

tonies SE
Société européenne

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2023**

**AND REPORT OF THE
REVISEUR D'ENTREPRISES AGREE**

Registered office: 9, rue de Bitbourg
L - 1273 Luxembourg
R.C.S. Luxembourg: B252939

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tonies SE Luxembourg

Management Report for the year ended 31 December 2023

1. Basic information on the Company

tonies SE (the “Company” or “tonies”) was a special purpose vehicle that was incorporated on 18 March 2021 and registered with the Luxembourg Trade and Companies Register under the number B252939 on 29 March 2021. Since 30 April 2021 it has been listed on Frankfurt Stock Exchange under the symbol “TNIE” and ISIN LU2333563281.

2. Review and development of the Company’s business, finance performance and financial position

The Company heads the tonies group (the “Group”). It is a holding entity and does not have active operational activities for the year ended 31 December 2023. During the year, the Company raised additional financing for the tonies group to support its growth and expansion phase.

i. Financial performance highlights

The Company incurred expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance) and capital raising activities.

The profit of the Company for the year ended 31 December 2023 is EUR 175.284.536,50, mainly due to the reversal of the value adjustment on the investment in affiliated undertakings.

ii. Financial position highlights

As at 31 December 2023, the Company has EUR 825.557,65 cash at bank. The main assets of the Company are the investments in affiliated undertakings amounting to EUR 963.205.398,77. The Company also has convertible notes with a principal amount of EUR 10.000.00,00 and provisions for certain employee benefits.

3. Financial statements of the Company

The financial statements of the Company are shown on page 10 to page 30. These were prepared in accordance with Luxembourg’s legal and regulatory requirements and using the going concern basis of accounting.

The profit for the year ended 31 December 2023 is EUR 175.284.536,50 mainly due to the reversal of the impairment of the investment of tonies Holding GmbH. It is proposed that the gain for the year ended 31 December 2023 to be allocated to profit and loss brought forward at 1 January 2024.

4. Financial and non-financial risk, risk management, internal control and corporate governance

The Company’s approach to risk management, internal control and corporate governance is consistent with that applied to affiliates in the Group and are detailed in the Group Management Report section 1.2 Capital markets, governance and takeover law and section 6 Risk and opportunities report. Non-financial information required by regulation is provided below.

No risks were identified that could jeopardise the Company as a going concern in the 12 months period after issuing this report. The below summarises and sets out the most important risks.

i. **Macroeconomic and geopolitical risks**

The current macroeconomic situation remains challenging particularly due to ongoing effects from the war in Ukraine and the aggravated situation in the Middle East conflict. The consequences include the limited availability of raw materials, the delay of goods and increased freight costs. The geopolitical, and domestic political uncertainties for companies and consumers remain high and are likely to dampen the propensity to invest and consume.

Management implemented constant monitoring and prudent corporate management as fundamental measures. Ongoing cost and efficiency management is important part of corporate management, which will be pursued even more intensively in view of these framework conditions. Management is monitoring the situation closely and prepared to respond flexibly depending on what the situation requires.

ii. **Compliance**

Designated compliance areas have been identified as part of an initial compliance risk analysis. These areas are associated with significant compliance risks. This means that a breach of the legal requirements within this area can lead to significant financial, reputational and/or other damages for the Company.

Designated compliance areas are anti-corruption, anti-money laundering / combating the financing of terrorism, antitrust law, economics sanctions, data protection, human rights and capital markets compliance. As is often the case with compliance risks, management assessed the probability of occurrence as comparatively low. However, in the event of occurrence, the negative effect for the Company is likely to be high.

In the case of an event, immediate measures are taken. In addition, various measures have been established to reduce the overall risk. In order to identify whether the mitigating measures that have been already implemented are appropriate and effective, a compliance risk analysis is planned for 2023.

iii. **Solvency risks**

There is a risk that additional financial resources in the form of equity or debt will be needed in the future. While there is no guarantee that such potentially needed funding activities are successful, the Company has a track record of securing additional funds if needed and is proactively addressing its liquidity planning well ahead of time.

iv. **Risks in relation to business, operations and the financial position**

As at the end of 31 December 2023, the Company has EUR 825.557,65 cash at bank.

