.00
7. +/- Income tax expense/income	-11,017,509.26	0.00
8. = Cash flows from operating activities (sum of items 1-7) . . .	-1,333,798.42	0.00
9. - Acquisition of intangible assets	-1,054,653.38	0.00
10. - Acquisition of property, plant and equipment	-218,701.54	0.00
11. - Acquisition of consolidated entities	-227,727,286.24	0.00
12. = Cash flows from investing activities (sum of items 9-11) . . .	-229,000,641.16	0.00
13. + Proceeds from issue of share capital by shareholders of the parent entity	222,785,401.14	12,500.00
15. + Proceeds from issue of bonds and from loans and borrowings	15,000,000.00	0.00
17. - Interest paid	-306,194.93	0.00
18. - Dividends paid to shareholders of the parent entity	-271,646.14	0.00
19. = Cash flows from financing activities (sum of items 13-18)	237,207,560.07	12,500.00
Cash flows from operating activities (sum of items 1-7)	-1,333,798.42	0.00
Cash flows from investing activities (sum of items 9-11)	-229,000,641.16	0.00
Cash flows from financing activities (sum of items 13-18) . . .	237,207,560.07	12,500.00
20. + Net increase/decrease in cash and cash equivalents (sum of items 8, 12, 19)	6,873,120.49	12,500.00
21. +/- Effect of movements in exchange rates and remeasurements on cash held	-37,053.41	0.00
22. + Cash and cash equivalents at the beginning of the period	12,500.00	0.00
23. = Cash and cash equivalents at the end of the period (sum of items 20-22)	6,848,567.08	12,500.00

Independent Auditor's Report

To A. VI Holding GmbH (Group), Hamburg

Audit Opinions

I have audited the consolidated financial statements of A. VI Holding GmbH, which comprise

- the consolidated statements of financial position as at 31 December 2019
- the consolidated statement of profit and loss statement for the financial year from 12 July to 31 December 2019
- the notes to the consolidated financial statements for financial year 2019
- the consolidated statement of cash flows for financial year 2019
- the consolidated statement of changes in equity for financial year 2019

including the presentation of the recognition and measurement policies. In addition, I have audited the group management report for the financial year.

In my opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2019 and of its financial performance for the financial year from 12 July 2019 to 31 December 2019, in accordance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code (HGB), I declare that my audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

I conducted my audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits. My responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of my auditor's report.

I am independent of the group entities in accordance with the requirements of German commercial and professional law, and I have fulfilled my other German professional responsibilities in accordance with these requirements. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions on the consolidated financial statements and on the group management report.

Responsibilities of The Management for the Consolidated Financial Statements and the Group Management Report

The management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the. In addition, the management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an independent auditor's report that includes my audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards of Financial Statement Audits will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify my respective audit opinions. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the management in the group management report. On the basis of sufficient appropriate audit evidence I evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. I do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Düsseldorf, 15th of November 2021

(German original signed by)

Dipl.-Kfm. Günther Rolf Rotteveel
Wirtschaftsprüfer
(German Public Auditor)

**Audited consolidated financial statements of Boxine GmbH
prepared in accordance with German Commercial Code (*Handelsgesetzbuch*)
as of and for the financial year ended December 31, 2019**

1.1 Consolidated balance sheet

ASSETS		EQUITY AND LIABILITIES		
		Reporting year EUR	EUR	Prior year EUR
A. Fixed assets				
I.	Intangible assets	4,438,099.66		64,097.00
	Industrial property rights and similar rights and assets as well as licences to such rights and			9,008,007.14
II.	Property, plant and equipment			—
I.	Technical equipment and machinery ...	1,478,139.59		-5,802,591.49
2.	Other equipment, operating and office	329,129.32	1,807,268.91	1,782,593.99
III.	Financial assets			
	Investments	—	6,245,368.57	20,434,627.35
B. Current assets				
I.	Inventories			
I.	Raw materials and supplies	2,643,972.17		7,499,835.49
2.	Work in process	1,075,455.06		12,434,674.88
3.	Finished goods and merchandise	8,973,401.91	12,692,829.14	—
II.	Receivables and other assets			
I.	Trade receivables	17,298,476.80		1,451,185.52
2.	Receivables from affiliated companies	—		2,540,183.24
3.	Other assets	1,016,280.34	18,314,757.14	23,925,879.13
III.	Cash and cash equivalents	807,281.81	31,814,868.09	43,257,240.73
C. Prepaid expenses		913,554.03	2,529,103.48	37,296,714.91
D. Deferred tax assets		4,283,450.04	—	—
		43,257,240.73	37,296,714.91	—
A. Equity				
I.	Subscribed capital	5,016,965.81		64,097.00
II.	Capital reserve			9,008,007.14
III.	Foreign currency translation differences			-55,613.21
IV.	Retained earnings/accumulated deficit	1,097,874.00		-4,341,058.84
V.	Net income/loss for the year	167,898.00	1,807,268.91	-5,778,697.84
B. Provisions				
I.	Tax provisions	112.56	1,200,513.00	17,895.00
2.	Other provisions	—	19,234,114.35	4,005,295.54
C. Liabilities				
I.	Liabilities to banks	1,996,266.49	7,499,835.49	9,897,237.22
2.	Trade payables	629,928.02	12,434,674.88	15,519,664.71
3.	Liabilities to affiliated companies	11,448,895.89	—	15,389.67
4.	Liabilities to shareholders		1,451,185.52	1,378,821.14
5.	Other liabilities	13,622,742.92	2,540,183.24	1,410,304.99
	thereof for taxes: 2,539,736.36 (1,210,804.48)	366,383.70		
	thereof for social security: 7,268.90 (4,818.59)	349,327.61		

1.2 Consolidated income statement

	Financial year		Prior year
	EUR	EUR	EUR
1. Revenue		101,653,588.02	60,528,316.31
2. Increase or decrease in finished goods and work in process		-2,029,966.94	11,236,622.14
3. Other own work capitalised		—	732,261.61
3. Other income		847,963.94	98,810.90
4. Cost of materials			
a) Cost of raw materials, supplies and purchased goods	-54,857,902.19		-47,690,348.17
b) Cost of purchased services	-742,373.48	-55,600,275.67	-607,558.25
5. Personnel expenses			
a) Wages and salaries	-5,535,905.20		-3,033,320.88
b) Social security, pension and other benefits	-1,204,591.19	-6,740,496.39	-661,754.18
thereof for pensions: EUR 39,456.89			
6. Amortisation, depreciation and write-downs of intangible assets and property, plant and equipment		-1,366,332.14	-1,116,801.80
7. Other operating expenses		-44,439,500.90	-16,837,048.92
8. Other interest and similar income		—	9,252.09
9. Interest and similar expenses		-1,204,469.93	-857,941.86
10. Income taxes		3,100,792.17	-17,895.00
11. Earnings after taxes		-5,778,697.84	1,782,593.99
12. Net income/loss for the financial year		-5,778,697.84	1,782,593.99

1.3 Consolidated statement of cash flow

	<u>Reporting year</u>	<u>Prior year</u>
1. Consolidated profit/loss for the period including share of profit of non-controlling interests	-5,778,697.84	1,782,593.99
2. +/- Depreciation/amortisation/(reversal of) impairment losses on fixed assets	1,366,332.14	1,116,801.80
3. +/- Increase/decrease in provisions	15,228,818.81	3,736,813.26
4. +/- Other non-cash expenses/income	2,999,624.65	0.00
5. +/- Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-7,719,829.29	-22,999,671.01
6. +/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-4,295,538.60	10,611,450.09
7. +/- Gain/loss on disposal of fixed assets	1,103,438.41	15,609.99
8. +/- Interest expense/income	1,204,469.93	848,689.77
9. +/- Income tax expense/income	-1,918,174.17	17,895.00
10. +/- Income taxes paid	0.00	-17,895.00
11. = Cash flows from operating activities	<u>2,190,444.04</u>	<u>-4,887,712.11</u>
12. - Acquisition of intangible assets	-1,325,578.69	-2,498,921.38
13. - Acquisition of property, plant and equipment	-1,105,478.36	-744,774.21
14. - Acquisition of financial assets	0.00	-112.56
15. + Interest received	0.00	9,252.09
16. = Cash flows from investing activities	<u>-2,431,057.05</u>	<u>-3,234,556.06</u>
17. + Proceeds from issue of share capital by shareholders of the Parent Company	0.00	500,111.04
18. + Proceeds from issue of bonds and from loans and borrowings	0.00	10,315,590.97
19. - Interest paid	-1,103,302.41	-857,941.86
20. = Cash flows from financing activities	<u>-1,103,302.41</u>	<u>9,957,760.15</u>
Cashflow aus der laufenden Geschäftstätigkeit	2,190,444.04	-4,887,712.11
Cashflow aus Investitionstätigkeit	-2,431,057.05	-3,234,556.06
Cashflow aus der Finanzierungstätigkeit	-1,103,302.41	9,957,760.15
21. + Net increase/decrease in cash and cash equivalents	<u>-1,343,915.42</u>	<u>1,835,491.98</u>
22. +/- Consolidation-related changes	-322,293.04	0.00
23. +/- Effect of movements in exchange rates and remeasurements on cash held	-55,613.21	0.00
24. + Cash and cash equivalents at the beginning of the period	2,529,103.48	693,611.50
25. = Cash and cash equivalents at the end of the period (sum of items 44-47)	<u>807,281.81</u>	<u>2,529,103.48</u>

