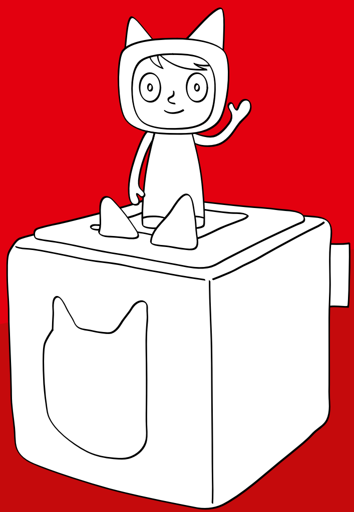
tonies®



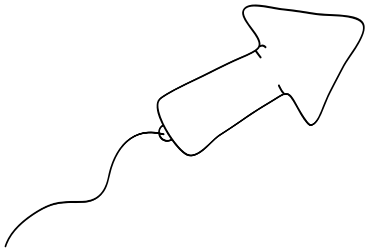
tonies SE

# Half-Year Report 2024

# Tonies at a glance

| | H1 2024 | H1 2023 |
|---|---|---|
| **Sales** | | |
| Revenue (in EUR m) | 146.8 | 113.1 |
| Revenue growth in % YoY | 29.8 % | 34.1 % |
| Tonieboxes sold (in k units) | 570 | 385 |
| Tonies sold (in m units) | 11.4 | 8.4 |
| Online revenue share (in % of gross revenue) | 41 % | 42 % |
| **Results of operations (adjusted)** | | |
| Gross profit (in EUR m) | 98.7 | 74,5 |
| Gross margin (in % of revenue) | 67.2 % | 65.8 % |
| Gross profit after licensing costs (in EUR m) | 80.3 | 64.8 |
| Gross margin after licensing costs (in % of revenue) | 54.7 % | 57.3 % |
| Contribution profit (in EUR m) | 54.8 | 46.6 |
| Contribution margin (in % of revenue) | 37.4 % | 41.2 % |
| EBITDA (in EUR m) | 2.9 | – 2.7 |
| EBITDA margin (in % of revenue) | 2.0 % | – 2.4 % |
| Adjusted EBITDA (in EUR m) | 3.9 | 2.1 |
| Adjusted EBITDA margin (in % of revenue) | 2.6 % | 1.8 % |
| **Financial position & Assets and liabilities** | | |
| Cash (in EUR m) | 25.2 | 14.6 |
| Free cash flow (in EUR m) | – 32.0 | – 39.0 |

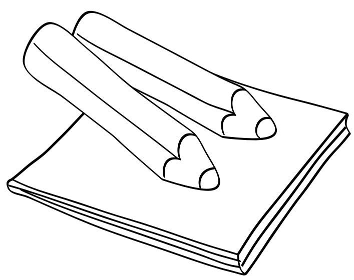
# Highlights



- tonies delivered an adjusted EBITDA margin of 2.6 % in the first half of 2024 compared to 1.8 % in H1 2023, which benefited from the release of a licensing provision of EUR 3.4 m. Adjusted EBITDA in 2024 was driven by a substantially improved gross margin and operating leverage. **EBITDA margin rose notably from – 2.4 % to 2.0 %**
- tonies strategy of replicating the proven, profitable DACH business model blueprint (18.2 % EBITDA margin in H1 2024) in international markets and executing margin-enhancing levers is successful
- Revenue growth remained on a very strong path with an increase of 30 % to EUR 147 million in the first six months of 2024, fueled by continued successful international expansion, particularly in North America, where revenue grew 63 % to EUR 55 million
- Efficient working capital management improved the ratio of free cashflow to revenue from – 3.4 % in H1 2023 to – 2.1 % in H1 2024
- After a very strong H1 2024, tonies confirms its guidance for FY 2024
- tonies products are used very frequently: average weekly playtime of active Tonieboxes in H1 2024 remains on very high level with ~ 270 minutes
- tonies signed a new multi-year, multi-territory contracts with Disney Consumer Products and Paramount, which will bring > 50 new Tonies characters from Disney and Marvel and > 10 new Tonies characters from Paramount to the Toniebox
- tonies successfully prepared its market launch in Australia & New Zealand with its biggest launch portfolio ever
- After a strong launch in the US in Q4 2023, tonies new format “Clever Tonies” was also successfully introduced to the DACH market. “Clever Tonies” contribute to tonies value levers as they provide a higher margin, shorter go-to market time, target group extension (kids 5+ years) and more sustainable materials (50 % bio-circular material).

# Major events

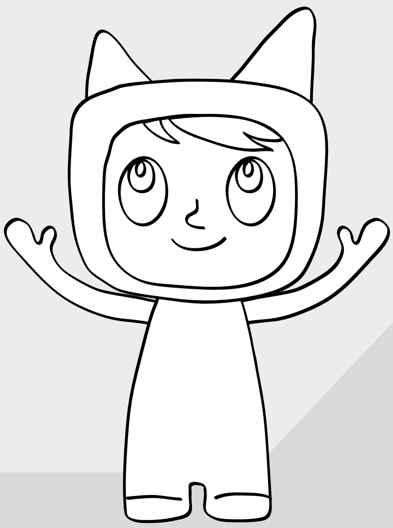
- **January 1:** Tobias Wann takes over his role as Chief Executive Officer (CEO) and joins the Management Board of tonies
- **February 2:** tonies releases preliminary and unaudited figures for full-year 2023 group revenue and confirms guidance range for adjusted EBITDA margin
- **April 11:** tonies publishes the annual report for 2023
- **May 15:** tonies publishes its results for the first quarter of 2024
- **May 29:** tonies holds its Annual General Meeting 2023



# Content

# Consolidated Interim Management Report

- Business review
- Risks and opportunities report
- Subsequent Events
- Outlook for tonies in 2024



# Consolidated Interim Management Report

**for the six months ended 30 June 2024**

## 1. Business review

### 1.1. Performance assessment system

In 2024, revenue and profitability of the business were managed and monitored at segment level below Group level. These segments are based on the composition of the Company's management teams according to tonies' key sales markets: DACH, North America and Rest of World. In connection with the establishment of management by segment, the previous key performance indicators (KPIs) used to manage the business were partially revised. Whereas the overall business was previously managed based on revenue and adjusted EBITDA margin, as well as gross margin, gross margin after licensing costs, contribution margin, net working capital and free cash flow, the performance management system based on the segments was introduced. Since fiscal year 2023, the Management Board uses revenue, contribution margin (a), EBITDA margin (b) and adjusted EBITDA margin (c), and to measure operating performance of the segments, as a basis for strategic planning and as it provides useful information to investors and others in understanding and evaluating the results of operations and is a useful measure for period-to-period comparisons of tonies business performance. The KPIs are shown in the table below and for further information on the segments, please refer to Section 5, "Operating segments" in the notes to the consolidated financial statements.

Please note that changes were made to H1 2023 numbers: Historically, currency losses were predominantly associated with tonies procurement activities, specifically purchases of raw materials and consumables in foreign currencies. Consequently, these losses were reported under the category of cost of materials in previous years. As tonies global footprint expands and the business diversifies, tonies is increasingly engaging in a broader range of international transactions. As a result, foreign currency gains and losses are now arising from a wider spectrum of business activities beyond just procurement. In the interest of consistency and comparability, adjustments have been made to the previous year's financial figures to reflect this reclassification accurately and were already implemented in the Annual Report 2023. For further information please refer to chapter 3.1 in the notes.

| KPI | H1 2024 | H1 2023 |
|---|---|---|
| Revenue | EUR 146.8 million | EUR 113.1 million |
| Contribution margin (a) | 37.4 % | 41.2 % |
| Adjusted EBITDA margin (b) | 2.6 % | 1.8 % |
| EBITDA margin (c) | 2.0 % | – 2.4 % |

(a) For the definition, explanation and reconciliation of adjusted EBITDA margin refer to 1.3. Profitability on page 8ff
(b) For the definition and explanation of gross margin refer to 1.3. Profitability on page 8ff
(c) For the definition and explanation of gross margin after licensing costs refer to 1.3. Profitability on page 8ff

## 1.2. Overall business performance

In the first half of 2024, tonies delivered a very strong business performance despite challenging global consumer sentiment.

Revenue amounted to EUR 146.8 million in the first six months of 2024, representing a year-over-year growth of 29.8%, with an increase in revenue in all regions and all product categories. The North American market continued its rapid growth trajectory with revenue growth of 63.3% to EUR 55.2 million.

The Group's adjusted EBITDA margin improved from 1.8% in the first half of 2023 to 2.6% in the first six months of 2024. This was attributable mainly to an improvement in gross margin and operating leverage, particularly in personnel expenses.

Gross margin increased from 65.8% to 67.2% driven by reduced purchase prices and lower inbound logistics costs, despite early-year supply chain disruptions, with additional support from a weaker USD against the EUR. Gross margin after licensing costs decreased slightly from 57.3% in the first half of 2023 to 54.7% in the first six months of 2024. In the first half of 2023, licensing costs included a notable non-recurring effect of EUR 3.4 million related to the release of licensing provisions.

Contribution margin decreased from 41.2% to 37.4% as an increased gross margin was offset by higher licensing costs and increased revenue-related costs.

Free cash flow was at EUR – 32.0 million (H1 2023: EUR – 39.0 million), primarily due to cash flow from operating activities of EUR – 26.2 million (H1 2023: EUR – 34.0 million) as a result of an early inventory build-up to avoid stock-outs, minimize airfreight costs and to facilitate further international expansion.

## 1.3. Results of operations of the Group

### Revenue

Revenue increased by 29.8 % from EUR 113.1 million in the first six months of 2023 to EUR 146.8 million in the first half of 2024.

| in EUR million | H1 2024 | H1 2023 | Change |
|---|---|---|---|
| **Revenue** | **146.8** | **113.1** | **29.8%** |
| **by geography** | | | |
| DACH | 71.9 | 66.2 | 8.6% |
| North America | 55.2 | 33.8 | 63.3% |
| Rest of World | 19.7 | 13.1 | 50.4% |
| **by product category** | | | |
| Tonieboxes | 33.0 | 24.9 | 32.5% |
| Tonies figurines | 106.9 | 82.3 | 29,9% |
| Accessories & Digital | 6.9 | 5.9 | 16,9% |

**North America** achieved a year-over-year ("YoY") revenue growth of 63.3% amounting to EUR 55.2 million and is fully on track to reach the guided growth rate of above 42% for full-year 2024. The revenue increase was driven by both the direct-to-consumer and the wholesale channel, with the latter experiencing the strongest growth rate. The very strong performance of the wholesale channel was supported by tonies increased shelf space and a higher number of points of sale at major retailers like Target and Kohl's.