The Management Board believes that the funds available to the Company are sufficient to pay costs and expenses incurred by the Company.

5. Research and development

The Company did not have any activities in the field of research and development during the financial year ended 31 December 2023.

6. Branches

The Company does not have any branches as at 31 December 2023.

7. Transactions in own shares

During the year ended 31 December 2023, the Company transferred 1.622.529 (2022: 1.375.604) of its class A shares held in treasury to Höllenhunde GmbH for an amount of EUR 0,016 per class A share, which corresponds to the par value of such class A shares, in accordance with the terms of an equity stock option plan dated 23 November 2021.

The Company holds 13.407.752 class A shares of the Company in treasury as at 31 December 2023 (2022: 15.030.281).

8. Outlook

The Company, through its subsidiaries, anticipates a very positive business performance in 2024 that is shaped by ongoing significant growth, assuming that there will be no further material deterioration of consumer sentiment in 2024.

9. Events after the end of the reporting period

Please see Note 19 in the notes to the financial statements for information on events after the end of the 2023 financial year that have a material impact on the future financial position and performance of the Company.

Luxembourg, 09 April 2024
tonies SE


Tobias Wann
Managing Director


Jan Middelhoff
Managing Director

tonies SE
Luxembourg

Corporate Governance Statement by the Management Board
for the year ended 31 December 2023

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

In accordance with Article 3 of the 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 Company declares that, to the best of our knowledge, the audited financial statements for the year ended 31 December 2023, prepared in accordance with Luxembourg legal and regulatory requirements, give a true and fair view of the assets, liabilities, financial position as of that date and results for the year then ended.

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

Luxembourg, 09 April 2024

tonies SE



Tobias Wann
Managing Director



Jan Middelhoff
Managing Director



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To the Shareholders of
tonies SE
9, rue de Bitbourg
L-1273 Luxembourg
R.C.S. Luxembourg B 252.939

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **tonies SE** (the "Company"), which comprise the balance sheet as of 31 December 2023, the profit and loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the result of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter:	Impairment of shares in affiliated undertakings
Description of key audit matter:	<p>tonies SE, as ultimate parent of the tonies group, holds shares in affiliated undertaking tonies Holding GmbH amounting to an aggregate amount of EUR 963 million as of 31 December 2023 as disclosed in Note 3 to the annual accounts. A reversal of impairment of EUR 179 million was recognized during the year.</p> <p>As stated in Note 2.2.3 to the financial statements, value adjustments are made in respect of financial assets so that these are valued at the lower amount to be attributed at the balance sheet date with any resulting impairments reflected in the profit and loss account in the relevant period.</p> <p>If an impairment indicator is identified, the estimated recoverable amount of the shares is determined. The estimated recoverable amount is calculated as the higher of the value-in-use or fair value less costs to sell.</p> <p>The key factors used by management in determining the estimated recoverable amount are:</p> <ul style="list-style-type: none"> • the future revenue and EBITDA assumptions taken from tonies group's most recent budgets (the "Plan"); • the long-term growth rate used beyond the period covered by the Plan; • the pre-tax discount rate applied to future cash flows. <p>The outcome of the impairment review could vary significantly if different assumptions were applied in the valuation model.</p> <p>Impairment of shares in affiliated undertakings is considered a key audit matter because of the significant judgement involved regarding the assessment of their recoverable amount.</p>
Our response:	<p>Our audit procedures in relation to the valuation of the shares in affiliated undertakings included the following, among others:</p> <p>We assessed management's impairment testing by obtaining the supporting model and assessing the methodology and key assumptions used:</p> <ul style="list-style-type: none"> • future revenue and EBITDA forecasts – we assessed management's forecasts and tested the underlying values used in the calculations by comparing managements' forecasts to the latest budget; • long-term growth rate – we compared the rates applied by management to available externally developed rates; • pre-tax discount rates – we involved valuation specialists in our assessment of the appropriateness of discount rates used; • net assets – we agreed the net assets to the financial records of the respective companies; and • key inputs – we performed sensitivity analysis on the main assumptions of the model including but not limited to future revenue and EBITDA forecasts, long-term growth rate and pre-tax discount rates. <p>We compared the carrying amount of the shares to their recoverable amount in order to assess whether an impairment exists.</p> <p>We assessed the completeness and appropriateness of the disclosures in Note 2.2.1 and Note 3 of the financial statements.</p>



Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the Management Report and the Corporate Governance Statement but does not include the financial statements and our report of the “Réviseur d’Entreprises Agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and Those Charged with Governance of the Company for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board is also responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended (“ESEF Regulation”).

In preparing the financial statements, the Management Board is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Responsibilities of the “Réviseur d’Entreprises Agréé” for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “Réviseur d’Entreprises Agréé” that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override



of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of Management Board's' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "Réviseur d'Entreprises Agréé" on 24 May 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 3 years.

The Management Report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial companies register and on the accounting records and financial statements of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as of 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements.



For the Company, it relates to financial statements prepared in valid xHTML format.

In our opinion, the financial statements of the Company as of 31 December 2023, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Luxembourg, 09 April 2024

For Mazars Luxembourg, Cabinet de révision agréé
5, rue Guillaume J. Kroll
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Fabien DELANTE
Réviseur d'Entreprises Agréé

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RCSL Nr. : B252939

Matricule : 2021 8400 052

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2023 **to** ⁰² 31/12/2023 (in ⁰³ EUR)

tonies SE
 9, rue de Bitbourg
 L-1273 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>963.205.398,77</u>	110 <u>783.152.707,35</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B252939

Matricule : 2021 8400 052

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	3 963.205.398,77	136 783.152.707,35
1. Shares in affiliated undertakings	1137	963.205.398,77	138 783.152.707,35
2. Loans to affiliated undertakings	1139		140
3. Participating interests	1141		142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		144
5. Investments held as fixed assets	1145		146
6. Other loans	1147		148
D. Current assets	1151	1.890.228,95	3.268.974,79
I. Stocks	1153		154
1. Raw materials and consumables	1155		156
2. Work in progress	1157		158
3. Finished goods and goods for resale	1159		160
4. Payments on account	1161		162
II. Debtors	1163	4 802.128,91	164 547.052,59
1. Trade debtors	1165		166
a) becoming due and payable within one year	1167		168
b) becoming due and payable after more than one year	1169		170
2. Amounts owed by affiliated undertakings	1171	657.892,00	172 537.225,26
a) becoming due and payable within one year	1173	657.892,00	174 537.225,26
b) becoming due and payable after more than one year	1175		176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		178
a) becoming due and payable within one year	1179		180
b) becoming due and payable after more than one year	1181		182
4. Other debtors	1183	144.236,91	184 9.827,33
a) becoming due and payable within one year	1185	144.236,91	186 9.827,33
b) becoming due and payable after more than one year	1187		188

RCSL Nr. : B252939

Matricule : 2021 8400 052

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 <u>262.542,39</u>	190 <u>294.313,76</u>
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____ 5	209 <u>262.542,39</u>	210 <u>294.313,76</u>
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>825.557,65</u>	198 <u>2.427.608,44</u>
E. Prepayments	1199 _____	199 <u>126.477,28</u>	200 <u>404.756,37</u>
TOTAL (ASSETS)		201 <u>965.222.105,00</u>	202 <u>786.826.438,51</u>