1.4 Consolidated equity reconciliation

	Subscribed capital	Capital reserve	Foreign currency translation differences	Retained earnings/ accumulated deficit brought forwards	Consolidated net income/loss	Total
	EUR	EUR		EUR	EUR	EUR
As at 1 Jan. 2019	64,097.00	9,008,007.14		-5,802,591.49	1,782,593.99	5,052,106.64
Foreign currency translation			-55,613.21			-55,613.21
Other changes				1,782,593.99	-1,782,593.99	—
Change in the scope of consolidation				-321,061.34		-321,061.34
Profit/loss for the period					-5,778,697.84	-5,778,697.84
As at 31 Dec. 2019	<u>64,097.00</u>	<u>9,008,007.14</u>	<u>-55,613.21</u>	<u>-4,341,058.84</u>	<u>-5,778,697.84</u>	<u>-1,103,265.75</u>

1.5 Notes to the consolidated financial statements

General information

The Parent Company of the Group is Boxine GmbH, Grafenberger Allee 120, 40237 Düsseldorf. The Company is registered in the Commercial Register of the Düsseldorf District Court, Section B, under no. 71733.

The consolidated balance sheet and the consolidated income statement are structured in accordance with the provisions specified in Sections 266 and 275 of the German Commercial Code [HGB], respectively.

Accounting policies are based on the statutory provisions set out in Sections 238 et seqq. and Sections 264 et seqq. HGB. In addition to this, the provisions of the German Limited Liability Companies Act [GmbHG] were observed. The German Accounting Standards (GAS) were also applied.

Preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with Sections 290 et seqq. HGB and in accordance with the relevant provisions of the GmbHG. In addition to the Parent Company, the following companies are included in the consolidated financial statements:

Boxine Sales DAB GmbH, Düsseldorf, 100% shareholding (from 1 January 2018)
Boxine Productions GmbH, Düsseldorf, 100% shareholding (from 1 January 2018)
Boxine Development GmbH, Düsseldorf, 100% shareholding (from 1 January 2018)
Boxine UK Ltd., Bishop's Stortford, UK, 100% shareholding (from 1 January 2019)

A. VI Holding GmbH, Munich, prepares consolidated financial statements for the largest group of companies in which Boxine GmbH as sub-subsidiary is included. These consolidated financial statements are published in the German Federal Gazette [Bundesanzeiger].

Consolidation methods

All companies were included in the consolidated financial statements by way of full consolidation. The following consolidation methods were applied in the financial year.

Uniform accounting

Uniform accounting policies have been applied in preparing the financial statements of consolidated companies.

Capital consolidation

The revaluation method in accordance with Section 301 HGB was used for the capital consolidation of all consolidated companies. The book value of the investment was compared with the fair value of the assets less liabilities at the date of acquisition.

Consolidation of intercompany accounts

Intercompany payables and receivables are eliminated pursuant to Section 303 (1) HGB by offsetting all receivables and liabilities between companies included in the consolidated financial statements at their nominal value. Any differences from foreign currency translation are recognised by the Group within consolidated equity as "foreign currency translation differences".

Elimination of intercompany profits

Unrealised gains arising from transactions within the Group were eliminated.

Consolidation of income and expenses

Revenue from intercompany sales and other intercompany income has been offset against the corresponding expenses, with the result that the consolidated income statement now generally only shows

expenses and income from transactions with non-consolidated companies and external third parties. Any differences from foreign currency translation are recognised by the Group within consolidated equity as “foreign currency translation differences”.

Foreign currency translation

The Parent Company and the German subsidiaries prepare their annual financial statements in EUR. The subsidiary in the United Kingdom prepares its annual financial statements in GBP. In accordance with Section 308a HGB, the equity of this company is translated into EUR using historical exchange rates as at the date of initial consolidation. All other balance sheet items are translated into EUR using the average spot exchange rate as at the balance sheet date. The items in the income statement are translated using the average spot exchange rates of the Group’s financial year. Any exchange differences that occurred within consolidated equity are reported under the designation “foreign currency translation differences”.

Deferred taxes

Deferred taxes are calculated pursuant to Section 274 and Section 306 HGB.

Uniform accounting policies

Interest on borrowed capital is generally not included for valuation.

Intangible assets acquired for a consideration are recognised at cost.

Provided the use of assets acquired for a consideration is limited in time, they are written down on a straight-line basis over their expected useful lives of three to seven years.

Property, plant and equipment are measured at cost less depreciation – where subject to depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, ranging from 3 to 10 years for technical equipment and machinery and 3 to 10 years for other equipment, operating and office equipment. Internally generated intangible assets are not capitalised.

Low-value assets costing up to EUR 800.00 are written off in full in the year of their acquisition.

Inventories are stated at the Group’s cost. If the current market values are lower as at the balance sheet date, these lower values are recognised.

Impairment due to limited marketability of items is taken into account by means of write-downs. Write-downs are calculated by using the required expenses to restore the items to their full marketability.

Receivables and other assets are stated at cost. If a lower fair value arises as at the balance sheet date, this value is recognised.

Receivables denominated in foreign currency are valued at the European Central Bank’s closing rate as at the balance sheet date.

Risks related to trade receivables are accounted for through appropriate specific and general allowances.

Cash and cash equivalents are recognised at nominal value. Reserves denominated in foreign currency are translated at the average spot exchange rate as at the reporting date.

Provisions are valued at the settlement amount deemed necessary based on prudent commercial judgement.

Liabilities are recognised at their settlement amount. Liabilities denominated in foreign currency are valued at the European Central Bank’s closing rate as at the balance sheet date.

The income statement is prepared using the nature of expense method.

Expenses and income are recorded at nominal values.

Expenses and income denominated in foreign currency are translated into EUR at the European Central Bank's closing rate on the date of recognition.

Differences arising from the European Central Bank's closing rate used on the date of recognition and the rate used on payment of the foreign currency amount are recognised as exchange rate differences within the cost of materials, as transactions denominated in foreign currency are to be allocated to the cost of materials.

Explanatory notes on the balance sheet

Movements in individual items of fixed assets are shown in the attached statement of movements in fixed assets.

All trade receivables and other assets have a remaining term to maturity of up to one year.

Other provisions total KEUR 19,234 (PY: KEUR 4,005) and are broken down as follows:

<u>Other provisions of the Group</u>	<u>2019 KEUR</u>	<u>2018 KEUR</u>
Licences	17,162	3,492
Advertising allowance	705	235
Provision for warranty	693	
Customer bonuses	283	50
Leave provisions	118	118
Other personnel provisions	48	7
Financial statements and audit	35	55
Other provisions	190	48

Provisions for licences include a one-time provision recognised for disputed fees for prior years in the amount of KEUR 2,176 and for the current financial year in the amount of KEUR 1,845.

All liabilities are due within one year.

To provide cover for the liabilities to banks totalling KEUR 7,500, the following collateral was made available:

- Assignment of ownership of warehouse (with changing inventory) of Boline Sales DAB GmbH

As at 31 December 2019, the Group has the following available credit lines:

<u>Lender</u>	<u>Type of loan</u>	<u>Amount of credit line (EUR)</u>	<u>Interest rate in % per annum</u>
Bankhaus Lampe	Current account - master	4,000,000.00	4.95%
Commerzbank	Current account / Guarantee	2,500,000.00	4.95%
Deutsche Bank	Current account - master	6,500,000.00	4.95%
National Bank	Current account - master	3,000,000.00	4.95%
Volksbank Düsseldorf / Neuss	Current account - master	1,500,000.00	4.95%

There are no further liabilities that are secured by liens or similar rights.

The Company is the holder of forward exchange contracts to hedge exchange rate risks, which oblige it to purchase US dollars at the fixed date and fixed exchange rate. The fair value of the concluded transactions amounted to KEUR -97 as at the balance sheet date.

The following statement shows the composition and development of deferred taxes.

Deferred taxes

<u>Balance sheet item</u>	<u>Initial value / KEUR</u>	<u>Net value deferred taxes 31 Dec. 2019 / KEUR</u>
Deferred tax assets		
Elimination of intercompany profits	13,275	4,145
Hidden liabilities	443	138
Total		<u>4,283</u>

The tax rate of deferred tax assets corresponds to the average German tax rate of 31.225%.