In the **DACH** region, revenue increased notably by 8.6% YoY to EUR 71.9 million with the strongest growth with key wholesale partners and own web shop. The "Clever Tonies" were successfully launched in the DACH market. Among the target group of parents, tonies continued to increase its aided brand awareness to 85%, reflecting its strong brand position as the category creator and market leader.

In the **Rest of World**, revenue grew by 50.4 % YoY to EUR 19.7 million driven by the UK and particularly strong growth in France. tonies saw strong progress in both countries. In the UK, there will be a considerably higher adoption with wholesale partners in 2024, as the number of point of sales will increase from 1,550 at the end of 2023 to around 2,200 at the end of this year. After revenue more than tripled in France in 2023, strong momentum continued in the first half of 2024.

In the six months of 2024, tonies successfully expanded its international reach, as the regional share of revenue beyond the DACH region significantly increased from 41 % in H1 2023 to 51 %. This clearly indicates tonies´ strong progress in its global expansion efforts.

From a product category perspective, **Tonieboxes** revenue was up by 32.5 % YoY to EUR 33.0 million. By selling more than 7.3 million Tonieboxes, the Company's anchor product, since the product launch in Q4 2016, tonies has built a strong platform with a powerful competitive shield based on user experience, product proficiency, intellectual property, seasonal build-up, financial strength, and patents.

Revenue of **Tonies figurines** increased by 29.9 % YoY to EUR 106.9 million driven by both licensed third-party Tonies including Paw Patrol and Disney as well as an increasing share of Tonies with in-house produced content and own design such as tonies first own license brand "Sleepy Friends". After a strong launch in the US in Q4 2023, tonies new format "Clever Tonies" was also successfully introduced to the DACH market. "Clever Tonies" clearly contribute to tonies value levers as they provide a higher margin, shorter go-to market time, target group extension (kids 5+ years) and more sustainable materials (50 % bio-circular material). tonies also secured major licensing deals with Disney Consumer Products (50+ new Tonies) and Paramount (10+ new Tonies), strengthening its IP pipeline for the coming years. These strategic partnerships are pivotal in accelerating tonies' international expansion and reflect the strong confidence that leading licensors have in tonies' future success.

In **Accessories & Digital**, revenue grew by 16.9 % YoY to EUR 6.9 million mainly led by sales of Night Light Tonies, electronics (mainly headphone and chargers) and transport solutions.

Regarding **distribution channels**, both wholesale and direct-to-consumer channels – including Amazon marketplace – remained strategically relevant for tonies. In the first half of 2024, the share of revenue from direct-to-consumer channels decreased slightly to 41 % compared to 42 % in the previous year period.

## Profitability

Adjusted EBITDA is a key performance indicator, which is calculated from EBITDA by adjusting for various effects to create a metric for the underlying profitability of the business. Adjustments relate to expenses incurred where management believes adjustments should be made due to extraordinary and non-operational character. In H1 2024, the adjustments comprised only costs for share-based compensation (in H1 2023 additionally for own work, which was first time capitalized only at 31 December 2023). The adjusted EBITDA margin is defined as adjusted EBITDA as a percentage of revenue. Despite the continued investment in international growth, adjusted EBITDA improved substantially from 1.8 % of revenue in H1 2023 (EUR 2.1 million) to 2.6 % of revenue in H1 2024 (EUR 3.9 million). This was attributable particularly to substantial improvement in gross margin and operating leverage, partly offset by higher licensing costs.

Consolidated Group statement of profit or loss in accordance with IFRS (based on own grouping):

| | H1 2024 | | H1 2023 | | Change |
|---|---|---|---|---|---|
| | **EUR m** | **% of revenue** | **EUR m** | **% of revenue** | **EUR m** |
| **Revenue** | **146.8** | **100.0 %** | **113.1** | **100.0 %** | **33.7** |
| COGS | – 48.1 | – 32.8 % | – 38.7 | – 34.2 % | – 9.4 |
| **Gross profit** | **98.7** | **67.2 %** | **74.5** | **65.8 %** | **24.2** |
| Licensing costs | – 18.4 | – 12.5 % | – 9.7 | – 8.6 % | – 8.7 |
| **Gross profit after licensing costs** | **80.3** | **54.7 %** | **64.8** | **57.3 %** | **15.5** |
| Own work capitalized | 0,8 | 0,6 % | 0,0 | 0,0 % | 0,8 |
| Other income | 4.4 | 3.0 % | 4.0 | 3.5 % | 0.4 |
| Personnel expenses | – 26.3 | – 17.9 % | – 24.3 | – 21.5 % | – 2.1 |
| Other expenses | – 56.3 | – 38.4 % | – 47.2 | – 41.7 % | – 9.1 |
| **EBITDA** | **2.9** | **2.0 %** | **– 2.7** | **– 2.4 %** | **5.6** |
| Depreciation and amortization | – 11.1 | – 7.5 % | – 9.7 | – 8.5 % | – 1.4 |
| **EBIT** | **– 8.2** | **– 5.6 %** | **– 12.4** | **– 10.9 %** | **4.2** |
| Financial result | – 5.6 | – 3.8 % | 6.7 | 5.9 % | – 12.3 |
| **EBT** | **– 13.8** | **– 9.4 %** | **– 5.7** | **– 5.0 %** | **– 8.1** |
| Tax result | – 1.9 | – 1.3 % | 7.6 | 6.8 % | – 9.6 |
| **Net income** | **– 15.7** | **– 10.7 %** | **1.9** | **1.7 %** | **– 17,6** |

Adjusted EBITDA is calculated from EBITDA as follows:

| | H1 2024 | | H1 2023 | | Change |
|---|---|---|---|---|---|
| | **EUR m** | **% of revenue** | **EUR m** | **% of revenue** | **EUR m** |
| **EBITDA** | **2.9** | **2.0 %** | **– 2.7** | **– 2.4 %** | **5.6** |
| Share-based compensation | 1.0 | 0.6 % | 3.5 | 3.1 % | – 2.5 |
| Own work (not activated) | 0.0 | 0.0 % | 1.3 | 1.1 % | – 1.3 |
| **Adjusted EBITDA** | **3.9** | **2.6 %** | **2.1** | **1.8 %** | **1.8** |

The contribution margin is the contribution profit as a percentage of revenue. The contribution profit is calculated from the gross profit after licensing costs less various revenue-related costs that are together aggregated as fulfilment (mostly freight and logistics costs, fees for online marketplaces, costs of payments and certain variable sales costs). Contribution profit and contribution margin show how much is available for coverage of fixed costs such as personnel, other expenses and marketing. Contribution margin decreased from 41.2 % of revenue in the first six months of 2023 to 37.4 % of revenue in the first half of 2024. The decrease was mainly driven by higher licensing costs in percent of revenue compared to the previous year period, which was positively affected by a non-recurring effect of EUR 3.4 million due to the release of licensing provisions, as well as higher revenue-related costs. Contribution profit of EUR 54.8 million increased significantly compared to the prior-year level of EUR 46.6 million.

| Reconciliation contribution margin | H1 2024 | | H1 2023 | | Change |
|---|---|---|---|---|---|
| | EUR m | % of revenue | EUR m | % of revenue | EUR m |
| Gross profit after licensing costs | 80.3 | 54.7 % | 64.8 | 57.3 % | 15.5 |
| Logistics costs | – 15.1 | – 10.3 % | – 10.9 | – 9.4 % | – 4.2 |
| Other sales dependent costs | – 10.4 | – 7.1 % | – 7.4 | – 6.7 % | – 3.0 |
| **Contribution profit** | **54.8** | **37.4 %** | **46.6** | **41.2 %** | **8.2** |

Gross margin increased substantially from 65.8 % to 67.2 %. The increase was driven by reduced purchase prices and lower inbound logistics costs, despite early-year supply chain disruptions, with additional support from a weaker USD against the EUR.

Licensing costs increased from 8.6 % of revenue to 12.5 %. The increase was mainly due to a non-recurring effect of EUR 3.4 million in the first half of 2023 resulting from the release of licensing provisions. In the first six months of 2024, tonies continued to see favorable effects on licensing costs through regional mix effects (lower revenue share of DACH which tends to have higher licensing costs), a higher share of in-house produced content and self-developed licenses as well as through successful renegotiations with license partners.

Personnel expenses rose from EUR 24.3 million to EUR 26.3 million. Main elements of personal expenses were investments in further international expansion and the build-out of central functions such as technology and operations at the headquarters. As percentage of revenue personnel expenses decreased significantly from 21.5 % to 17.9 %, demonstrating operating leverage. Furthermore, expenses for share-based compensation decreased significantly from EUR 3.5 million in the first half of 2023 to EUR 1.0 million in the first six months of 2024. Furthermore, virtual shares and stock options were issued. All costs for share-based compensation were excluded from the calculation of adjusted EBITDA.

Other expenses increased significantly from EUR 47.2 million to EUR 56.3 million in the first half of 2024. Other expenses include a range of different expenses, such as logistics costs, other revenue-based costs, marketing and other operating expenses, all of which have increased with continued international growth. In addition, increased logistics costs were mainly due to the increasing share of the US market, as logistics costs in the US are more expensive than in Europe, the share of logistics costs at Group level will continue to rise with the increasing share of the US business.

Depreciation and amortization of EUR 11.1 million in the first six months of 2024 (H1 2023: EUR 9.7 million) mostly include the amortization of intangible assets resulting from a purchase price allocation in 2019, when tonies GmbH (formerly Boxine GmbH) was acquired by tonies Beteiligungs GmbH (formerly A. VI Beteiligungs GmbH) and became part of the group structure.

Financial result decreased from EUR 6.7 million in the first half of 2023 to EUR – 5.6 million in the first six months of 2024.

