

Quarterly statement Q3 2024

tonies grows revenue by 21% in Q3 and is well on track to achieve its guidance for FY 2024

- Group revenue in Q3 increased by 20.9% YoY to EUR 95.3 million driven by international expansion, leading to growth of 26.2% to EUR 242.1 million in the first nine months
- North America drives strong momentum in international expansion
- Further expansion of product portfolio with new own franchise and new product category strengthens market leadership through improving margins and target group expansion
- Appointment of Ginny McCormick as Chief Experience Officer (CXO) and member of the management board underlines commitment to build a truly iconic global brand
- Guidance for FY 2024 confirmed

LUXEMBOURG, 13 November 2024 // tonies SE ("tonies"), the leading international digital audio platform for children with the award-winning Toniebox, delivered strong results for the third quarter and continued its growth trajectory during the first nine months of 2024, which ended on 30 September 2024. In Q3 2024, the company's revenue grew by 20.9% YoY, with revenue in the first nine months of 2024 amounting to EUR 242.1 million, representing a 26.2% increase compared to the previous year. In light of this strong performance and the structurally very strong fourth quarter, tonies reaffirms its guidance for full year 2024.

Tobias Wann, CEO of tonies, says: "Our strong results in the third quarter demonstrate the continued success of our growth strategy. Especially in the US, tonies is establishing itself as the go-to platform for interactive audio experiences for children. In recent months, we have also laid the groundwork for our global long-term success: we have expanded our product portfolio with our new Book Tonies and our newest own franchise, the Lalalinos. We have substantially increased our wholesale space across regions and are seeing disproportionate productivity benefits. In short, we are executing on our strategy and we are well on track to cement tonies' position as the premier global brand in screen-free entertainment for children."

Jan Middelhoff, CFO of tonies, adds: "In the third quarter, we grew revenue in line with our plan and remain on track to meet our full-year targets. With nine months of the fiscal year in the books, we are reaffirming our outlook for 2024. We have made all the necessary preparations for the traditionally strong year-end and are confident of delivering a record fourth quarter. I am also pleased to share an important step in our supply chain diversification with the addition of further suppliers outside of China. This expansion enhances our supply chain resilience and supports our commitment to sustainable growth by reducing dependency on any single region."

Group revenue increased by 20.9% YoY in the third quarter, reaching EUR 95.3 million (compared to EUR 78.8 million in Q3 2023). For the first nine months of 2024, revenue rose

by 26.2% YoY to EUR 242.1 million (compared to EUR 191.9 million in the same period of 2023).

North America achieved revenue totaling EUR 36.9 million, marking a 40.3% YoY increase. This increase was driven by significant wholesale expansion, which further strengthened brand presence and accessibility at major retailers. It also positions tonies for a strong performance in the all-important fourth quarter: tonies expanded its network of points of sale (POS) across North America by 24% from the previous year, with Tonieboxes and Tonies now available at over 8,200 retail locations for the upcoming holiday season (including seasonal listings). In addition, tonies partnered with Kohl's for its largest-ever launch assortment in the US. Shelf space has been a key driver of revenue growth at major retailers, with notable results: doubling shelf space at Target led to a threefold increase in revenue. This demonstrates the strong consumer demand for tonies products when visibility and availability are enhanced. In the first nine months of the year, revenue in North America climbed by 53.2% YoY to EUR 92.1 million, with growth largely driven by robust wholesale expansion.

After a very strong second quarter (17.4% growth YoY), revenue in the profitable **DACH** region further increased by 1.2% to EUR 42.4 million in the third quarter. In the first nine months, DACH recorded a remarkable growth of 5.7% YoY to EUR 114.3 million, clearly demonstrating further revenue potential in the region. tonies generated the highest growth of all channels from its own webshop. On the product side, the recent launch of Clever Tonies contributed to the region's strong performance, with the educational set featuring Checker Tobi, designed for children aged 8 and above, generating particularly strong demand. The successful launch underscores tonies' commitment to continue to deliver innovative, age-tailored offerings, broadening its appeal to older children and solidifying its market leadership.

In **Rest of World**, revenue in the third quarter grew by 51.9% YoY to EUR 16.1 million, driven by strong demand in France and the UK. For the first time, Rest of World included revenue from Australia and New Zealand, which had a very successful launch in August with the largest-ever market-launch portfolio. Revenue in the first nine months of 2024 increased by 50.6% to EUR 35.7 million.

As a result of tonies' continued successful international expansion, revenue share from markets outside the DACH region increased significantly to 53% in the first nine months of 2024, compared to 44% in the same period of 2023.

On the product side, third quarter revenue from **Tonieboxes** declined slightly by -2.3% YoY to EUR 25.4 million, a phasing effect after significant growth in the first half of the year (+32.5% YoY). Around 500,000 newly sold Tonieboxes in Q3 alone increased the total size of the platform to more than 7.8 million boxes. In the first nine months of 2024, Toniebox revenue grew by 14.5% YoY to EUR 58.3 million.

Revenue from **Tonies figurines** increased 37.6% YoY to EUR 66.6 million in the third quarter. The most popular Tonies included both licensed third-party Tonies from Paw Patrol and Disney as well as Tonies with own content and design such as Favorite Children's Songs and tonies'

latest Advent Calendar Tonie, which allows kids to enjoy a new story chapter every day from December 1st.