Other financial obligations are shown in the following table:

<u>Future obligations arising from rental and lease agreements</u>	<u>KEUR</u>
Due within one year	950
Due in one to five years	2,552
Due after more than five years	3,177
Total	<u>6,679</u>

Explanatory notes on the income statement

External sales by region are broken down as follows:

Germany	EUR 93.9 million
Remaining European Union	EUR 5.7 million
Rest of Europe	EUR 2.0 million
Other countries	./.

Social security costs of KEUR 112 relate to pensions and other benefits.

Other operating expenses mainly relate to the following items:

	<u>KEUR</u>
Licence fees	21,979
Distribution costs / warehouse costs	7,790
Advertising expenses	5,872
Insurance and contributions	1,956
EDP costs	1,261
Legal and advisory fees	727

Expenses for licences include the recognition of provisions for disputed fees in the amount of KEUR 4,021. Further, the derecognition of internally generated intangible assets in the amount of EUR 1 million was recorded in other operating expenses.

Explanatory notes on the statement of cash flows

Line 22: Consolidation-related changes relate to the first-time consolidation of Boxine UK Ltd.

Line 25: Cash and cash equivalents comprise the balance sheet item BIII under assets.

Significant events after the end of the financial year

Boxine Sales DAB GmbH, Boxine Productions GmbH and Boxine Development GmbH were merged into Boxine GmbH with effect from 1 January 2020.

Other disclosures

The total fee invoiced by the group auditor of KEUR 37 solely relates to audit services.

An average of 118 persons were employed in the Group and distributed as follows:

<u>Employees within Group</u>	<u>Average number</u>
Full-time employees, excluding senior staff	96.9
Part-time employees, excluding senior staff	19.1
Senior staff	2.0

There were no related party transactions that were not carried out at arm's length conditions.

The Managing Directors of Boxine GmbH and its subsidiaries are:

- Patric Faßbender, Managing Director, Düsseldorf
- Marcus Stahl, Managing Director, Düsseldorf

With reference to Section 314 (3) sentence 2 in conjunction with Section 286 (4) HGB, the total remuneration of management is not disclosed.

Management has proposed that the net income of Boxine GmbH be carried forward to the following year.

Düsseldorf, 1 June 2021

Boxine GmbH (Group)

Patric Faßbender, Managing Director

Marcus Stahl, Managing Director

Appendix to 1.5 – Consolidated statement of movements in fixed assets

	Cost						Accumulated amortisation, depreciation and write-downs						Amount	
	First-time consolidation		Disposals		Reclassifications		First-time consolidation		Disposals		Reclassifications		1 Jan.	31 Dec.
	1 Jan.	31 Dec.	Additions	1,142,438.41	Reclassifications	31 Dec.	1 Jan.	31 Dec.	Additions	Disposals	Reclassifications	31 Dec.	1 Jan.	31 Dec.
Industrial property and similar rights and assets, as well as licences to such rights and assets	6,611,764.77		1,325,578.69	-1,142,438.41		6,794,905.05	1,594,798.96		801,006.43	-39,000.00		2,356,805.39	5,016,965.81	4,438,099.66
Technical equipment and machinery	1,413,307.32		758,872.32			2,172,179.64	315,433.32		378,606.73			694,040.05	1,097,874.00	1,478,139.59
Other equipment, operating and office equipment	234,778.72		346,606.04			583,320.39	66,880.72	591.37	186,718.98			254,191.07	167,898.00	329,129.32
Shares in affiliated companies	0.00				112.56	0.00						0.00	0.00	0.00
Investments	112.56				-112.56	0.00						0.00	112.56	0.00
	8,259,963.37		2,431,057.05	-1,142,438.41	0.00	9,550,405.08	1,977,113.00	591.37	1,366,332.14	-39,000.00	0.00	3,305,036.51	6,282,850.37	6,245,368.57

1.6 Independent Auditor's Report

The following English-language translation of the German-language independent auditor's report (Bestätigungsvermerk des unabhängigen Abschlussprüfers) refers to the consolidated financial statements, prepared in accordance with the German Commercial Code ("Handelsgesetzbuch"), as well as the group management report, which was combined with the management report of the Company ("Combined Management Report"), prepared on the basis of German commercial law (HGB), of Boxine GmbH, Düsseldorf, as of and for the fiscal year ended December 31, 2019 as a whole and not solely to the consolidated financial statements presented in this Prospectus on the preceding pages. The Combined Management Report is not part of this Prospectus.

To Boxine GmbH (Group), Düsseldorf

Audit Opinions

I have audited the consolidated financial statements of Boxine GmbH, which comprise

- the consolidated statements of financial position as at 31 December 2019
- the consolidated statement of profit and loss statement for the financial year from 1 January to 31 December 2019
- the notes to the consolidated financial statements for financial year 2019
- the consolidated statement of cash flows for financial year 2019
- the consolidated statement of changes in equity for financial year 2019

including the presentation of the recognition and measurement policies. In addition, I have audited the group management report for the financial year.

In my opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2019 and of its financial performance for the financial year from 1 January 2019 to 31 December 2019, in accordance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code [HGB], I declare that my audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

I conducted my audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits. My responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of my auditor's report. I am independent of the group entities in accordance with the requirements of German commercial and professional law, and I have fulfilled my other German professional responsibilities in accordance with these requirements. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions on the consolidated financial statements and on the group management report.

Responsibilities of The Management for the Consolidated Financial Statements and the Group Management Report

The management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the. In addition, the management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an independent auditor's report that includes my audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards of Financial Statement Audits will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I

conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify my respective audit opinions. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the management in the group management report. On the basis of sufficient appropriate audit evidence I evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. I do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Düsseldorf, 20th of July 2021

[German original signed by]

Dipl.-Kfm. Günther Rolf Rotteveel
Wirtschaftsprüfer
[German Public Auditor]

**Audited consolidated financial statements of Boxine GmbH
prepared in accordance with German Commercial Code (*Handelsgesetzbuch*)
as of and for the financial year ended December 31, 2018**

1.1 Consolidated balance sheet

ASSETS	31 December 2018		EQUITY AND LIABILITIES	
	EUR	EUR	EUR	EUR
A. Fixed assets			A. Equity	
I. Intangible assets			I. Subscribed capital	64,097.00
1. Industrial property and similar rights and assets as well as licences to such rights and assets	5,016,965.81	5,016,965.81	II. Capital reserve	9,008,007.14
II. Property, plant and equipment	1,097,874.00		III. Accumulated deficit brought forward	-5,802,591.49
1. Technical equipment and machinery	167,898.00	1,265,772.00	IV. Net income for the year	1,782,593.99
2. Other equipment, operating and office equipment				5,052,106.64
III. Financial assets			B. Provisions	
1. Investments	112.56	112.56	1. Tax provisions	17,895.00
			2. Other provisions	4,005,295.54
		6,282,850.37	C. Liabilities	
B. Current assets			1. Liabilities to banks	9,897,237.22
I. Inventories			2. Trade payables	15,519,664.71
1. Raw materials and supplies	1,996,266.49		3. Liabilities to affiliated companies	15,389.67
2. Work in process	629,928.02		4. Other liabilities	251,264.49
3. Finished goods and merchandise	11,448,895.89	14,075,090.40	5. Liabilities to shareholders	1,378,821.14
II. Receivables and other assets			6. Tax liabilities	1,159,040.50
1. Trade receivables	13,622,742.92			28,221,417.73
2. Receivables from affiliated companies	366,383.70			37,296,714.91
3. Other assets	349,327.61	14,338,454.23		
III. Cash and cash equivalents		2,529,103.48		
		30,942,648.11		
C. Prepaid expenses		71,216.43		
		37,296,714.91		

1.2 Consolidated income statement

	Reporting year	
	EUR	EUR
1. Revenue		60,528,316.31
2. Increase in finished goods and work in process		11,236,622.14
3. Other own work capitalised		732,261.61
4. Other income		98,810.90
5. Cost of materials		
a) Cost of raw materials, supplies and purchased goods	-47,690,348.17	
b) Cost of purchased services	-607,558.25	-48,297,906.42
6. Personnel expenses		
a) Wages and salaries	-3,033,320.88	
b) Social security, pension and other benefits	-661,754.18	-3,695,075.06
thereof for pensions: EUR 39,456.89		
7. Amortisation, depreciation and write-downs of intangible assets and property, plant and equipment		-1,116,801.80
8. Other operating expenses		-16,837,048.92
9. Other interest and similar income		9,252.09
10. Interest and similar expenses		-857,941.86
11. Income taxes		-17,895.00
12. Earnings after taxes		1,782,593.99
13. Net income for the year		1,782,593.99