Tax result amounted to EUR 1.9 million, mainly driven by current taxes due to minimum taxation rules and corresponding release of deferred tax assets on tax loss carry forwards. Prior period impact was effectively attributable to effects from the purchase price allocation in context of the acquisition of tonies GmbH in 2019 and resulting effects on deferred tax liabilities.

The net income amounted to EUR 1.9 million in the first half of 2023 compared to EUR – 15.7 million in the first six months of 2024.

## Financial position

Condensed consolidated statement of cash flows (based on own grouping):

| | H1 2024 | H1 2023 | Change |
|---|---|---|---|
| | EUR m | EUR m | EUR m |
| **EBITDA** | **2.9** | **– 2.7** | **5.6** |
| Decrease (increase) in net working capital | – 11.7 | – 24.9 | 13.2 |
| Decrease (increase) in trade receivables | 22.5 | 18.2 | 4.2 |
| Decrease (increase) in inventories | – 49.2 | – 43.0 | – 6.2 |
| Increase (decrease) in trade payables | 15.0 | – 0.1 | 15.1 |
| Change in other positions | – 17.4 | – 6.4 | – 10.9 |
| **Cash flow from operating activities** | **– 26.2** | **– 34.0** | **7.9** |
| Acquisition of property, plant and equipment | – 1.8 | – 2.6 | 0.8 |
| Acquisition of intangible assets | – 3.5 | – 2.4 | – 1.1 |
| Development expenses capitalized | – 0.8 | 0.0 | – 0.8 |
| Interst received | 0.3 | 0.0 | 0.2 |
| **Cash flow from investing activities** | **– 5.8** | **– 4.9** | **– 0.9** |
| Increase (decrease) from equity financing (net of fees) | 0.0 | 0.0 | 0.0 |
| Increase (decrease) in borrowing | – 4.2 | – 1.2 | – 3.0 |
| **Cash flow from financing activities** | **– 4.2** | **– 1.2** | **– 3.0** |
| **Net increase (decrease) in cash** | **– 36.1** | **– 40.1** | **4.0** |
| Change in cash resulting from exchange rate differences | 2.1 | – 0.2 | 2.3 |
| **Free cash flow** | **– 32.0** | **– 39.0** | **7.0** |

Cash flow from operating activities in the first half of 2024 was at EUR – 26.2 million (H1 2023: EUR – 34.0 million). This was driven by an increase in net working capital by EUR 11.7 million, mainly caused by earlier inventory build-up to avoid stock-outs and high airfreight costs to facilitate further international expansion. Net working capital outlines how much cash is bound in tonies' operations. The main driver that was taken into account within the changes in other positions in the amount of EUR – 17.4 million (H1 2023: EUR – 6.4 million) comprised the increase in other assets as well as the decrease in other liabilities.

Cash flow from investing activities reflects investments in property, plant and equipment and intangible assets, and amounted to EUR – 5.8 million in the first six months of 2024 (H1 2023: EUR – 4.9 million). Investment activities included investments in tools to manufacture Tonies figurines, product-related expenses as well as own content production and software.

As a result, free cash flow (the sum of cash flow from operating activities and cash flow from investing activities) amounted to EUR – 32.0 million (H1 2023: EUR – 39.0 million). Free cash flow represents the Group's cash efficiency and enables an assessment of profitability. This metric also considers capital investments and changes in net working capital. It thus demonstrates changes in cash before financing activities are taken into account.

Cash flow from financing activities amounted to EUR – 4.2 million in the first half of the year (H1 2023: EUR – 1.2 million) mainly driven by repayments of borrowings.

Overall, the Group's cash decreased from EUR 59.3 million at the end of 2023 by EUR – 34.1 million (including EUR 2.1 million effects from exchange rate differences) to EUR 25.2 million at the end of the first six months of 2024, mainly driven by investments in inventory.

The Group was able to meet its obligations at all times in the first half of 2024 and afterwards.

## Assets and liabilities

Condensed consolidated statement of financial position in accordance with IFRS (based on own grouping):

| | 30.06.2024 | | 31.12.2023 | | Change |
|---|---|---|---|---|---|
| | EUR m | % of BS total | EUR m | % of BS total | EUR m |
| **Assets** | **484.3** | **100.0%** | **492.4** | **100.0%** | **–8.1** |
| **Non-current assets** | **277.8** | **57.4%** | **282.8** | **57.4%** | **–4.9** |
| Property, plant and equipment | 6.0 | 1.2% | 6.6 | 1.3% | –0.6 |
| Intangible assets (incl Goodwill) | 267.3 | 55.2% | 270.8 | 55.0% | –3.5 |
| Other | 4.6 | 0.9% | 5.4 | 1.1% | –0.8 |
| **Current assets** | **206.5** | **42.6%** | **209.6** | **42.6%** | **–3.1** |
| Cash | 25.2 | 5.2% | 59.3 | 12.0% | –34.1 |
| Inventories | 125.3 | 25.9% | 76.1 | 15.5% | 49.2 |
| Trade receivables | 26.6 | 5.5% | 49.1 | 10.0% | –22.5 |
| Other | 29.4 | 6.1% | 25.1 | 5.1% | 4.5 |
| **Equity and Liabilities** | **484.3** | **100.0%** | **492.4** | **100.0%** | **–8.1** |
| **Equity** | **312.4** | **64.5%** | **325.3** | **66.1%** | **–12.9** |
| Share capital & premium | 609.2 | 125.7% | 609.2 | 123.7% | 0.0 |
| Other incl accumulated profit and loss | –296.8 | –61.3% | –283.9 | –57.7% | –12.9 |
| **Liabilities** | **172.2** | **35.5%** | **167.0** | **33.9%** | **5.1** |
| **Non-current liabilities** | **43.5** | **9.0%** | **43.3** | **8.8%** | **0.3** |
| Loans and borrowings | 7.7 | 1.6% | 7.4 | 1.5% | 0.2 |
| Lease liabilities | 4.1 | 0.9% | 4.8 | 1.0% | –0.7 |
| Share-based payment liabilities | 7.1 | 1.5% | 6.8 | 1.4% | 0.3 |
| Deferred tax liabilities | 24.7 | 5.1% | 24.3 | 4.9% | 0.4 |
| **Current liabilities** | **128.4** | **26.5%** | **123.8** | **25.1%** | **4.6** |
| Loans and borrowings | 12.5 | 2.6% | 15.6 | 3.2% | –3.0 |
| Trade payables | 53.9 | 11.1% | 38.9 | 7.9% | 15.0 |
| Other and provision | 51.2 | 10.6% | 63.5 | 12.9% | –12.4 |
| Warrant liabilities | 10.8 | 2.2% | 5.8 | 1.2% | 5.0 |

At EUR 484.3 million, total assets decreased compared to year-end 2023 (EUR 492.4 million).

Assets consisted in particular of non-current assets, which accounted for 57.4 % of total assets (EUR 277.8 million) and in absolute terms remained on a slightly lower level compared to year-end 2023. The major item is intangible assets. Goodwill, the brand and the capitalized technology as well as customer relationship assets represented the vast majority of intangible assets and total assets.

Current assets decreased from EUR 209.6 million per 31 December 2023 to EUR 206.6 million per 30 June 2024. Cash decreased from EUR 59.3 million to EUR 25.2 million. Inventories increased from EUR 76.1 million to EUR 125.3 million caused by earlier inventory build-up to in case of macroeconomic disruptions and to facilitate further international expansion. Trade receivables decreased from EUR 49.1 million per 31 December 2023 to EUR 26.6 million per 30 June 2024. Other assets (current) increased from EUR 25.1 million to EUR 29.4 million. This item includes VAT receivables and prepaid expenses.

Compared to year-end 2023, equity decreased by EUR 12.9 million to EUR 312.4 million. Correspondingly, equity ratio was lower by 1.6 percentage points to 64.5 % per 30 June 2024 but remained at a very high level overall (31 December 2023: 66.1 %).

Non-current liabilities decreased from EUR 43.3 million per 31 December 2023 to EUR 43.5 million per 30 June 2024. Loans and borrowings increased from 7.4 million per 31 December 2023 to EUR 7.7 million per 30 June 2024. As further major items, provisions for share- based payment increased to EUR 7.1 million (31 December 2023: EUR 6.8 million). and also deferred tax liabilities remained at EUR 24.7 million per 31 June 2024 to EUR 24.3 million per 30 December 2023.

Current liabilities increased to EUR 128.4 million per 30 June 2024 from to EUR 123.8 million per 31 December 2023. Trade payables increased to EUR 53.9 million (31 December 2023: EUR 38.9 million). Loans and borrowings decreased from EUR 15.6 million as per 31 December 2023 to EUR 12.5 million per 30 June 2024.

Other (current) liabilities and provisions decreased from EUR 63.5 million per 31 December 2023 compared to EUR 51.1 million per 30 June 2024. This item also included provisions for copyright collecting agencies and storage media fees. Warrant liabilities increased due to the revaluation of warrants on tonies SE for former SPAC sponsors and shareholders which amounted to EUR 10.8 million compared to EUR 5.8 million per year-end 2023.

### Overall assessment of the economic situation

Overall, the management considers the Group's economic situation good on the basis of the business performance described and the financial position.

## 2. Risks and opportunities report

No material risks or opportunities for the prospective development of the company have emerged against the comprehensive disclosures included in the Annual Report 2023, pages 55 – 61. In the course of the appointment of the new CEO, tonies re-evaluated its strategy and operating business model. This reassessment has led to an adjusted company view on opportunities and risks. Risks that are directly related to the scalability of the company are coming more into focus. These include topics already named in the Annual Report 2023 such as tools and system infrastructure, processes and standards.

In addition, the increased risk assessment of data dependency for decision-making is the biggest change resulting from tonies' re-evaluation. As the size and complexity of tonies increases, data that is available in a timely manner becomes increasingly important as a basis for management and decision-making. The associated risk is that the data in the source systems along the value chain must be constantly monitored, checked and improved in order to achieve the quality required for the desired purpose and analysis. Due to the importance for tonies, this is one of the top business priorities for 2024. This relates to improving data architecture and management as well as improving the quality of master data. To achieve this, the data team will be expanded.

## 3. Subsequent events

After the end of the six-months period on 30 June 2024, no events have occurred that have a material impact on the Group's future financial position and results of operations. Please also refer to note 24 in the notes for information on events.