RCSL Nr. : B252939

Matricule : 2021 8400 052

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 <u>6</u>	301 <u>949.185.304,75</u>	302 <u>773.900.768,25</u>
I. Subscribed capital	1303 _____	303 <u>2.029.561,36</u>	304 <u>2.029.561,36</u>
II. Share premium account	1305 _____	305 <u>968.252.888,64</u>	306 <u>968.252.888,64</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>10.283.650,00</u>	310 <u>10.283.650,00</u>
1. Legal reserve	1311 _____	311 _____	312 _____
2. Reserve for own shares	1313 _____	313 <u>262.542,39</u>	314 <u>294.313,76</u>
3. Reserves provided for by the articles of association	1315 _____	315 <u>262.400,00</u>	316 <u>262.400,00</u>
4. Other reserves, including the fair value reserve	1429 _____	429 <u>9.758.707,61</u>	430 <u>9.726.936,24</u>
a) other available reserves	1431 _____	431 <u>58.707,61</u>	432 <u>26.936,24</u>
b) other non available reserves	1433 _____	433 <u>9.700.000,00</u>	434 <u>9.700.000,00</u>
V. Profit or loss brought forward	1319 _____	319 <u>-206.665.331,75</u>	320 <u>-21.787.733,92</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>175.284.536,50</u>	322 <u>-184.877.597,83</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 _____	331 <u>2.126.451,00</u>	332 <u>1.692.638,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 <u>7</u>	337 <u>2.126.451,00</u>	338 <u>1.692.638,00</u>
C. Creditors	1435 <u>8</u>	435 <u>13.910.349,25</u>	436 <u>11.233.032,26</u>
1. Debenture loans	1437 _____	437 <u>10.243.835,61</u>	438 <u>10.243.835,61</u>
a) Convertible loans	1439 _____	439 <u>10.243.835,61</u>	440 <u>10.243.835,61</u>
i) becoming due and payable within one year	1441 _____	441 <u>243.835,61</u>	442 <u>243.835,61</u>
ii) becoming due and payable after more than one year	1443 _____	443 <u>10.000.000,00</u>	444 <u>10.000.000,00</u>
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B252939

Matricule : 2021 8400 052

	Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361		362	
a) becoming due and payable within one year	1363	363		364	
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367	367	1.442.990,10	368	536.691,11
a) becoming due and payable within one year	1369	369	1.442.990,10	370	536.691,11
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	
a) becoming due and payable within one year	1375	375		376	
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379	379	1.795.517,59	380	212.160,00
a) becoming due and payable within one year	1381	381	795.517,59	382	212.160,00
b) becoming due and payable after more than one year	1383	383	1.000.000,00	384	
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Other creditors	1451	451	428.005,95	452	240.345,54
a) Tax authorities	1393	393	416.005,95	394	240.345,54
b) Social security authorities	1395	395		396	
c) Other creditors	1397	397	12.000,00	398	
i) becoming due and payable within one year	1399	399	12.000,00	400	
ii) becoming due and payable after more than one year	1401	401		402	
D. Deferred income	1403	403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405		965.222.105,00	406	786.826.438,51

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RCSL Nr. : B252939

Matricule : 2021 8400 052

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2023 to ⁰² 31/12/2023 (in ⁰³ EUR)

tonies SE
 9, rue de Bitbourg
 L-1273 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____ 9	713 _____ 657,892,00	714 _____ 52,688,61
5. Raw materials and consumables and other external expenses	1671 _____ 10	671 _____ -3.072.078,38	672 _____ -3.349.232,11
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____ -3.072.078,38	604 _____ -3.349.232,11
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____ 12	621 _____ -1.937.420,60	622 _____ -2.696.503,40

RCSL Nr. : B252939

Matricule : 2021 8400 052

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
	3	178.949.691,42	-178.580.816,44
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670

tonies SE

Notes to the financial statements for year ended 31 December 2023
(Expressed in EUR)