1.3 Consolidated statement of cash flow

No.	Amount
	EUR
1. Net income for the year	1,851,488.99 €
2. + Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	1,116,801.80 €
3. - Reversals of write-downs on property, plant and equipment and intangible assets	0.00 €
4. +/- Increase/decrease in provisions	3,667,918.26 €
5. +/- Non liquidity-related income/expenses (provided not already recorded in the following items)	0.00 €
6. -/+ Increase/decrease in other assets and prepaid expenses	213,901.43 €
7. -/+ Increase/decrease in inventories	-11,236,622.14 €
8. -/+ Increase/decrease in trade receivables	-11,977,864.30 €
9. +/- Increase/decrease in trade payables, payment received and deferred income	12,023,263.36 €
10. +/- Increase/decrease in other liabilities	-252,772.77 €
11. Cash flows from operating activities	-4,593,885.37 €
12. - Capital expenditure	-2,728,088.12 €
13. Cash flows from investing activities	-2,728,088.12 €
14. + Proceeds from loans and borrowings	9,202,307.14 €
15. + Proceeds from shareholder loans	1,113,283.83
16. Cash flows from financing activities	10,315,590.97 €
17. + Cash flows from the current period	2,993,617.48 €
18. + Cash and cash equivalents at the beginning of the period	693,611.50 €
19. Cash and cash equivalents at the end of the period	3,687,228.98 €

1.4 Consolidated equity reconciliation

	<u>Subscribed capital</u>	<u>Capital reserve</u>	<u>Retained earnings/ accumulated deficit brought forward</u>	<u>Net income/ loss for the year</u>	<u>Total</u>
As at 1 Jan. 2018	63,046.00 €	8,508,947.10 €	-5,802,591.49 €		2,769,401.61 €
Payments by shareholders	1,051.00 €	499,060.04 €			500,111.04 €
Net income for the year				1,782,593.99 €	1,782,593.99 €
As at 31 Dec. 2018	<u>64,097.00 €</u>	<u>9,008,007.14 €</u>	<u>-5,802,591.49 €</u>	<u>1,782,593.99 €</u>	<u>5,052,106.64 €</u>

1.5 Notes to the consolidated financial statements

General information

The Parent Company of the Group is Boxine GmbH, Grafenberger Allee 120, 40237 Düsseldorf. The Company is registered in the Commercial Register of Düsseldorf, Section B, under no. 71733.

The notes to the annual financial statements of Boxine GmbH and the notes to the consolidated financial statements of Boxine Group are combined in accordance with Section 298 (2) of the German Commercial Code [HGB].

Preparation of the consolidated financial statements

According to Section 293 HGB the preparation of consolidated financial statements for the financial year 2018 is not mandatory. The Company has prepared these consolidated financial statements on a voluntary basis. These consolidated financial statements have been prepared in accordance with Sections 290 et seqq. HGB and in accordance with the relevant provisions of the German Limited Liability Companies Act [GmbHG]. In addition to the Parent Company, the following companies are included in the consolidated financial statements:

Boxine Sales DAB GmbH, Düsseldorf, 100% shareholding
Boxine Productions GmbH, Düsseldorf, 100% shareholding
Boxine Development GmbH, Düsseldorf, 100% shareholding

All subsidiaries consolidated in the consolidated financial statements were consolidated for the first time as at 1 January 2018.

Pursuant to Section 296 (2) HGB, Boxine UK Ltd is not included in the consolidated financial statements as it only commenced operations in October 2018 and is of minor significance for the financial year. Boxine UK Ltd therefore had no impact on the Group's assets, liabilities, financial position and financial performance.

Consolidation methods

The following consolidation methods were applied for the first time in the financial year.

Uniform accounting

Uniform accounting policies have been applied in preparing the financial statements of consolidated companies. Consequently, these are explained in the section "Accounting policies of the GmbH".

Capital consolidation

The fair value method in accordance with Section 301 HGB was used for the capital consolidation of all consolidated companies. The book value of the investment was compared with the fair value of the assets less liabilities at the date of first-time consolidation. No goodwill or negative goodwill arose from offsetting.

Consolidation of intercompany accounts

Intercompany payables and receivables are eliminated pursuant to Section 303 (1) HGB by offsetting all receivables and liabilities between companies included in the consolidated financial statements at their nominal value.

Consolidation of income and expenses (Section 305 HGB)

Revenue from intercompany sales and other intercompany income has been offset against the corresponding expenses, with the result that the consolidated income statement now generally only shows expenses and income from transactions with non-consolidated companies and external third parties.

Changes in the opening balance sheet figures

To ensure comparability of the annual financial statements with the prior year's annual financial statements, the following items are reclassified pursuant to the German implementation of the EU Accounting Directive [BilRUG] and the accounting policies of the Company:

- Prototype: KEUR 3,229 of property, plant and equipment to intangible assets
- Diverse other operating income: KEUR 1,330 from other operating income to revenue
- Gains on foreign currency translation: KEUR 132 from other operating income to cost of materials
- Expenses from foreign currency translation: KEUR 68 from other operating expenses to cost of materials
- Offsetting of other services in kind (vehicles): KEUR 12 from other operating expenses to personnel expenses
- Vehicle taxes: KEUR 1 from other taxes to other operating expenses
- Debit balances: KEUR 35 from other assets to trade payables

Accounting policies

Intangible assets acquired for a consideration are stated at cost while own work capitalised (Section 248 (2) sentence 1 HGB) is recognised at hourly rates – which include both personnel costs including incidental wage costs as well as overhead costs that can be capitalised. Development expenses for own work capitalised have been recognised since financial year 2017. No research costs are capitalised. Capitalised internally generated intangible assets are restricted from distribution in accordance with Section 268 (8) HGB.

Provided the use of intangible assets is limited in time, they are written down on a straight-line basis over their expected useful lives of three to seven years.

Property, plant and equipment are measured at cost less depreciation – where subject to depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, ranging from three to ten years for technical equipment and machinery and three to ten years for other equipment, operating and office equipment.

Amortisation and depreciation of moveable assets added in the course of first-time consolidation are being continued in accordance with the separate financial statements of the companies.

Low-value assets costing up to EUR 800.00 are written off in full in the year of their acquisition.

Financial assets are measured at their acquisition cost.

Please see the attached statement of movements in fixed assets for further information.

Inventories at the parent company Boxine GmbH are stated at cost. If their fair market value was lower as at the balance sheet date, this lower value was recognised. Inventories at the subsidiary Boxine Sales DAB GmbH are valued at the reduced transfer price.

Impairment due to limited marketability of items is taken into account by means of write-downs. Write-downs are calculated by using the required expenses to restore the items to their full marketability.

Receivables and other assets are stated at cost. If a lower fair value arises as at the balance sheet date, this value is recognised.

Receivables denominated in foreign currency are measured at the average spot rate of exchange as at the balance sheet date.

Risks related to trade receivables are accounted for through appropriate specific and general allowances.

Cash and cash equivalents are recognised at nominal value. Reserves denominated in foreign currency are translated at the average spot exchange rate as at the reporting date.

Provisions are valued at the settlement amount deemed necessary based on prudent commercial judgement.

Liabilities are recognised at their settlement amount.

Liabilities denominated in foreign currency are measured at the average spot rate of exchange as at the balance sheet date.

The income statement is prepared using the nature of expense method.

Expenses and income are recorded at nominal values.

Expenses and income denominated in foreign currency are translated into EUR at the European Central Bank's closing rate on the date of recognition.

Differences arising from the European Central Bank's closing rate used on the date of recognition and the rate used on payment of the foreign currency amount are recognised as exchange rate differences within the cost of materials, as transactions denominated in foreign currency are to be allocated to the cost of materials.

Other required disclosures

Development expenses in the amount of KEUR 732 were capitalised as own costs.

The development of individual fixed items and amortisation, depreciation and write-downs for the financial year of the Parent Company and the Group are shown separately in the attached statement of movements in fixed assets (appendix to notes).

All trade receivables as well as those from affiliated companies and other assets have a remaining term to maturity of up to one year.

Other provisions totalled KEUR 4,005 (Group) and KEUR 3,664 (Boxine GmbH). The provisions recognised under this item are listed below:

<u>Other provisions of the Group</u>	<u>KEUR</u>
Licences	3,492
Advertising allowance	235
Customer bonuses	50
Leave provisions	118
Other personnel provisions	7
Financial statements and audit	55
Other provisions	48
<u>Other provisions of Boxine GmbH</u>	<u>KEUR</u>
Licences	3,492
Leave provisions	111
Other personnel provisions	6
Financial statements and audit	30
Other provisions	25

All liabilities are due within one year.

To provide cover for the liabilities to banks totalling KEUR 9,897 (Group) and KEUR 9,897 (Boxine GmbH), the following collateral was made available:

- Assignment of ownership of warehouse (with changing inventory) of Boxine Sales DAB GmbH
- Shareholder loans in the amount of EUR 1.1 million are subject to subordination

As at 31 December 2018, the Group has the following available credit lines:

<u>Lender</u>	<u>Type of loan</u>	<u>Amount of credit line (EUR)</u>	<u>Interest rate in % per annum</u>
Bankhaus Lampe	Current account - master	1,500,000.00	4.95%
	Current account - seasonal	1,500,000.00	4.95%
Commerzbank	Current account / Guarantee	1,000,000.00	5.25%
Deutsche Bank	Current account - master	3,900,000.00	4.95%
	Current account - seasonal	2,600,000.00	4.95%
National Bank	Current account - master	500,000.00	6.00%
	Current account - seasonal	500,000.00	6.00%

The other liabilities relate to tax liabilities in the amount of KEUR 1,159 (Group) and KEUR 1,159 (Boxine GmbH and social security liabilities of KEUR 63 (Group) and KEUR 57 (Boxine GmbH)).