## 4. Outlook for tonies in 2024

After a strong first half of 2024, tonies outlook for full year 2024 remains unchanged. tonies expects group revenue of above EUR 480 million and revenue from North America of above EUR 200 million. This implies a year-over-year revenue growth for the group of more than +33 % and for North America of more than +42 %. The revenue guidance is based on an assumed EUR/USD exchange rate of USD 1.07. This significant further increase in revenue is expected to be primarily attributable to continued international expansion, particularly in the North American market, which is expected to be the largest market for tonies for the first time in 2024.

tonies also expects a further step-up in profitability in full-year 2024 and expects the adjusted EBITDA margin in the 6 to 8 percent range, compared to +4.0 % in 2023. The increase will be achieved through a continuous improvement in contribution margin due to a higher gross margin and lower licensing costs as well as through operating leverage on the cost base.

Free Cash Flow is expected to turn positive in 2024 and come in above EUR 10 million (FY 2023: EUR – 5 million) driven by an increase in profitability and conscious working capital management.

The forecast is based on the assumption that there will be no further material deterioration of consumer sentiment in 2024.

Luxembourg, 21 August 2024

tonies SE

**Tobias Wann**
CEO

**Dr. Jan Middelhoff**
CFO

# Management's responsibility statement

The Management Board of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the consolidated financial position of the Group with reasonable accuracy at any time and ensuring that an appropriate system of internal controls is in place to ensure that the Group's business operations are carried out efficiently and transparently.

In accordance with Article 3 of the Luxembourg law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, the Management Board declares that, to the best of their knowledge, the unaudited interim condensed consolidated financial statements for the period ended 30 June 2023, prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position as of that date and results for the period then ended.

In addition, the Consolidated Interim Management Report includes a fair review of the development and performance of the Group's operations during the period and of business risks, where appropriate, faced by the Group as well as other information required by the Article 68ter of the Luxembourg law of 19 December 2002 on the commercial companies register and on the accounting records and financial statements of undertakings, as amended.

Luxembourg, 21 August 2024

**Tobias Wann**
CEO

**Dr. Jan Middelhoff**
CFO

# Independent Auditor's Report

## Report on review of interim condensed consolidated financial statements

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of tonies SE as of 30 June 2024, which comprise the interim condensed consolidated statement of financial position as at 30 June 2024 and the related interim condensed consolidated statement of Profit or Loss and Other Comprehensive Income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flow for the six-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Luxembourg, 21 August 2024

For Forvis Mazars, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 Luxembourg

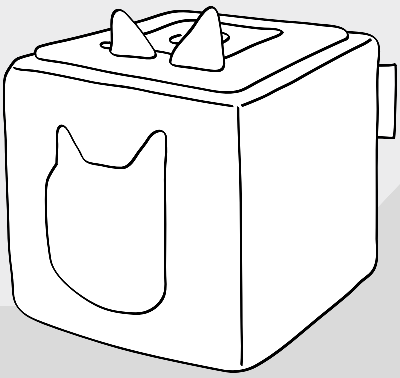
DocuSigned by:

4574F35253B847A...

Fabien DELANTE
Réviseur d'entreprises agréé

# Interim Condensed Consolidated Financial Statements (Unaudited)

- Interim Condensed Consolidated Statement of Financial Position
- Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Interim Condensed Consolidated Statement of Cash Flows
- Interim Condensed Consolidated Statement of Changes in Equity



In accordance with IAS 34 Interim Financial Reporting, as adopted by the EU

Registered Office:
9, rue de Bitbourg | L-1273 Luxembourg | R.CS Luxembourg : B252939

# Interim Condensed Consolidated Statement of Financial Position (Unaudited)

| IFRS Consolidated Statement of Financial Position in kEUR | Notes | 30.06.2024 | 31.12.2023 |
|---|---|---|---|
| **Assets** | | | |
| Property, plant and equipment | 6 | 5,982 | 6,620 |
| Right of use assets | 8 | 4,554 | 5,356 |
| Intangible assets (excl. Goodwill) | 7 | 105,025 | 108,569 |
| Goodwill | 7 | 162,236 | 162,236 |
| Other assets | 10 | 47 | 0 |
| **Non-current assets** | | **277,844** | **282,780** |
| Inventories | 9 | 125,264 | 76,069 |
| Return asset | | 2,978 | 1,155 |
| Trade receivables | 10 | 26,618 | 49,070 |
| Other assets | 10 | 26,361 | 23,988 |
| Cash | 11 | 25,231 | 59,288 |
| **Current assets** | | **206,452** | **209,571** |
| **Total assets** | | **484,296** | **492,352** |
| **Equity** | | | |
| Share capital | 12 | 2,030 | 2,030 |
| Share Premium | 12 | 607,166 | 607,166 |
| Other Reserves | | 26,460 | 23,724 |
| Retained earnings | | – 307,598 | – 295,796 |
| Profit (Loss) | | – 15,672 | – 11,807 |
| **Equity attributable to owners of the company** | | **312,386** | **325,317** |
| **Non-controlling interests** | | **0** | **0** |
| **Total equity** | | **312,386** | **325,317** |
| **Liabilities** | | | |
| Loans and borrowings | 13 | 7,660 | 7,433 |
| Lease liabilities | 8 | 4,129 | 4,758 |
| Share-based payment liabilities | 18 | 7,103 | 6,816 |
| Deferred tax liabilities | | 24,654 | 24,257 |
| **Non-current liabilities** | | **43,546** | **43,264** |
| Income Tax liabilities | | 4,089 | 2,739 |
| Loans and borrowings | 13 | 12,507 | 15,555 |
| Lease liabilities | 8 | 723 | 856 |
| Trade payables | 14 | 53,934 | 38,906 |
| Other liabilities | 14 | 30,022 | 41,057 |
| Warrant liabilities | 21 | 10,844 | 5,832 |
| Provisions | 16 | 16,245 | 18,825 |
| **Current liabilities** | | **128,364** | **123,770** |
| **Total liabilities** | | **171,910** | **167,034** |
| **Total equity and liabilities** | | **484,296** | **492,352** |

The accompanying notes form an integral part of these interim condensed consolidated financial statements (unaudited).

# Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

| IFRS Consolidated Statement of Profit or Loss and Other Comprehensive Income (by nature of expense) in kEUR | Notes | HY 2024 | HY 2023 |
|---|---|---|---|
| **Continuing Operations** | | | |
| **Revenue** | 17 | **146,781** | **113,131** |
| Changes in inventories | | 47,981 | 41,624 |
| Cost of materials | | – 96,068 | – 80,283 |
| **Gross profit** | | **98,694** | **74,472** |
| Licensing costs | | – 18,364 | – 9,676 |
| **Gross profit after Licensing costs** | | **80,330** | **64,796** |
| Own work capitalized | | 817 | 0 |
| Other income | | 4,433 | 3,995 |
| Personnel expenses | 19 | – 26,346 | – 24,271 |
| Other expenses | 20 | – 56,314 | – 47,229 |
| **Earnings before interest, taxes, depreciation and amortization (EBITDA)** | | **2,920** | **– 2,710** |
| Depreciation and amortization | | – 11,076 | – 9,658 |
| **Earnings before interest and taxes (EBIT)** | | **– 8,156** | **– 12,368** |
| Finance income | 21 | 788 | 6,599 |
| Finance costs | 21 | – 6,391 | 77 |
| **Earnings before tax (EBT)** | | **– 13,759** | **– 5,691** |
| Tax income | | – 1,913 | 7,640 |
| **Profit from continuing operations** | | **– 15,672** | **1,949** |
| **Discontinued operations** | | | |
| Profit (loss) from discontinued operation, net of tax | | 0 | 0 |
| **Loss for the period** | | **– 15,672** | **1,949** |
| **Other comprehensive income** | | | |
| **Items that are or may be reclassified subsequently to profit or loss** | | | |
| Exchange differences on translation to functional currency | | 2,071 | – 191 |
| **Other comprehensive income for the period, net of tax** | | **2,071** | **– 191** |
| **Total comprehensive income for the period** | | **– 13,601** | **1,757** |
| **Profit attributable to:** | | | |
| Owners of the Company | | – 15,672 | 1,949 |
| Non-controlling interests | | 0 | 0 |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | – 13,601 | 1,757 |
| Non-controlling interests | | 0 | 0 |
| **Earnings (loss) per share (in EUR)** | | | |
| Basic | 22 | – 0.14 | 0.02 |
| Diluted | 22 | – 0.14 | 0.02 |

The accompanying notes form an integral part of these interim condensed consolidated financial statements (unaudited).

# Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

| IFRS Consolidated Statement of Cash Flows in kEUR | Notes | HY 2024 | HY 2023 |
|---|---|---|---|
| **Profit (loss) for the period** | | **– 15,672** | **1,949** |
| Depreciation and amortization | | 11,076 | 9,658 |
| Finance (income) expenses | | 5,603 | – 6,676 |
| Tax expense (income) | | 1,913 | – 7,640 |
| **EBITDA** | | **2,920** | **– 2,710** |
| Decrease (increase) in trade receivables | 10 | 22,452 | 18,244 |
| Decrease (increase) in inventories | 9 | – 49,195 | – 43,041 |
| Increase (decrease) in trade payables | 14 | 15,028 | – 79 |
| **Decrease (increase) in net working capital** | | **– 11,715** | **– 24,876** |
| Loss on disposal of property, plant and equipment | 6 | 0 | 0 |
| Decrease (increase) in other assets | 10 | – 4,242 | 4,638 |
| Increase (decrease) in other provisions | 16 | – 2,580 | – 4,847 |
| Increase (decrease) in other liabilities | 14 | – 11,107 | – 9,885 |
| Increase (decrease) in share-based payment liabilities | 18 | 287 | – 264 |
| Equity-settled share-based payment transaction | 18 | 665 | 3,745 |
| Other non-cash (income) expenses | | – 349 | 207 |
| **Cash flow from operating activities before income taxes** | | **– 26,120** | **– 33,992** |
| Income tax paid | | – 50 | – 42 |
| **Cash Flow from operating activities** | | **– 26,171** | **– 34,034** |
| Acquisition of property, plant and equipment | 6 | – 1,752 | – 2,590 |
| Acquisition of intangible assets | 7 | – 3,525 | – 2,397 |
| Development expenses capitalized | 7 | – 817 | 0 |
| Proceeds from sale of property, plant and equipment | | 0 | 0 |
| Interest received | | 296 | 49 |
| **Cash flow from investing activities** | | **– 5,797** | **– 4,938** |
| Repayments of borrowings | 13 | – 2,821 | 0 |
| Interest paid | | – 807 | – 559 |
| Proceeds from issuance of shares | | 5 | 0 |
| Payment of lease liabilities | 8 | – 537 | – 591 |
| **Cash flow from financing activities** | | **– 4,160** | **– 1,151** |
| **Net increase (decrease) in cash** | | **– 36,128** | **– 40,123** |
| Change in cash resulting from exchange rate differences | | 2,071 | – 191 |
| Net cash at the beginning of the period | | 59,288 | 54,918 |
| Net cash at the end of the period | | 25,231 | 14,604 |

The accompanying notes form an integral part of these interim condensed consolidated financial statements (unaudited).

# Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

| IFRS Statement of Changes in Equity in kEUR | Notes | Share capital | Share premium | Translation reserve | Transaction costs reserve | Share-based remuneration reserve | Retained earnings | Profit (Loss | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as of 31.12.2023** | | **2,030** | **607,166** | **–3,889** | **–1,871** | **29,484** | **–295,796** | **–11,807** | **0** | **325,317** |
| Allocation results prior year | | | | | | | –11,807 | 11,807 | | |
| **Total comprehensive Income** | | | | | | | | | | |
| Profit (loss) for the period | | | | | | | | –15,672 | | –15,672 |
| Other comprehensive income | | | | 2,071 | | | | | | 2,071 |
| **Total comprehensive income** | | 0 | 0 | 2,071 | 0 | 0 | 0 | –15,672 | 0 | –13,601 |
| **Contributions and distributions** | | | | | | | | | | |
| Capital increase | | | | | | | | | | 0 |
| Equity-settled share-based payment | 18 | | | | | 665 | | | | 665 |
| **Total contributions and distributions** | | 0 | 0 | 0 | 0 | 665 | 0 | 0 | 0 | 665 |
| **Total transactions with owners of the Company** | | 0 | 0 | 0 | 0 | 665 | 0 | 0 | 0 | 665 |
| Other Changes | | | | | | | 5 | | | 5 |
| **Balance as of 30.6.2024** | | **2,030** | **607,166** | **–1,818** | **–1,871** | **30,149** | **–307,598** | **–15.672** | **0** | **312,386** |

| IFRS Statement of Changes in Equity in kEUR | Notes | Share capital | Share premium | Translation reserve | Transaction costs reserve | Share-based remuneration reserve | Retained earnings | Profit (Loss | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as of 31.12.2022** | | **2,030** | **607,166** | **–1,430** | **–1,871** | **24,539** | **–264,133** | **–31,663** | **0** | **334,638** |
| Allocation results prior year | | | | | | | –31,663 | 31,663 | | 0 |
| **Total comprehensive Income** | | | | | | | | | | |
| Profit (loss) for the period | | | | | | | | –11,807 | | –11,807 |
| Other comprehensive income | | | | –2,459 | | | | | | –2,459 |
| **Total comprehensive income** | | 0 | 0 | –2,459 | 0 | 0 | 0 | –11,807 | 0 | –14,266 |
| **Contributions and distributions** | | | | | | | | | | |
| Capital increase | | | | | | | | | | 0 |
| Equity-settled share-based payment | 18 | | | | | 4,945 | | | | 4,945 |
| **Total contributions and distributions** | | 0 | 0 | 0 | 0 | 4,945 | 0 | 0 | 0 | 4,945 |
| **Total transactions with owners of the Company** | | 0 | 0 | 0 | 0 | 4,945 | 0 | 0 | 0 | 4,945 |
| Other Changes | | | | | | | 0 | | | 0 |
| **Balance as of 31.12.2023** | | **2,030** | **607,166** | **–3,889** | **–1,871** | **29,484** | **–295,796** | **–11,807** | **0** | **325,317** |

The accompanying notes form an integral part of these interim condensed consolidated financial statements (unaudited).

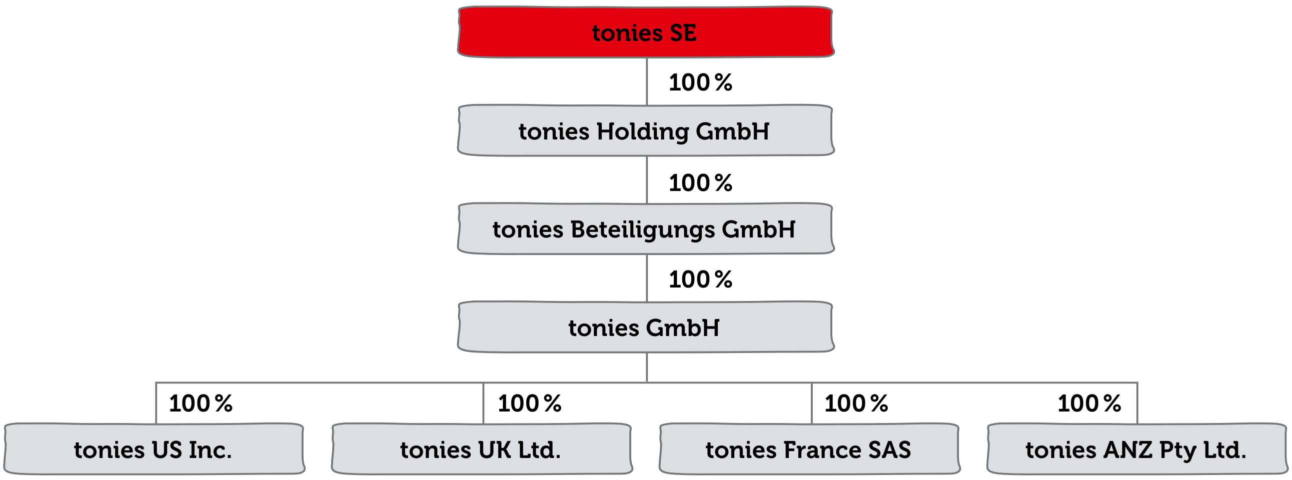
# Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

## 1. General information

tonies SE (the **"Company"** or **"tonies"**) was incorporated in Luxembourg on 18 March 2021 and was registered with the Luxembourg Trade and Companies Register under number B252939 on 29 March 2021. The registered office of the Company is in rue de Bitbourg 9, L1273, Luxembourg. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the **"Group"** or **"tonies"**).

tonies SE started trading on the regulated market of the Frankfurt Stock Exchange on 29 November 2021 under the International Securities Identification Number ("ISIN") LU2333563281.

Per 30 June 2024, the Group structure of tonies SE is as follows:




tonies, through its subsidiaries, 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.

## 2. Basis of preparation

### 2.1. Statement of compliance

The interim condensed consolidated financial statements and notes as at and for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and should be read in conjunction with the tonies Group's last annual consolidated financial statements as at and for the year ended 31 December 2023 ("last annual financial statements").

The interim condensed consolidated 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 tonies 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.

The interim condensed consolidated financial statements were authorized for issue by management on 21 August 2024. 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

tonies 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 interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year-ended 31 December 2023 according to IAS 34.16A(a).

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have any material impact on the interim condensed consolidated financial statements of the Group and are therefore considered not relevant:

- IFRS 16 Amendment Lease Liability in a Sale and Leaseback
- IAS 7 and IFRS 7 Amendment Supplier Finance Arrangements

The Group has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current. The Amendments to IAS 1 have not led to any changes in the classification of liabilities as of 30 June 2024. For further information on the classification of the syndicated loan agreement refer to note 13.

### 3.1. Changes in presentation of financial statements

In order to increase the clarity of the presentation of the financial statements and the quality of the information shown, the Group has decided to adjust the presentation of the financial statements as part of the increase in complexity associated with growth. tonies is convinced that this change will lead to a more reliable and relevant presentation of business transactions or the financial position.

In the previous years, currency gains and losses were reported under cost of materials and finance costs, as they mainly resulted from purchases of raw materials and consumables in foreign currencies. However, as the internationalization of tonies progresses, foreign currency gains and losses are increasingly resulting from other business transactions as well. For reasons of clarity, they are therefore reported under other income (foreign currency gains) and other expenses (foreign currency losses) starting fiscal year 2023. The previous half-year's column in the financial statements has been amended accordingly.

The impact on prior half-year numbers of profit and loss statement is as follows:

| IFRS Consolidated Statement of Profit or Loss and Other Comprehensive Income (by nature of expense) in kEUR | HY 2023 presented | HY 2023 adjusted | Delta |
|---|---|---|---|
| **Continuing Operations** | | | |
| **Revenue** | **113,131** | **113,131** | **0** |
| Changes in inventories | 41,624 | 41,624 | 0 |
| Cost of materials | – 81,208 | – 80,283 | 925 |
| **Gross profit** | **73,547** | **74,472** | **925** |
| Licensing costs | – 9,676 | – 9,676 | 0 |
| **Gross profit after Licensing costs** | **63,871** | **64,796** | **925** |
| Other income | 655 | 3,995 | 3,340 |
| Personnel expenses | – 24,271 | – 24,271 | 0 |
| Other expenses | – 42,090 | – 47,229 | – 5,140 |
| **Earnings before interest, taxes, depreciation and amortization (EBITDA)** | **– 1,835** | **– 2,710** | **– 875** |
| Depreciation and amortization | – 9,658 | – 9,658 | 0 |
| **Earnings before interest and taxes (EBIT)** | **– 11,493** | **– 12,368** | **– 875** |
| Finance income | 6,599 | 6,599 | 0 |
| Finance costs | – 798 | 77 | 875 |
| **Earnings before tax (EBT)** | **– 5,691** | **– 5,691** | **0** |
| Tax income | 7,640 | 7,640 | 0 |
| **Profit from continuing operations** | **1,949** | **1,949** | **0** |
| **Discontinued operations** | | | |
| Profit (loss) from discontinued operation, net of tax | 0 | 0 | 0 |
| **Loss for the period** | **1,949** | **1,949** | **0** |

The Consolidated Statement of Cash Flows was adjusted accordingly in lines "finance (income) expenses", "EBITDA" and "increase (decrease) in other liabilities" by the absolute amount of kEUR 875.