With the introduction of the Lalalinos® music trio in DACH in November, tonies will continue to drive its portfolio strategy of increasingly developing its own franchises; an important value lever to continuously strengthen its market position and profitability. The Lalalinos® franchise & world is designed to extend beyond the traditional Tonie format and focuses on fostering children's development and social-emotional growth through activities like rhythm, singing, and dancing. The Lalalinos® were created to build on the success of the popular tonies' Sleepy Friends®. In addition, tonies launched Book Tonies, a new series of unabridged audiobooks tailored to children aged 5-10. Launching with 20 titles from popular authors including Tom Fletcher, David Walliams, Adam Kay, Enid Blyton, Dav Pilkey, and Andrea Beaty, the collection is set to grow further in 2025. Following the success of the Clever Tonies series, Book Tonies bring more audiobook options to the Toniebox to meet the growing demand for engaging audio content among young listeners. In total, around 8.3 million Tonies were sold in Q3, bringing the total number of Tonies ever sold to more than 95 million. In the first nine months, revenue from Tonies figurines increased by 32.7% YoY to EUR 173.4 million.

In **Accessories & Digital** revenue decreased by -22.7% YoY to EUR 3.4 million due to a technical reclassification of revenue, which increased Tonieboxes & Tonies figurines revenue and decreased Accessories & Digital revenue. On a like-for-like basis revenue from Accessories & Digital would have been up by 40.5% YoY. Within the product category, headphones, carriers and the Night Light Tonies showed the strongest growth. As a result of the reclassification, Accessories & Digital revenue growth was flat in the first nine months of the year and revenue amounted to EUR 10.3 million.

Net assets and financial position

There were no significant changes to the net assets and financial position of the Group during the period under review compared to the situation as of June 30, 2024.

Appointment of Ginny Mc Cormick as Chief Experience Officer (CXO)

In September 2024, tonies appointed Ginny McCormick as its first Chief Experience Officer to lead brand, product, and content strategy, based out of the US. She brings over 20 years of experience in global brands, including leadership roles at Zappos.com, Amazon Hub, Mattel Interactive and Hasbro. McCormick now drives tonies' mission to become a premier global name in screen-free entertainment for children. This strategic addition to tonies' management board supports the company's commitment to delivering exceptional, innovative experiences as it accelerates its expansion, particularly in the US.

Guidance for full-year 2024

tonies confirms its guidance for 2024 with group revenue of above EUR 480 million and revenue from North America of above EUR 200 million, based on the assumed EUR/USD exchange rate of USD 1.07. This implies a year-over-year revenue growth for the group of

more than 33% and for North America of more than 42% respectively. tonies also expects an adjusted EBITDA margin in the 6 to 8 percent range and free cash flow to turn positive and exceed EUR 10 million. The forecast is based on the assumption that there will be no further material deterioration of consumer sentiment in 2024.

Tobias Wann (CEO) and Jan Middelhoff (CFO) will speak at an analyst and investor conference call at 11 am CET, today, Wednesday, 13 November to discuss the Q3 2024 results. All details to follow the webcast can be found under <https://ir.tonies.com/financial-calendar/>. All publications including the accompanying presentation are available on tonies' Investor Relations Website: <https://ir.tonies.com/publications/>.

Figures at a glance

in EUR million	Q3 2024	Q3 2023	Change	9M 2024	9M 2023	Change
Revenue	95.3	78.8	20.9%	242.1	191.9	26.2%
by region						
DACH	42.4	41.9	1.2%	114.3	108.1	5.7%
North America	36.9	26.3	40.3%	92.1	60.1	53.2%
Rest of World	16.1	10.6	51.9%	35.7	23.7	50.6%
by product category						
Tonieboxes	25.4	26.0	-2.3%	58.3	50.9	14.5%
Tonies figurines	66.6	48.4	37.6%	173.4	130.7	32.7%
Accessories & Digital	3.4	4.4	-22.7%	10.3	10.3	0.0%

About tonies

tonies® is the world's largest interactive audio platform for children with around 7.8 million Tonieboxes and more than 95 million Tonies sold. The intuitive and award-winning audio system has changed the way young children play and learn independently with its child-safe, wireless, and screen-free approach. Tonieboxes have been activated in over 100 countries, the content portfolio includes more than 1,100 Tonies figurines in several languages.

Investor Relations Contact

Manuel Bösing

Head of Investor Relations

Phone: +4915157846012

Mail: ir@tonies.com

This document contains forward-looking statements

Certain statements included in this document are forward-looking statements. Forward-looking statements can typically be identified by the use of words such as "expects", "may", "will", "could", "should", "intends", "plans", "predicts", "envisages" or "anticipates" or other words of similar meaning. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the tonies SE. They are not historical or current facts, nor are they guarantees of future performance.

Disclaimer

By their nature, forward-looking statements involve several risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described in this document. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable mandatory law or regulation, the tonies SE expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the tonies SE's expectations with regard thereto or any change in events, conditions, or circumstances on which any such forward-looking statements are based. Neither tonies SE nor any other person accepts any responsibility for the accuracy of the opinions expressed in this document or the underlying assumptions.