The Company is the holder of forward exchange contracts to hedge exchange rate risks, which oblige it to purchase US dollars at the fixed date and fixed exchange rate. The fair value of the concluded transactions amounted to KEUR 953 as at the balance sheet date.

Other financial obligations are shown in the following table:

<u>Future obligations arising from rental and lease agreements</u>	<u>KEUR</u>
Due within one year	200
Due in one to five years	2,499
Due after more than five years	3,783
Total	6,482

There are no other financial obligations outside of continuing operations or the customary scope of business that are not presented in the balance sheet or the notes.

The total fee invoiced by the group auditor of KEUR 25 (Group and Boxine GmbH) solely relates to audit services.

Income for the Group and to Boxine GmbH is broken down as follows:

<u>Income</u>	<u>Group KEUR</u>	<u>Boxine GmbH KEUR</u>
Revenue	60,528	55,340
Other operating income from affiliated companies		4,401
Income relating to other periods	80	3
Income from reversals of provisions	15	12
Other	4	3

External sales by group company are broken down as follows:

Boxine Sales DAB GmbH,	EUR 60.5 million
Boxine Productions GmbH,	/.
Boxine Development GmbH,	/.
Boxine GmbH	/.

External sales by region are broken down as follows:

Germany	EUR 56.2 million
Remaining European Union	EUR 2.8 million
Rest of Europe	EUR 1.5 million
Other countries	/.

Social security costs of KEUR 39 (Group and Boxine GmbH) relate to pensions and other benefits.

Other operating expenses mainly relate to the following items:

<u>Items of other operating expenses</u>	<u>Group KEUR</u>	<u>Boxine GmbH KEUR</u>
Licence fees	5,651	5,651
Distribution costs / warehouse costs	5,207	3,456
Advertising expenses	2,099	1,116
EDP costs	752	749
Insurance and contributions	745	145
Legal and advisory fees	447	413

The headcount as at 31 December 2018 amounted to 95 employees. Thereof, 83 are full-time employees, which includes nine senior staff inclusive of management, and 20 student temporary staff and other employees. The majority of employees work at the head office in Düsseldorf, while nine employees have their place of work at another location in Schwäbisch Gmünd.

An average of 53.8 persons were employed in the Group and distributed across the companies as follows:

<u>Employees within Group</u>	<u>Average number</u>
Boxine GmbH	46.6
Boxine Sales DAB GmbH	7.2
Boxine Productions GmbH	0
Boxine Development GmbH	0

There were no related party transactions that were not carried out at arm's length conditions.

The Managing Directors of Boxine GmbH and its subsidiaries are:

- Patric Faßbender, Managing Director, Düsseldorf
- Marcus Stahl, Managing Director, Düsseldorf

Disclosure of the remuneration paid to the managing directors is waived in accordance with Section 286 (4) HGB.

Management proposes carrying forward the net income of Boxine GmbH to the following year.

Düsseldorf, 30 June 2019

Boxine GmbH

Patric Faßbender, Managing Director

Marcus Stahl, Managing Director

Appendix to 1.5 – Consolidated statement of movements in fixed assets

	Cost			Accumulated amortisation, depreciation and write-downs			Amount					
	1 Jan.	Additions	Disposals	Reclassifications	31 Dec.	1 Jan.	Additions	Disposals	Reclassifications	31 Dec.	1 Jan.	31 Dec.
Industrial property and similar rights and assets, as well as licences to such rights and assets	4,131,978.60	2,498,921.38	19,135.21		6,611,764.77	712,766.59	885,559.40	3,527.03		1,594,798.96	3,419,212.01	5,016,965.81
Technical equipment and machinery	833,242.99	580,064.33			1,413,307.32	132,933.99	182,499.33			315,433.32	700,309.00	1,097,874.00
Low-value asset sales	1.00		1.00		0.00	0.00	-0.81	-0.81		0.00	1.00	0.00
Other equipment, operating and office equipment	70,068.84	164,709.88			234,778.72	18,136.84	48,743.88			66,880.72	51,932.00	167,898.00
Shares in affiliated companies	0.00				0.00					0.00	0.00	0.00
Investments		112.56			112.56					0.00	0.00	112.56
	5,035,291.43	3,243,808.15	19,136.21	0.00	8,259,963.37	863,837.42	1,116,801.80	3,526.22	0.00	1,977,113.00	4,171,454.01	6,282,850.37

1.6 Independent auditor's report of the Boxine Group

The following English-language translation of the German-language independent auditor's report (Bestätigungsvermerk des unabhängigen Abschlussprüfers) refers to the consolidated financial statements, prepared in accordance with the German Commercial Code ("Handelsgesetzbuch"), as well as the group management report, which was combined with the management report of the Company ("Combined Management Report"), prepared on the basis of German commercial law (HGB), of Boxine GmbH, Düsseldorf, as of and for the fiscal year ended December 31, 2018 as a whole and not solely to the consolidated financial statements presented in this Prospectus on the preceding pages. The Combined Management Report is not part of this Prospectus.

For the consolidated financial statements and the group management report, I have issued the following independent auditor's report:

Independent Auditor's Report

To Boxine GmbH on behalf of the Boxine Group

Audit Opinions

I have audited the consolidated financial statements of Boxine GmbH, Düsseldorf, and its subsidiaries (the "Boxine Group"), which comprise the consolidated statements of financial position as at 31 December 2018, the consolidated statements of profit and loss, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year from 1 January 2018 to 31 December 2018, and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, I have audited the group management report of the Boxine Group for the financial year 2018.

In my opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2018 and of its financial performance for the financial year from 1 January 2018 to 31 December 2018, in accordance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code [HGB], I declare that my audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

I conducted my audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits. My responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of my auditor's report.

I am independent of the group entities in accordance with the requirements of German commercial and professional law, and I have fulfilled my other German professional responsibilities in accordance with these requirements.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions on the consolidated financial statements and on the group management report.

Responsibilities of The Management for the Consolidated Financial Statements and the Group Management Report

The Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an independent auditor's report that includes my audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards of Financial Statement Audits will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I

conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify my respective audit opinions. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the management in the group management report. On the basis of sufficient appropriate audit evidence I evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. I do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Düsseldorf, 18th of July 2019

[German original signed by]

Dipl.-Kfm. Günther Rolf
Rotteveel Wirtschaftsprüfer
[German Public Auditor]

24. AUDITOR'S REPORT CONCERNING THE CONTRIBUTION IN-KIND



468 SPAC I SE
Société européenne

R.C.S. Luxembourg B252939

9, rue de Bitbourg
L-1273 LUXEMBOURG

Report of the “Réviseur d’entreprises agréé” on a contribution in kind (art. 420-10 and 420-23(6) of the law of August 10, 1915)

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To the shareholders of
468 SPAC I SE
Société européenne

R.C.S. Luxembourg B252939

9, rue de Bitbourg
L-1273 LUXEMBOURG

1. Description of the engagement

We have been appointed by the Management Board of 468 SPAC I SE (the “**Company**”) to issue a report in relation to the issuance by the Company of 50,431,586 new class A shares (the “**New Public Shares**”) which will be fully paid-up by a contribution in kind (the “**Contribution**”).

This report has been prepared in accordance with articles 420-10 and 420-23(6) of the law of August 10, 1915 on commercial companies, as amended (the “**Corporate Law**”), and in accordance with the relevant professional standard in Luxembourg as adopted by the “Institut des Réviseurs d'Entreprises”.

2. Context

The Company is a société européenne incorporated under the laws of the Grand-Duchy of Luxembourg, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B252939, with a share capital of EUR 600,000 represented by 30,000,000 redeemable class A shares (the “**Public Shares**”) and 7,500,000 class B shares (the “**Sponsor Shares**”) each with a par value of EUR 0,016, all subscribed and fully paid-up.