1. GENERAL

tonies SE (formerly known as 468 SPAC I SE) (the “Company”) was incorporated on 18 March 2021 (date of incorporation as per the deed of incorporation agreed between shareholders in front of the notary) in Luxembourg as a European company (*Société Européenne* or “SE”) based on the laws of the Grand Duchy of Luxembourg (“Luxembourg”) for an unlimited period of time. The Company was registered with the Luxembourg Trade and Company Register (“*Registre de Commerce et des Sociétés*”, in abbreviated “RCS”) under the number B252939 on 29 March 2021. The Company is a listed entity with its class A shares traded in the regulated market of the Frankfurt Stock Exchange under the symbol “TNIE” since 30 April 2021. Likewise, the Company’s class A warrants are also traded on the open market of the Frankfurt Stock Exchange under the symbol “SPAW”. As at 31 December 2023, the Company has 6.400.000 class B warrants issued and outstanding that are not listed on a stock exchange. The 7.500.000 class B shares issued and outstanding as at 31 December 2021 that were not listed on a stock exchange were converted into class A shares at a ratio of one class B share for one class A share on 28 November 2022.

The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company’s purpose is the creation, holding, development and realization of a portfolio, consisting of interest and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, in particular in entities developing, producing and distributing high-quality electronic playback devices, whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of the entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it considers useful for the accomplishment of these purposes.

The Company’s financial year runs from 1 January to 31 December.

The Company also prepares consolidated financial statements which are prepared under International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements are published in accordance with the European Single Electronic Format regulation on the Company’s website (<https://tonies.com/>).

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Notes to the financial statements for year ended 31 December 2023
(Expressed in EUR)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

These financial statements have been prepared in conformity with applicable legal and statutory requirements in Luxembourg under the historical cost convention and on a going concern basis.

The accounting and valuation methods are determined and implemented by the Management Board, apart from the regulations of the law of 19 December 2002.

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires the Management Board to exercise significant judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period in which the assumptions changed. The Management Board believes that the underlying assumptions are appropriate and that the financial statements therefore present fairly the financial position and results.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2. Significant Accounting Policies

The following are the significant accounting policies and valuation rules adopted by the Company in the preparation of these financial statements.

2.2.1. Foreign Currency Translation

The Company maintains its books and records in Euro ("EUR"). The balance sheet and the profit and loss account are expressed in EUR.

Translation of foreign currency transactions

Foreign currency transactions are translated into EUR using the exchange rates prevailing at the dates of the transactions.

Translation of foreign currency balances as at the balance sheet date

- Financial assets denominated in currencies other than EUR are translated at the historical exchange rates;
- Other assets denominated in currencies other than EUR are translated at the lower between the exchange rate prevailing at the balance sheet date and historical exchange rate;
- Debts denominated in currencies other than EUR are translated at the higher between the exchange rate prevailing at the balance sheet date and historical exchange rate; and
- Cash at bank and in hand denominated in currencies other than EUR are translated at the exchange rates prevailing at the balance sheet date.

As a result, realized exchange gains and losses and unrealized exchange losses are recorded in the profit and loss account. Unrealized exchange gains are not recognized unless it arises from cash at bank and in hand.

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Notes to the financial statements for year ended 31 December 2023 (Expressed in EUR)

2.2.2. Formation expenses

Formation expenses include costs and expenses incurred in connection with the incorporation of the Company and subsequent capital increases. Formation expenses are charged to the profit and loss account of the year in which they were incurred.

2.2.3. Financial assets

Shares in affiliated undertakings are valued at acquisition cost including the expenses incidental thereto.

In case of durable decline in value according to the opinion of the Management Board, value adjustments are made in respect of financial assets so that these are valued at the lower amount to be attributed at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.2.4. Cash at bank and in hand

Cash at bank and in hand comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2.2.5. Debtors

Debtors are recorded at their nominal value. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.2.6. Own shares

Own shares are initially measured at acquisition cost and recognized as an asset with a corresponding non-distributable reserve. Own shares are subsequently remeasured at the lower of cost or market value using the weighted average cost method. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.2.7. Prepayment

Prepayments include expenditure items incurred during the financial year but relating to a subsequent financial year.

2.2.8. Provisions

Provisions are intended to cover losses or debts which originate in the financial year under review or in the previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date they will arise.