## 4. Use of judgements and estimates

In preparing the interim condensed 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.

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

Since 31 December 2023, the Group has organized its business into the three operating segments DACH, North America ("NA") and Rest of the World ("RoW") in order to assess performance and make operational decisions. These three segments are based on the geographical structure of the main sales markets with tonies' external customers, and equal the reportable segments:

- The DACH region comprises the sales countries of Germany, Austria and Switzerland, with business being conducted under the umbrella of tonies GmbH, Germany.
- NA is made up of the sales countries USA and Canada, with sales in the latter starting in September 2023. Business in North America is conducted via tonies US, Inc. based in California, US.
- The RoW sales region currently comprises the UK, Ireland and France as core markets with local teams as well as noncore markets including Hong Kong and several countries served by the European web store (e.g. Belgium, Luxembourg, the Netherlands, Portugal and Spain). In 2023, preparations were made to expand the sales area to Australia and New Zealand in the future. There are independent sales companies in France and the UK, which are used to develop the corresponding markets. All other regions mentioned are covered by the German company tonies GmbH.

The Group's complete product and service portfolio are offered in all three segments, i.e. the segments generate their revenue from the sale of the innovative "Tonies" audio system, which comprises the Toniebox and various figurines marketed under the Tonies brand, as well as various accessories & digital content.

There are no transactions between the operating segments.

Revenue and expenses are allocated to the individual operating segments, where available, on the basis of the local financial reporting of the companies based in the respective region. For the DACH and RoW regions, revenues and expenses are allocated as if a separate company had existed in the region. This allocation is determined in accordance with the valuation principles of the German Commercial Code (HGB) and the internationally recognized transfer pricing guidelines of the OECD. Information on the assets and liabilities of the operating segments is not regularly reported to the responsible corporate entity and is therefore not disclosed.

A Managing Director is responsible for each segment. The Management Board, which consists since 1 January 2024 of the new CEO and the CFO, is the chief operating decision maker that regularly reviews the results of the operating segments and makes decisions on the allocation of the Group's resources.

From a management perspective, the primary performance indicators of the operating segments are net revenue with external third parties, EBITDA and the contribution margin (for definition, see management report, section 1.1 "Performance assessment system"), which are reported regularly in internal management reporting. Other key figures are not reported regularly.

Until the financial year 2022, when the Group only reported in one operating segment, one of the primary performance indicators used for management purposes was adjusted EBITDA. Adjustments relate to expenses incurred where management believes adjustments should be made due to extraordinary and nonoperational character. Since the financial year 2023, these facts are not regularly allocated to the operating segments, which is why EBITDA is used to manage the operating segments.

Functional areas of the Group, such as the traditional headquarters functions of accounting, taxes, legal, treasury, strategic planning and IT, are combined as the nonoperating business segment "Corporate Headquarters" and reported separately. Other productrelated services such as the operation of the web store or the technical product infrastructure, crossmarket marketing services, logistics services and customer service are also provided at the corporate headquarters. The services provided are invoiced or allocated to the operating segments on the same terms as those negotiated with third parties.

Details of the sales and results of the operating segments and Corporate Headquarters as well as the reconciliation to the consolidated result are shown in the following table:

| in kEUR | DACH | NA | RoW | Total operating segments | Corporate Headquarters | Reconciliation | tonies Group according to IFRS |
|---|---|---|---|---|---|---|---|
| **HY 2024** | | | | | | | |
| Revenue (ext) | 71,869 | 55,242 | 19,670 | 146,781 | 0 | 0 | 146,781 |
| Revenue total | 71,869 | 55,242 | 19,670 | 146,781 | 0 | 0 | 146,781 |
| Licensing costs | – 11,677 | – 5,431 | – 2,438 | – 19,546 | 1,182 | 0 | – 18,364 |
| EBITDA | 13,076 | – 2,160 | – 3,551 | 7,364 | – 3,855 | – 589 | 2,919 |
| Contribution margin | 36.4 % | 34.1 % | 30.0 % | 34.7 % | | | 37.4 % |

The column "Reconciliation" contains IFRS adjustments, as the segment results are based on the respective local GAAP. In addition, special items that are exceptional and therefore not allocated to an operating segment are reported here. In the half year 2024, the reconciliation column does not include any exceptional items. The segment data for the comparative period 2023 is not available in the form described above and is therefore not reported. The effort involved in subsequently extracting and determining this data is not in proportion to the information content of the data.

The geographic information analyses the Group's revenue and noncurrent assets by the Company's country of domicile and other countries. In presenting and geographic information, segment revenue has been based on the geographic location of customers.

**Geographic information**

| Revenue breakdown by country in kEUR | HY 2024 | HY 2023 |
|---|---|---|
| Germany | 67,104 | 61,529 |
| **All foreign countries** | | |
| United States (US) | 54,839 | 33,820 |
| United Kingdom (UK) | 13,912 | 10,462 |
| All other foreign countries | 10,926 | 7,320 |
| **Total** | **146,781** | **113,131** |

The following table shows the Group's noncurrent assets broken down. In presenting the geographic information, segment assets were based on the location of the assets.

**Geographic information**

| Non-current asset breakdown by country in kEUR | 30. 06. 2024 | 31. 12. 2023 |
|---|---|---|
| Germany | 276,367 | 281,158 |
| United States (US) | 1,003 | 1,157 |
| United Kingdom (UK) | 192 | 204 |
| All other foreign countries | 282 | 261 |
| **Total** | **277,844** | **282,780** |

## 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 30 June 2024, the Group acquired assets with a cost of kEUR 1,752 (six months ended 30 June 2023: kEUR 2,590). The acquisitions mainly relate to operating and office equipment for the office in Germany.

As of 30 June 2024, the Group is performing in line with the budget. Management concludes on the absence of impairment indicators that requires an additional impairment testing.

## 7. Intangible assets

Intangible assets mainly comprise capitalised purchased technology bundle (different core technologies), acquired brand and acquired customer relationships as well as self-created assets values in development.

During the six months ended 30 June 2024, the Group acquired intangible assets with a cost of kEUR 4,341 (six months ended 30 June 2023: kEUR 2,397). The acquisitions include patents, licenses and similar rights values.

Included in the above mentioned total acquisitions, the capitalized development costs are amounting to kEUR 1,760 (six months ended 30 June 2023: kEUR 2,552), of which kEUR 817 was self developed (six months ended June 2023: kEUR 0).

The Group performs its annual impairment test in December and when circumstances indicates that the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the cash generating unit were disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

As of 30 June 2024, the Group is performing in line with the budget. Management concludes on the absence of impairment indicators that requires an additional impairment testing.

## 8. Leases

In 2024 no new rental agreements were entered into, and no lease contracts were terminated before their expiration. The movement in the balance of the right of use asset as well as the lease liability is therefore directly attributable to the depreciation and the lease payments respectively.

As of 30 June 2024, the total lease liabilities amount to kEUR 4,852 (31 December 2023: kEUR 5,614).

## 9. Inventories

Inventories can be broken down to the following items as follows:

| **Inventories in kEUR** | **30.06.2024** | **31.12.2023** |
|---|---|---|
| Finished goods | 110,924 | 62,107 |
| Raw materials | 13,052 | 12,878 |
| Work in process | 1,288 | 1,084 |
| **Total** | **125,264** | **76,069** |

During the six months ended 30 June 2024, the Group reversed its inventory write down amounting to kEUR 3,260 (six months ended 30 June 2023: kEUR 829 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 other comprehensive income.

During the six months ended 30 June 2024, finished goods increased from kEUR 62,107 to kEUR 110,924. This increase is mainly driven by dedicated stock for fast-growing international markets and the seasonal inventory build-up prior to the Christmas season.

## 10. Trade receivables and other assets

Trade receivables and other assets can be broken down as follows:

| **Trade receivables in kEUR** | **30.06.2024** | **31.12.2023** |
|---|---|---|
| **Financial assets** | | |
| Trade receivables | 26,618 | 49,070 |
| Receivables from related parties | 0 | 0 |
| **Total** | **26,618** | **49,070** |

| **Other non-current assets in kEUR** | **30.06.2024** | **31.12.2023** |
|---|---|---|
| **Other non-current financial assets** | | |
| Derivative financial assets (long term) | 47 | 0 |
| **Sum of other non-current financial assets** | **47** | **0** |

| **Other current assets in kEUR** | **30.06.2024** | **31.12.2023** |
|---|---|---|
| **Other current financial assets** | | |
| Receivables from employees | 22 | 23 |
| Receivables from marketplaces | 1,551 | 4,111 |
| Deposits | 2,760 | 3,936 |
| Derivative financial assets (short term) | 254 | 0 |
| Prepayments to suppliers | 0 | 0 |
| Other receivables financial | 21 | 281 |
| **Sum of other current financial assets** | **4,608** | **8,351** |

| **Other current non-financial assets in kEUR** | **30.06.2024** | **31.12.2023** |
|---|---|---|
| Receivables resulting from input taxes and VAT | **13,037** | **10,553** |
| Deferred expenses and accrued income | 8,716 | 5,084 |
| Other receivables non-financial | **0** | **0** |
| **Sum of other non-financial assets** | **21,753** | **15,638** |
| **Total** | **26,408** | **23,988** |

As of 30 June 2024, trade receivables have decreased compared to the financial year-end due to high sales at the year-end 2023 and corresponding high receivables at year-end after the Christmas season. These were reversed through payments in the first quarter of 2024.

# 11. Cash

Cash comprises cash and cash at banks. Cash at banks include payment providers with banking licenses in the respective geographical regions.

In line with the seasonality of the business, as of 30 June 2024, tonies had cash with a carrying amount of kEUR 25,231 (31 December 2023: kEUR 59,288), thereof restricted kEUR 835 (31 December 2023: kEUR 842). Restricted cash relates to the deposits of payment providers.

# 12. Equity

The changes in the various components of equity from 1 January through 30 June 2024 are shown in tonies' interim condensed consolidated statement of changes in equity.

## 12.1. Share capital

The share capital amounts to kEUR 2,030 with a total number of shares of 126,847,586 of which 113,683,950 shares were issued as of 30 June 2024.