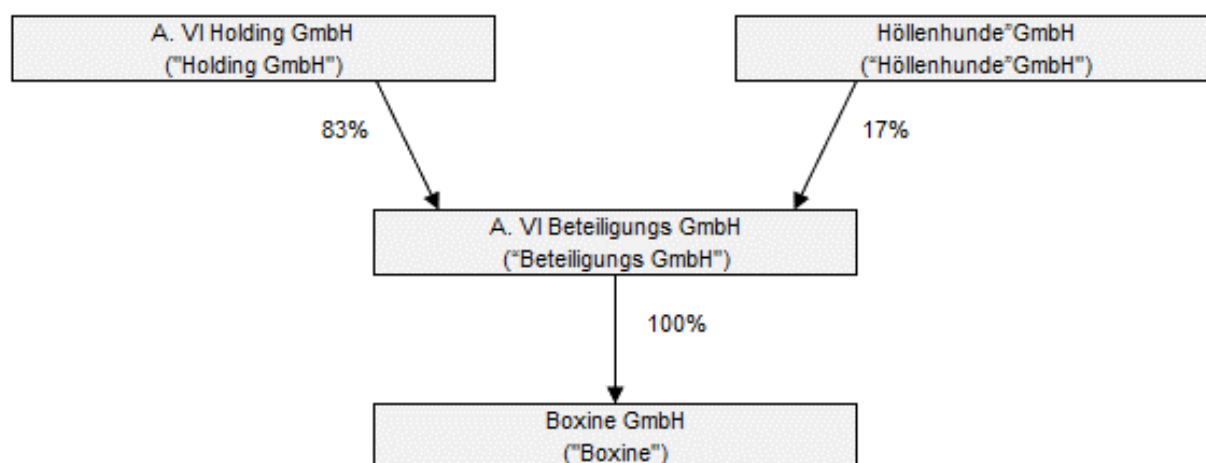
On August 30, 2021, the Company entered into a business combination agreement (the “**BCA**”) with:

- i. Boxine GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated under the laws of Germany and registered in the commercial register (Handelsregister) of the local court (Amtsgericht) of Düsseldorf under HRB 71733 with registered office at Grafenberger Allee 120, Düsseldorf, Germany (“**Boxine**”);
- ii. Boxine’s current sole shareholder, A. VI Beteiligungs GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated under the laws of Germany and registered in the commercial register (Handelsregister) of the local court (Amtsgericht) of Munich under HRB 249934 with registered office at Grafenberger Allee 120, c/o Boxine GmbH, Düsseldorf, Germany (“**Beteiligungs GmbH**”);

- iii. one of Beteiligungs GmbH's current shareholders, Höllenhunde GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated under the laws of Germany and registered in the commercial register (Handelsregister) of the local court (Amtsgericht) of Düsseldorf under HRB 71309 with registered office at Schillerstraße 20, Düsseldorf, Germany ("**Höllenhunde**");
- iv. the other current shareholder of Beteiligungs GmbH, A. VI Holding GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated under the laws of Germany and registered in the commercial register (Handelsregister) of the local court (Amtsgericht) of Hamburg under HRB 163559 with registered office at Schauenburgerstraße 59, c/o Armira, Hamburg, Germany ("**Holding GmbH**").

Boxine, Beteiligungs GmbH, Höllenhunde and Holding GmbH are hereinafter collectively referred to as the "**Boxine Group**".

Boxine Group structure is as follows:



Holding GmbH's shareholders, who will contribute 100% of the shares held in Holding GmbH (the "**Holding GmbH Contributed Shares**"), and Höllenhunde GmbH, who will contribute 100% of the shares held in Beteiligungs GmbH (the "**Beteiligungs GmbH Contributed Shares**", together with the Holding GmbH Contributed Shares, the "**Contributed Shares**" or the "**Contributed Assets**"), are hereinafter collectively referred to as the "**Contributors**".

The Company, Boxine, Beteiligungs GmbH, Höllenhunde and Holding GmbH are hereinafter individually referred to as a "**Party**" and collectively as the "**Parties**".

On November 24, 2021, pursuant to the terms of the BCA, and as first transaction in a set of transactions happening on the same day, the Company will acquire from the Contributors, by way of acquisition of the Contributed Shares, the entire business of the Boxine Group.

3. Description of the contribution in kind and valuation method

According to the terms of the BCA, the Company undertook, among other transactions, to acquire from the Contributors, by way of acquisition of the Contributed Shares, the entire business of the Boxine Group representing a total net contribution of seven hundred nineteen million two hundred fifty-seven thousand one hundred thirty-three euros (EUR 719,257,133) (the “**Total Contribution**”). This amount has been determined based on a pro forma enterprise value (the “**Enterprise Value**”) of eight hundred seventy million euros (EUR 870,000,000), downward adjusted for a net debt of seventy million euros (EUR 70,000,000), for the future dilution effect from the Sponsor Shares upon their conversion into Public Shares, i.e. seventy-five million euros (EUR 75,000,000) and for the closing payout amount of Boxine’s virtual employee participation scheme amounting to five million six hundred eighty-four thousand one hundred forty euros (EUR 5,742,867).

The Enterprise Value has been determined based on the binding bid offer made by the Company to the Contributors after arm’s length negotiations, which was supported by valuation of Boxine Group’s business according to different valuation methods which include DCF and multiples of comparable companies.

In consideration for the Total Contribution, the Contributors will receive a compensation which will consist of:

- i. an aggregate cash amount of two hundred fourteen million nine hundred forty-one thousand one hundred fifty euros (EUR 214,941,150)¹ (the “**Cash Consideration**”); and
- ii. an aggregate number of newly issued public shares of the Company (the “**Aggregate Number of Shares**”) determined by dividing the difference between the Total Consideration and the Cash Consideration by EUR 10.00, being the value at which each new Public Share is issued (the “**Non-Cash Consideration**”). The Aggregate Number of Shares is allocated between the various recipient shareholders as whole shares only, meaning fractions of shares cannot be allocated. Overall, the sum of the whole shares allotted to each individual shareholder constitutes the adjusted aggregate number of shares (the “**Adjusted Aggregate Number of Shares**”).

Considering (i) the Total Contribution of seven hundred nineteen million two hundred fifty-seven thousand one hundred thirty-three euros (EUR 719,257,133) and (ii) the Cash Consideration of two hundred fourteen million nine hundred forty-one thousand one hundred fifty euros (EUR 214,941,150), the Non-Cash Consideration amounts to five hundred four million three hundred fifteen thousand nine hundred eighty-three euros (EUR 504,315,983).

This Non-Cash Consideration corresponds to an Adjusted Aggregate Number of Shares amounting to 50,431,586.

Considering that the 50,431,586 new class A shares to be issued have a par value EUR 0.016 each, the issuance of these new public shares will result in a share capital increase of eight hundred six thousand nine hundred five euros and thirty-eight euro cents (EUR 806,905.38), with the difference between the value of the Non-Cash Consideration and the amount of the capital increase, amounting to five hundred three million five hundred nine thousand seventy-seven euros and sixty-two euro cents (EUR 503,509,077.62), being

¹ Including EUR 5,000,000 placed at the closing of the business combination (the “**Closing**”) in a blocked account held in the name of Höllenhunde to be released to Höllenhunde at the latest 360 days after the Closing.

allotted to the share premium account.

4. Procedures performed

In conformity with the Corporate Law, the description and the valuation of the contribution in kind are the responsibility of the Management Board of the Company. Our responsibility is, on the basis of the work that we performed, to issue a report on the appropriateness of the total value of the Contributed Assets compared to the number and nominal value of the shares to be issued as consideration plus the share premium.

We conducted our procedures in accordance with the applicable professional standard in Luxembourg as adopted by the "Institut des Réviseurs d'Entreprises". This standard requires that we plan and perform our procedures to obtain a moderate assurance as to whether the value of the Contributed Assets corresponds at least to the number and nominal value of the shares to be issued as consideration plus the share premium.

In the context of this transaction, where the total consideration comprises a combination of a cash consideration and a non-cash consideration, our procedures have been designed in order to obtain a moderate assurance as to whether the value of the Total Contribution, reduced by the amount of the Cash Consideration, corresponds at least to the number and nominal value of the shares to be issued as consideration plus the share premium.

In particular, we have carried out the following procedures to assess whether the value of the Contributed Shares, as it has been retained for the contribution, was not overstated as compared to their market value:

- We reviewed and analyzed Management's valuation of Boxine Group's business which was carried out based on the financial information as of June 30, 2021;
- We have obtained and inspected the Business Combination Agreement dated August 30, 2021 and the Draft Prospectus dated November 16, 2021, and verified among others that there were no contradictions between our understanding of the details of the transaction, as we summarize them in this report, and the way how they are presented in these documents;
- We analyzed significant events occurred between June 30, 2021 and the date of this report;
- We carried independent valuation using the venture capital method, using financial information as of different dates, i.e. August 31, 2021, September 30, 2021 and October 31, 2021.

In complement to the valuation review and reperformance work, which is deemed critical in a transaction such as the one presented, we have carried out the following procedures:

- We have reviewed the interim consolidated financial statements of the Company as of June 30, 2021, which are presented in Appendix 1;
- We have obtained and inspected the condensed consolidated interim financial statements of A. VI Holding GmbH as of June 30, 2021, and KPMG AG review report thereon, as presented in appendix 2, in order to identify trends or variances which may cast doubt about the appropriateness of the inputs and assumptions used for the valuation of the business of the Boxine Group.

We draw your attention on the fact that our procedures were limited primarily to inquiries of the Management Board and Management of the Company, inquiries of the Management of Boxine Group, inquiries of the legal advisors of the Company and analytical procedures applied to financial data and thus

provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

5. Conclusion

Based on our procedures, nothing has come to our attention that causes us to believe that the value of the Total Contribution, reduced by the amount of the Cash Consideration (i.e. two hundred fourteen million nine hundred forty-one thousand one hundred fifty euros (EUR 214,941,150)), does not at least correspond to the number and par value of the shares to be issued as consideration (i.e. eight hundred six thousand nine hundred five euros and thirty-eight euro cents (EUR 806,905.38)), plus the share premium (i.e. five hundred three million five hundred nine thousand seventy-seven euros and sixty-two euro cents (EUR 503,509,077.62)).

Our report has been produced solely for the purposes of meeting the requirements of articles 420-10 and 420-23(6) of the law of August 10, 1915 on commercial companies, as subsequently modified, and cannot be reproduced or distributed, in part or in whole, except in applying the law, without our prior written consent.

Luxembourg, November 24, 2021

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG



Fabien DELANTE
Réviseur d'entreprises agréé

25. GLOSSARY

468 I Advisors GmbH	468 SPAC I Advisors Verwaltungs-GmbH.
468 I Advisors KG	468 SPAC I Advisors GmbH & Co. KG.
468 SPAC Group	468 SPAC I SE together with its consolidated subsidiaries.
Additional Sponsor Subscription	The Sponsor and the Co-Sponsors subscribed to 900,000 Sponsor Warrants, representing €1,350,000.
Beteiligungs GmbH	A. IV Beteiligungs GmbH.
Holding GmbH	A. IV Holding GmbH.
Höllenhunde	Höllenhunde GmbH.
Closing	The closing of the Business Combination.
Closing Commencement Date	means the closing commencement date of the Business Combination, <i>i.e.</i> , November 26, 2021, the date of the approval of this Prospectus.
Admission Date	The date of the admission to trading of the Public Shares and Public Warrants.
Articles of Association	The articles of association of the Company.
Averaging Period	A period of 20 consecutive trading days ending on the trading day immediately preceding the date on which the exercise of the Public Warrant is validly received by the Company (except in the event that Public Warrants are exercised following the receipt of a redemption notice by the Company, in which case the period of 20 consecutive trading days shall end on the date immediately preceding the date on which the redemption notice is issued by the Company).
BaFin	The German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>).
Berenberg	Joh. Berenberg, Gossler & Co. KG
Business Combination	The business combination between 468 SPAC I SE and Boxine GmbH.
Business Combination Agreement	The business combination agreement between 468 SPAC I SE, Boxine, Beteiligungs GmbH, Höllenhunde and Holding GmbH dated August 30, 2021.
CIT	Corporate income tax.
Clearstream	Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Germany.
Clearstream Banking	Clearstream Banking S.A., 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg.
Co-Sponsors	The Supervisory Board Entities as well as Fabian Zilker.
Commission's Proposal	The proposal published by the European Commission on February 14, 2013.

Company	468 SPAC I SE (LEI 222100DAYRVSS1X9EB98), a European company (<i>societas europaea</i>), having its registered office at 9, rue de Bitbourg, L-1273, Luxembourg, Grand Duchy of Luxembourg (telephone: +352 27 44 41 9459; website: www.tonies.com) and being registered with the Luxembourg Trade and Companies Register (<i>Registre de commerce et des sociétés de Luxembourg</i>) under number B252939.
CSSF	The Commission de Surveillance du Secteur Financier, 283, route d'Arlon, L-1150 Luxembourg (telephone: +352 26 25 1-1).
Eligible Parent	(a) A company covered by Article 2 of the Parent-Subsidiary Directive or a Luxembourg permanent establishment thereof, (b) a company resident in a State having a double tax treaty with Luxembourg and liable to a tax corresponding to Luxembourg CIT or a Luxembourg permanent establishment thereof, (c) a capital company (<i>société de capitaux</i>) or a cooperative company (<i>société coopérative</i>) resident in a Member State of the EEA other than an EU Member State and liable to a tax corresponding to Luxembourg CIT or a Luxembourg permanent establishment thereof or (d) a Swiss capital company (<i>société de capitaux</i>) which is subject to CIT in Switzerland without benefiting from an exemption.
Escrow Account	An escrow account established at Berenberg by 468 I Advisors KG.
Escrow Agent	Joh. Berenberg, Gossler & Co. KG.
Escrow Agreement	Agreement entered into between 468 I Advisors KG and Berenberg, whereby Berenberg is acting as escrow agent.
Euroclear Bank	Euroclear Bank SA/NV, 41 Boulevard Roi Albert II, 1120 Brussels, Belgium, as the operator of the Euroclear System.
German Disbursing Agent	A German resident credit institution, financial services institution (<i>inländisches Kredit- oder Finanzdienstleistungsinstitut</i>) (including in each case a German branch of such foreign institution), a securities trading company (<i>inländisches Wertpapierhandelsunternehmen</i>) or a securities trading bank (<i>inländische Wertpapierhandelsbank</i>).
Germany	The Federal Republic of Germany.
ISIN	International Securities Identification Number.
KStG	The German Corporate Tax Act.
LEI	Legal entity identifier.
LIR	The Luxembourg tax authorities.
Listing Agent	Joh. Berenberg, Gossler & Co. KG
LuxCSD	LuxCSD S.A., 42, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.
LuxCSD Vault Operator	LuxCSD S.A., 42, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, acting in its role as vault operator.

Luxembourg	The Grand Duchy of Luxembourg.
Luxembourg Mandatory Squeeze-Out and Sell-Out Law	The Luxembourg law of July 21, 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been subject to a public offer.
Luxembourg Prospectus Law	The Luxembourg law of July 16, 2019, on prospectuses for securities.
Luxembourg Shareholder Rights Law	The Luxembourg law of May 24, 2011 on the exercise of certain rights of shareholders in general meetings of the shareholders of listed companies, as amended.
Luxembourg Takeover Law	The Luxembourg law of May 19, 2006 on takeover bids, as amended.
Luxembourg Transparency Law	The Luxembourg law of January 11, 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended.
Majority Shareholder	Any individual or legal entity, acting alone or in concert with another person, which has become the holder directly or indirectly of a number of shares or other voting securities, including certificates over shares to which the possibility to give a voting instruction with respect to the shares is attached, representing at least 95% of the voting share capital and 95% of the voting rights of the Company.
Make-Whole Exercise	The numbers representing the number of Public Shares that a holder of a Public Warrant will receive in case of a cashless exercise in connection with a redemption by the Company pursuant to the redemption feature if the price per Public Share equals or exceeds €10.00 but is below €18.00, based on the “fair market value” of the Public Shares on the corresponding redemption date (assuming holders elect to exercise their Public Warrants and such warrants are not redeemed for €0.01 per Public Warrant), determined for these purposes based on the average closing price of the Public Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of Public Warrants, and the number of months that the corresponding redemption date precedes the expiration date of the Public Warrants.
Mandatory Sell-Out	Requirement of the Majority Shareholder to purchase the remaining shares or other voting securities from the holders of such remaining shares or securities.
Mandatory Squeeze-Out	The Majority Shareholder requiring the holders of the remaining shares or other voting securities to sell those remaining securities.
MAR	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, as amended.
Market Value	The volume weighted average price of Public Shares during the 20 trading day period starting on the trading day prior to the day on which we consummate the Business Combination.
Mazars	Mazars Luxembourg S.A., the appointed independent auditor of the Company.

MBT	Municipal business tax.
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments, as amended.
MiFID II Requirements	The product governance requirements contained within (i) MiFID II, (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of April 7, 2016 supplementing MiFID II and (iii) local implementing measures.
MNWT	The minimum net worth tax.
Newly Issued Price	Issue of additional Public Shares or equity-linked securities for capital raising purposes in connection with the closing of Business Combination at an issue price or effective issue price of less than €9.20 per Public Share (with such issue price or effective issue price to be determined in good faith by us) and, in the case of any such issuance to our Sponsor or its affiliates, without taking into account any Sponsor Shares held by the Sponsor or such affiliates, as applicable, prior to such issuance.
New Public Shares	84,847,586 new public shares of the Company with a par value of €0.016.
NFC Chip	NFC stands for Near-Field Communication, which is a set of communication protocols for communication between two electronic devices over a distance of 4 cm or less.
NWT	The Luxembourg net worth tax.
Parent-Subsidiary Directive	Article 2 of the Council Directive 2011/96/EU dated November 30, 2011.
Permitted Transferees	(a) The members of the Management Board or Supervisory Board or, in case an advisory board is established at the level of the Company, the members of such advisory board, any affiliates or family members of any members of the Management Board or Supervisory Board, any members or partners of the Sponsor or its affiliates, any affiliates of the Sponsor, or any employees of such affiliates; (b) in the case of an individual, by gift to a member of one of the individual's immediate family or to a trust, the beneficiary of which is a member of the individual's immediate family, an affiliate of such person or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales or transfers made in connection with the consummation of a Business Combination at prices no greater than the par value of €0.016 per Sponsor Share or the price for which the Sponsor Warrants were originally purchased; (f) in the form of pledges, charges or any other security interest granted to any lenders or other creditors, (g) of Sponsor Shares and Sponsor Warrants pursuant to enforcement of any security interest entered into in accordance with (f); (h) by virtue of the Sponsor's organizational documents upon liquidation or dissolution of the Sponsor; (i) to the Company for no value for cancellation in connection with the consummation of the Business Combination; (j) in the event of the liquidation of the Company prior to the consummation of the Business Combination; or (k) in the event of the completion of a liquidation, merger, share exchange or

other similar transaction concerning the Company which results in all of the holders of Public Shares having the right to exchange their Public Shares for cash, securities or other property subsequent to the consummation of the Business Combination; provided, however, that in the case of clauses (a) through (g) these Permitted Transferees must enter into a written agreement agreeing to be bound by these transfer restrictions and the other restrictions included in the Sponsor Agreement.