## 12.2. Share premium

The share premium amounts to kEUR 607,166 as of 30 June 2024. No changes have occurred since the last reporting period (31 December 2023: kEUR 607,166).

# 13. Loans and borrowings

Loans and borrowings can be broken down as follows:

| Loans and borrowings in kEUR | 30.06.2024 | 31.12.2023 |
|---|---|---|
| **Non-current liabilities** | | |
| Non-current portion of the bond | 7,660 | 7,433 |
| **Current liabilities** | | |
| Other loans and borrowings | 4,985 | 232 |
| Current portion of secured bank loans | 7,522 | 15,323 |
| **Total Current liabilities** | **20,167** | 22,988 |

As of 30 June 2024, tonies SE had a total of kEUR 30,000 (31 December 2023: kEUR 30,000) of bank credit lines available of which kEUR 7,500 (31 December 2023: kEUR 15,000) were utilized.

Other loans and borrowings comprise a credit in current account relating to the ancillary credit to the amount of kEUR 4,985 (31 December 2023: kEUR 232) within the contract of the above-mentioned bank credit lines.

## Terms and repayment schedule

| Loans and borrowings | Original currency | Matures in | Interest type | Effective interest rate in % | Nominal value in kEUR | Carrying amount in kEUR |
|---|---|---|---|---|---|---|
| **30.06.2024** | | | | | | |
| Bond | EUR | 1.7.2027 | fix | 5 | 10,000 | 7,660 |
| Secured bank loans | EUR | 25.9.2026 | variable[2] | 8.67 | 7,500 | 7,522 |
| Other loans and borrowings | EUR | n/a | fix[1] | 8.67 | 4,985 | 4,985 |
| **Total** | | | | | **22,485** | **20,167** |
| **30.06.2023** | | | | | | |
| Bond | EUR | 1.7.2027 | fix | 5 | 10,000 | 7,433 |
| Secured bank loans | EUR | 25.9.2026 | variable[2] | 8.91 | 15,000 | 15,323 |
| Other loans and borrowings | EUR | n/a | fix[1] | 8.91 | 232 | 232 |
| **Total** | | | | | **25,232** | **22,988** |

## Loan covenant

tonies SE and tonies GmbH have signed the new syndicated loan agreement mentioned above as of 25 September 2023.

tonies is obliged to maintain several financial ratios regarding secured bank loans at the level of the Group:

- Minimum EBITDA,
- Minimum Equity,
- Minimum Current ratio.

Furthermore, the Group is obliged to fulfill covenants relating to the share of borrowers and other guarantors in the Group's revenue, EBITDA and total assets. Due to the strong international growth, the covenant on revenue was not reached at December 31, 2023. Therefore, the Group applied for a waiver which was signed with the banks. For details refer to note 24.

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. No further covenant breaches have been noticed and we do not expect any breaches for the future as of today.

[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.
[2] Secured bank loan. Conditions are fixed for a specific tranche for a limited period of time (usually at least two months).

## 14. Trade payables and other liabilities

Trade payables and other liabilities can be broken down as follows:

| **Trade payables in kEUR** | **30.06.2024** | **31.12.2023** |
|---|---|---|
| Trade payables | 44,777 | 31,532 |
| Trade accrued expenses | 2,656 | 3,453 |
| Return liability | 6,501 | 3,921 |
| **Sum of Trade payables** | **53,934** | **38,906** |

| **Other liabilities in kEUR** | **30.06.2024** | **31.12.2023** |
|---|---|---|
| **Other financial liabilities** | | |
| Liabilities for licenses | 13,056 | 21,100 |
| Liabilities for customer bonus | 0 | 0 |
| Accrued expenses | 4,326 | 5,956 |
| Payables to employees | 1,123 | 1,256 |
| Derivative financial liabilities | 0 | 115 |
| **Sum of other financial liabilities** | **18,505** | **28,427** |
| **Other non-financial liabilities** | | |
| Payroll tax and social security | 2,250 | 1,206 |
| Liabilities from input taxes and VAT | 1,509 | 6,714 |
| Liabilities from wages and salaries | 1,487 | 1,332 |
| Other liabilities non-financial | 6,271 | 3,378 |
| **Sum of other non-financial liabilities** | **11,517** | **12,630** |
| **Total** | **30,022** | **41,057** |

# 15. 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) of warrants 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. The fair values of derivative financial instruments are determined using bank valuation models based on current parameters such as interest and foreign exchange rates.

| Financial instruments in kEUR | Note | Mandatorily at FVTPL – others | Financial assets at amortized costs | Other financial liabilities | Total | Fair Value |
|---|---|---|---|---|---|---|
| **Balance as of 30.06.2024** | | | | | | |
| 1. Trade and other receivables | 10 | | 52,725 | | 52,725 | 52,725 |
| 2. Cash | 11 | | 25,231 | | 25,231 | 25,231 |
| **Financial assets not measured at fair value** | | | **77,956** | | **77,956** | **77,956** |
| 1. Derivative financial asset (Level 2) | 10 | 301 | | | 301 | 301 |
| **Financial assets measured at fair value** | | **301** | | | **301** | **301** |
| 1. Bond | 13 | | | 7,660 | 7,660 | 7,660 |
| 2. Secured bank loans | 13 | | | 7,522 | 7,522 | 7,522 |
| 3. Other loans and borrowings | 13 | | | 4,985 | 4,985 | 4,985 |
| 4. Trade and other payables | 14 | | | 83,956 | 83,956 | 83,956 |
| **Financial liabilities not measured at fair value** | | | | **104,123** | **104,123** | **104,123** |
| 1. Warrants (Level 2) | 21 | 10,844 | | | 10,844 | 10,844 |
| 2. Derivative financial liabilities (Level 2) | 14 | 0 | | | 0 | 0 |
| **Financial liabilities measured at fair value** | | **10,844** | | | **10,844** | **10,844** |

| Financial instruments in kEUR | Note | Mandatorily at FVTPL – others | Financial assets at amortized costs | Other financial liabilities | Total | Fair Value |
|---|---|---|---|---|---|---|
| **Balance as of 31.12.2023** | | | | | | |
| 1. Trade and other receivables | 10 | | 73,059 | | 73,059 | 73,059 |
| 2. Cash | 11 | | 59,288 | | 59,288 | 59,288 |
| **Financial assets not measured at fair value** | | | **132,347** | | **132,347** | **132,347** |
| 1. Derivative financial asset (Level 2) | 10 | 0 | | | 0 | 0 |
| **Financial assets measured at fair value** | | **0** | | | **0** | **0** |
| 1. Bond | 13 | | | 7,433 | 7,433 | 8,424 |
| 2. Secured bank loans | 13 | | | 15,323 | 15,323 | 15,323 |
| 3. Other loans and borrowings | 13 | | | 232 | 232 | 232 |
| 4. Trade and other payables | 14 | | | 79,963 | 79,963 | 79,963 |
| **Financial liabilities not measured at fair value** | | | | **102,952** | **102,952** | **103,942** |
| 1. Warrants (Level 2) | 21 | 5,832 | | | 5,832 | 5,832 |
| 2. Derivative financial liabilities (Level 2) | 14 | 115 | | | 115 | 115 |
| **Financial liabilities measured at fair value** | | **5,947** | | | **5,947** | **5,947** |

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.

## 16. Provisions

The major part of short-term provisions are licences which were recognised to cover the fees for the performance right organizations and collecting societies and similar organizations. The sales figures of the previous business year and the expected fee were used to determine the licence provision. 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. The same uncertainties relate to legal provisions.

In addition, further provisions relate to the expected warranty expenses and the associated outflow of resources, whether in the form of cash or exchange material.

In total, the provisions decreased by kEUR 2,580 to kEUR 16,245 compared to 31 December 2023.

## 17. Revenue

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements.

The following tables present the revenue from contracts with customers disaggregated by primary geographical market and major products.

| Revenue from contracts with customers in kEUR | HY 2024 | HY 2023 |
|---|---|---|
| **DACH** | **71,869** | **66,190** |
| Starterset | 15,333 | 14,561 |
| Tonies | 52,286 | 48,168 |
| Other (e.g. Accessories and mytonies) | 4,250 | 3,461 |
| **NA** | **55,242** | **33,819** |
| Starterset | 12,334 | 7,440 |
| Tonies | 41,009 | 24,611 |
| Other (e.g. Accessories and mytonies) | 1,899 | 1,768 |
| **RoW** | **19,669** | **13,122** |
| Starterset | 5,304 | 2,887 |
| Tonies | 13,581 | 9,549 |
| Other (e.g. Accessories and mytonies) | 784 | 686 |
| **Total** | **146,781** | **113,131** |

# 18. Share-based payments

## 18.1. Virtual Stock Program at the level of tonies Holding GmbH

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 months and cliff period of 12 months. It includes a certain number of fixed, virtual shares. In individual cases, it includes a certain number of shares that vest if performance conditions, such as sales targets, are achieved.

As of 30 June 2024, the scheme involves 13 (2023: 20) employees of the C- and D-management-level.

For two beneficiaries, the program is partly dependent on certain milestones to be reached in local businesses. These components are treated as timebased options.

As of 26 November 2021, in connection with the SPAC transaction of the parent company tonies SE, most of the beneficiaries of the program have sold their shares vested until then resulting in a payment of kEUR 6,116.

In HY 2024 a total of kEUR 30 (2023: kEUR 284) was recognised as personnel expenses for these employees. The fair value has been calculated using the share prices as at end of HY 2024 as the share prices are the best estimate for the future payments. There were no payouts in 2024 (2023: kEUR 1,235). Total liability from this plan as of 30 June 2024 is kEUR 4,719.

## 18.2. Virtual Stock Program at the level of tonies SE

Starting in 2022 the Group has implemented a share-based payment compensation scheme for eligible employees of tonies US, Inc. in the form of virtual stock options. The scheme is entirely cash-settled with an option of equity settlement. During 2023 this program was extended to employees of tonies GmbH and tonies UK Ltd. During the first six months of 2024 this program was extended to employees of tonies GmbH and tonies UK Ltd and tonies FR SAS.

The scheme has a vesting period of 48 months and cliff period of 12 months except for one employee without cliff period. It includes a certain number of fixed, virtual shares. In individual cases, it includes a certain number of shares that vest if performance conditions, such as sales targets, are achieved.