PIPE	Private investment in public equity transaction.
Portfolio Participation	A shareholder holding a participation of less than 10% in the share capital of the Company at the beginning of the calendar year.
Promote Conversion	Subject to the consummation of the Business Combination, the Sponsor Shares shall convert into Public Shares on the trading day following the day of expiration of the Sponsor Lock-up; while, notwithstanding the foregoing, any Sponsor Shares transferred by private sales or transfers made in connection with the consummation of the Business Combination at prices no greater than the par value of €0.016 per Sponsor Share, will be redeemed in exchange for the issuance of Public Shares upon the expiration of the Sponsor Lock-Up.
Prospectus	This prospectus.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended.
Public Shares	Class A redeemable shares with a par value of €0.016, ISIN LU2333563281, of 468 SPAC I SE.
Public Warrants	Class A warrants to subscribe for one Public Share, ISIN LU2333564099, of 468 SPAC I SE.
QIBs	Qualified institutional buyers as defined in Rule 144A.
Qualified Participation	If a shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his or her legal predecessors at any point during the five years preceding the (deemed, as the case may be) disposal directly or indirectly held at least 1% of the share capital of the company.
Qualified Permanent Establishment	(a) A Luxembourg permanent establishment of a company covered by Article 2 of the Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a capital company (<i>société de capitaux</i>) resident in a State having a double tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a capital company (<i>société de capitaux</i>) or a cooperative company (<i>société coopérative</i>) resident in a Member State of the EEA other than an EU Member State.

Qualified Shareholding	The Company who holds or commits itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation of at least 10% in the share capital of the Qualified Subsidiary or (b) a direct participation in the Qualified Subsidiary of an acquisition price of at least €1.2 million.
Qualified Subsidiary	A company covered by the Parent-Subsidiary Directive or a non-resident capital company (<i>société de capitaux</i>) liable to a tax corresponding to Luxembourg CIT.
Record Date	The date falling fourteen (14) days prior to (and excluding) the date of a general shareholders' meeting.
Regulation S	Regulation S under the Securities Act.
Relevant Threshold	The proportion of voting rights held by a person following the acquisition or disposal reaching, exceeding or falling below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33 ¹ / ₃ %, 50% or 66 ² / ₃ % of the total voting rights existing when the situation giving rise to a declaration occurs.
RESA	The Recueil Électronique des Sociétés et Associations.
Rule 144A	Rule 144A under the Securities Act.
Securities Act	The United States Securities Act of 1933, as amended.
Share Price	The volume-weighted average price of the Public Shares as appearing on Bloomberg screen page HP (setting "Weighted Average Line") or any future successor screen page or setting of the Public Shares.
Shareholder Approval Meeting	The general shareholders' meeting convened for the purpose of approving the Business Combination.
Similar Law	Any other provisions under any law that would have the same effect as Section 4975 of the U.S. Tax Code.
Sponsor	468 SPAC Sponsors GmbH & Co. KG.
Sponsor Agreement	Agreement between the Sponsor, the Co-Sponsors and the Company.
Sponsor Capital At-Risk	The Sponsor and the Co-Sponsors subscribed to an aggregate of 5,500,000 Sponsor Warrants at a price of €1.50 per Sponsor Warrant (€8,250,000 in the aggregate) in a separate private placement that occurred prior to the date of this Prospectus.
Sponsor Lock-Up	The Sponsor and the Co-Sponsors have committed not to transfer, assign, pledge or sell any of the Sponsor Shares and Sponsor Warrants other than to Permitted Transferees until the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Public Shares equals or exceeds €12.00 for any 20 trading days within any 30-trading day period
Sponsor Shares	7,500,000 Shares held by the Sponsor and the Co-Sponsors.
Sponsor Warrants	Class B warrants purchased by the Sponsor and the Co-Sponsors that will be exercisable for Public Shares.

Substantial Participation	A resident individual shareholder who holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of the substantial participation.
Takeover Directive	Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004 on takeover bids.
Target Market Assessment	Determination that the Public Shares and Public Warrants are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all distribution channels permitted by MiFID II.
Targeted Technology Sectors	The technology or technology-enabled sector with a focus on the sub-sectors marketplaces, direct-to-consumer (D2C), and software & artificial intelligence.
United States	The United States of America.

26. RECENT DEVELOPMENTS AND TREND INFORMATION

26.1 Recent Developments

On August 30, 2021, 468 SPAC, Boxine, Beteiligungs GmbH, Boxine's sole shareholder, Höllenhunde, at the time one of Beteiligungs GmbH's shareholders, and Holding GmbH, at the time the other shareholder of Beteiligungs GmbH entered into the Business Combination Agreement and ancillary agreements, which provide for, among other things, the contribution of all shares in Holding GmbH into 468 SPAC by the shareholders of Holding GmbH and the contribution of all shares held by Höllenhunde in Beteiligungs GmbH into 468 SPAC in each case in exchange for New Public Shares in 468 SPAC (for further information on the Business Combination Agreement, refer to Section "6 Business Combination Agreement and Ancillary Documents").

On November 15, 2021, the extraordinary general meeting of 468 SPAC I SE approved the Business Combination and resolved on the change of the corporate purpose and the name of the Company to Tonies SE as of the commencement of the Business Combination as well as the respective amendments to the Articles of Association. Furthermore, the extraordinary general meeting authorized the Management Board to acquire up to 16,400,000 Public Shares within a period of five (5) years as from the date of the extraordinary general meeting for a consideration not exceeding the par value of such Public Shares. It is the intention of the Company to utilize this authorization shortly after the approval of the Prospectus to repurchase the 16,400,000 Warrant Shares held by its subsidiary, 468 SPAC I Issuance GmbH & Co. KG, at par value and subsequently hold them as treasury shares to service the holders of Public Warrants and Sponsor Warrants, in the case they validly exercise their rights at the stated exercise price of €11.50. Moreover, the extraordinary general meeting acknowledged the resignation of Mr. Gisbert Rühl, Ms. Lea-Sophie Cramer, Mr. Johannes Maret and Mr. Florian Wendelstadt as members of the supervisory board, granted discharge to all members and appointed Mr. Alexander Kudlich, Mr. Alexander Schemann, Mr. Christian Bailly, Mr. Helmut Jeggle, Ms. Anna Dimitrova, Ms. Stephanie Caspar and Dr. Thilo Fleck as new members of the supervisory board, effective as of the date following the consummation of the Business Combination. Further, the extraordinary general meeting approved the remuneration of the members of the supervisory board. Lastly, the extraordinary general meeting granted an irrevocable power of attorney to the Management Board to confirm compliance with the conditions for the conversion of all Class B Shares into a corresponding amount of Class A Shares if and when the prerequisites are met and to perform any ancillary action.

Current trading for the third quarter was roughly in line with expectations. We achieved very strong revenue growth of more than 40% in the third quarter of 2021 compared to the same period of the prior year. This was slightly better than planned and to some extent due to pull-forward effects, which we expect to normalize in the fourth quarter. International expansion continues to proceed very well with international businesses increasingly accelerating and contributing towards growth. In a challenging macro-environment, we could ensure availability of our products for our customers. However, we experienced cost pressure due to generally higher costs in the transportation and raw material markets which weighted down on our profitability. We expect this trend to continue during the fourth quarter of 2021 and at least the first half of 2022. Adjusted EBITDA for the third quarter was negative at a low single digit € million amount.

Except as described above, between June 30, 2021 and the date of this Prospectus, there have been no significant changes to 468 SPAC Group's and the Boxine Group's financial performance.

26.2 Trend Information

We believe that our loyal and continuously growing customer base drives our sustainable growth. Taking our actual revenue in 2020 of €135 million as a starting point, we expect a net revenue growth rate of 26% for the year 2021 and an increased net revenue growth rates of around 40% digit until the year 2025. By the year 2025, we expect our net revenue at around €700 million, with a net revenue share of approximately two-thirds for Tonies products and one-third for Tonieboxes.

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