As of 30 June 2024, the scheme involves 36 management employees (2023: 22 employees).

For one beneficiary, the program is partly dependent on certain milestones to be reached in local businesses. These components are treated as timebased options for simplification.

In HY 2024 a total of kEUR 258 was recognised as personnel expenses for these employees (2023: kEUR 1,133). The fair value has been calculated using the share prices and at end of June 2024 as the share prices are the best estimate for the future payments. There were payouts on the amount of kEUR 1,258 in 2024 while there were payouts on the amount of kEUR 699 from this plan in 2023. Total liability from this plan as of 30 June 2024 is kEUR 2,384.

### 18.3. Share Option Award at the level of tonies SE

Starting in 2024 the Group has implemented a share-based payment compensation scheme for eligible employees in the form of share options. The scheme is entirely equitysettled and the granted share options vest quarterly over 4 years. One employee has a cliff of 12 months. The share options can, when vested, be exercised over a maximum term of 10 years. 50 % of the granted options carry a sale restriction, i.e. shares acquired upon exercise of the options may not be sold before 4 years after the vesting commencement date.

As of 30 June 2024, the scheme involves 2.65 million options with different strike prices granted to 3 top management employees. In HY 2024 a total of kEUR 665 was recognized as personnel expenses for these employees. The fair values per option are in a range of EUR 0.24 – 2.87 and have been calculated using a Black-Scholes model as of grant date.

## 19. Personnel expenses

Employee benefit expenses include the following:

| Personnel expenses in kEUR | HY 2024 | HY 2023 |
|---|---|---|
| Wages and salaries | 21,833 | 17,868 |
| Cash-settled share-based payments | 287 | -265 |
| Social security contributions | 3,561 | 2,923 |
| Equity-settled share-based payments | 665 | 3,745 |
| **Total** | **26,346** | **24,271** |

The average number of employees (FTE) in the first half year of 2024 increased from 453 (31.12.2023) to 491.

## 20. Other expenses

Other expenses include the following:

| Other expenses in kEUR | HY 2024 | HY 2023 |
|---|---|---|
| Logistic and sales dependent costs | 25,507 | 18,242 |
| Marketing | 12,239 | 8,434 |
| IT costs | 5,417 | 4,657 |
| Legal, audit and consulting fees | 2,870 | 3,004 |
| Administration costs | 2,375 | 2,236 |
| Storage fees | 1,739 | 2,119 |
| Variable fees, contributions and insurance | 777 | 763 |
| Non-period expenses | 79 | 295 |
| Warranties | 74 | 249 |
| Miscellaneous other operating expenses | 5,237 | 7,230 |
| **Total** | **56,314** | **47,229** |

To give a reliable and more relevant presentation of business transactions, the grouping of expenses within other expenses was adjusted in full year report 2023, due to growing business and complexity. Therefore, the HY 2023 presentation was adjusted accordingly.

During the six-months period ended 30 June 2024, the increase in other expenses in comparison to the comparative period amounts to kEUR 9,085. The increase in most positions is mainly attributable to the Group's business growth.

Miscellaneous other operating expenses mainly include expenses from realized and unrealized currency losses. Due to current currency developments, expenses from these currency losses have decreased. The currency losses of prior year were included in the cost of materials and finance cost and amounted to kEUR 5,140 for the six month ended 30 June 2024.

## 21. Financial income and finance cost

Financial income in the amount of kEUR 788 mainly results from the measurement to fair value of the forward exchange transactions and the interest rate swap.

Finance cost mainly result from the remeasurement to fair value of warrant shares.

As of 30 June 2024, the fair value of Public warrants was estimated at kEUR 6,300 (EUR 0.63 per warrant), while the valuation as of 31 December 2023 was at kEUR 3,400 (EUR 0.34 per warrant).

As of 30 June 2024, the fair value of Sponsor warrants was estimated at kEUR 4,544 (EUR 0.71 per warrant), while the valuation as of 31 December 2023 was at kEUR 2,432 (EUR 0.38 per warrant).

## 22. 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 tonies SE shareholders.

Dilutive effects did not occur during the half year 2024. As of 31 December 2023, as well as of 31 December 2022, the 16,400,000 warrant shares were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been antidilutive.

The loss attributable to the shareholders of tonies SE (basic and diluted) amounts to kEUR – 15,672 (30 June 2023: kEUR 1,949). The weighted-average number of interests in circulation (basic and diluted) amounts to 113,653,269 (30 June 2023: 112,103,889).

| Profit attributable to ordinary shareholders (basic) in kEUR | HY 2024 | HY 2023 |
|---|---|---|
| Profit (loss) for the year, attributable to the owners of the Company | – 15,672 | 1,949 |
| **Profit (loss) attributable to ordinary shareholder** | **– 15,672** | **1,949** |

| Weighted-average number of ordinary shares (basic) | HY 2024 | HY 2023 |
|---|---|---|
| Issued ordinary shares at January 1 | 113,439,834 | 111,817,305 |
| Effect of share options excercised (ESOP) | | 687,802 |
| Effect of share placement agreement | 244,116 | |
| **Weighted-average number of ordinary shares at June 30** | **113,653,269** | **112,103,889** |

| EPS | HY 2024 | HY 2023 |
|---|---|---|
| Earnings attributable to shareholders in kEUR | – 15,672 | 1,949 |
| Average number of shares outstanding | 113,653,269 | 112,103,889 |
| **Basic earnings in EUR per share** | **– 0.14** | **0.02** |
| Diluted earnings in EUR per share | – 0.14 | 0.02 |

# 23. Related parties

## 23.1. Parent and ultimate controlling party

tonies is currently not included in any consolidated financial statements at a level of its shareholders.

## 23.2. Transactions with key management personnel

### Key management personnel compensation

Key management personnel compensation comprised the following:

| Key management personnel compensation in kEUR | HY 2024 | HY 2023 |
|---|---|---|
| Short-term employee benefits | 632 | 444 |
| Equity-settled share-based payments (vesting during period) | 352 | 2,090 |
| Cash-settled share-based payments (vesting during period) | 0 | 0 |
| **Total** | **984** | **2,534** |

As of 1 January 2024, Tobias Wann has been appointed as managing director and CEO of tonies SE and all group entities. As a result, his remuneration is included in the above table.

### 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:

| Related parties in kEUR | HY 2024 Transaction volume | | | | HY 2023 Transaction volume | | | |
|---|---|---|---|---|---|---|---|---|
| | Interest income | Interest expenses | Sales of goods and services | Purchases of goods and services | Interest income | Interest expenses | Sales of goods and services | Purchases of goods and services |
| Transactions with Höllenhunde GmbH | 0 | 0 | 0 | **520** | **0** | 0 | 0 | 0 |
| Transactions with PIXIPOP | 0 | 0 | 0 | **365** | **0** | 0 | 0 | 163 |
| Transactions with Armira Beteiligungen GmbH & Co. KG | 0 | 0 | 0 | **47** | **0** | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **932** | **0** | **0** | **0** | **163** |

| Related parties in kEUR | 30.06.2024 Amounts outstanding | | 31.12.2023 Amounts outstanding | |
|---|---|---|---|---|
| | Receivables | Payables | Receivables | Payables |
| Transactions with Höllenhunde GmbH | 0 | 68 | **0** | 400 |
| Transactions with PIXIPOP | 0 | 4 | **0** | 221 |
| Transactions with Armira Beteiligungen GmbH & Co. KG | 0 | 0 | **0** | 0 |
| **Total** | **0** | **72** | **0** | **621** |

PIXIPOP Faßbender Kommunikations – Design & Illustration is controlled by Nina Faßbender, the wife of tonies SE former Co-CEO Patric Faßbender and involved in the design of certain Tonies. Compensation is paid as a fixed amount per item sold.

## 24. Events after the reporting period

A waiver to the syndicated loan was requested by the Group at July 22, 2024 and signed on 14 August 2024 with the banks. Due to the strong international growth, the covenant on revenue share by the borrowers and other guarantors was temporarily adjusted.

No subsequent events occurred after 30 June 2024 that could have had a significant impact on tonies future results of operations, financial position, and net assets. The Company continues its strategy execution within the overall context of the business climate.

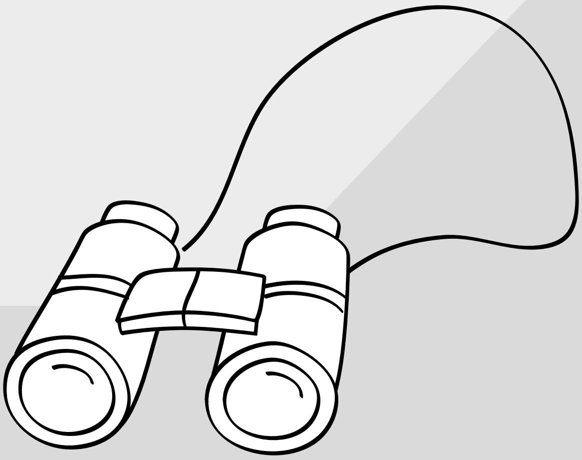
Luxembourg, 21 August 2024

Tobias Wann
CEO

Dr. Jan Middelhoff
CFO

# Other Information

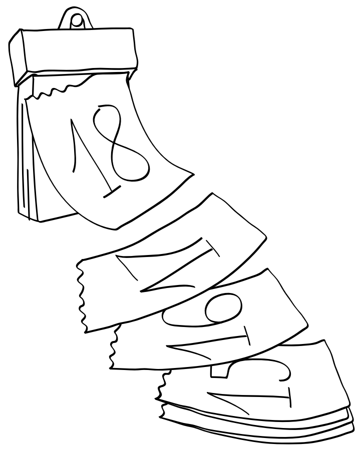
- Financial Calendar 2024
- Imprint



# Financial Calendar 2024

## 22. 8. 2024

Publication of half-year report for H1 2024



## 13. 11. 2024

Publication of quarterly statement for Q3 2024

# Imprint


## Contact

tonies SE
9, rue de Bitbourg
L-1273 Luxembourg

## Investor Relations

ir@tonies.com

## Press

presse@tonies.de



## Concept & Design

pom point of media GmbH, Willich

tonies SE
9, rue de Bitbourg
L-1273 Luxembourg

tonies SE
9, rue de Bitbourg
L-1273 Luxembourg