Provisions for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Creditors becoming due and payable within one year". The advance payments are shown in the assets of the balance sheet under the "Debtors becoming due and payable within one year" item.

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Notes to the financial statements for year ended 31 December 2023 (Expressed in EUR)

2.2.9. Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the related repayment premium is shown in the balance sheet as an asset and is amortized over the period of the related debt on a straight-line basis.

2.2.10. Expenses

Expenses are accounted for on an accrual basis.

2.2.11. Income tax

The Company is subject to income taxes in Luxembourg.

2.2.12. Warrants

The Company has issued class A warrants and class B warrants, which under Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements are recorded as equity. When such warrants are expected to be equity settled, the Company does not book any provision to cover any surplus of the fair value of those warrants compared to the amounts booked in Other non-available reserves (see Note 6), as the Company will not suffer any loss in relation to those warrants in the future.

2.2.13. Share-based payments

The Company has equity-settled and cash-settled share-based payment arrangements granted to the eligible employees of its affiliates.

For equity-settled share-based payments (Note 17), the Company records the transaction when the shares are issued to the employees and receives cash in exchange. The shares issued are treated as part of the capital and reserves of the Company.

For cash settled share-based payments (Note 7), the Company recognizes an expense with a corresponding increase in liabilities equivalent to the amount payable to employees in respect of share appreciation rights (SARs). An expense is recognized over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs.

tonies SE

Notes to the financial statements for year ended 31 December 2023
(Expressed in EUR)

3. FINANCIAL ASSETS

Movements in financial assets during the year are as follows:

	Shares in affiliated Undertakings EUR	Total EUR
Gross book value – opening balance	962.102.398,77	962.102.398,77
Additions for the period	1.103.000,00	1.103.000,00
Transfer of participations	-	-
Gross book value – closing balance	963.205.398,77	963.205.398,77
Accumulated value adjustment – opening balance	-178.949.691,42	-178.949.691,42
Allocation of value adjustments for the period	-	-
Reversals of value adjustments for the period	178.949.691,42	178.949.691,42
Accumulated value adjustment – closing balance	-	-
Net book value – opening balance	783.152.707,35	783.152.707,35
Net book value – closing balance	963.205.398,77	963.205.398,77

During the year ended 31 December 2023, the Company contributed EUR 1.103.000.00 (2022: EUR 70.000.000,00) of free capital reserve into the equity of tonies Holding GmbH.

Shares in affiliated undertakings in which the Company holds at least 20% share capital are as follows:

Name of undertakings	Registered office	Ownership %/ Contribution	Net book value EUR	Last balance sheet date	Net equity as at 31/12/2023 EUR*	Profit as at 31/12/2023 EUR*
tonies Holding GmbH	Dusseldorf, Germany	100%	963.205.398,77	31/12/2023	438.220.559,80	566.576,71

(*) Unaudited Standalone accounts.

As at 31 December 2023, the Management Board notes that the fair market value is higher than the cost of the investment and recognised a reversal of the prior years value adjustment amounting to EUR 178.949.691,42. (see note 2.2.3)

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Notes to the financial statements for year ended 31 December 2023
(Expressed in EUR)

4. DEBTORS

Debtors due and payable within one year are composed of the following:

	Total 31/12/2023 EUR	Total 31/12/2022 EUR
Amounts owed by affiliated undertakings	657.892,00	537.225,26
Other debtors	144.236,91	9.827,33
Total	802.128,91	547.052,59

As at 31 December 2023, amounts owed by affiliated undertakings pertain to the expenses paid on behalf of tonies Holding GmbH.

5. OWN SHARES

On 26 November 2021, the Company acquired 5.885 of its class A shares at EUR 10,00 per share as requested by the shareholders in connection with the tonies Business Combination.

On 9 December 2021, the Company acquired 16.400.000 of its class A shares at EUR 0,016 per share to be used in case of the exercise of the class A and B warrants or to cover other equity-linked instruments and ESOP.

During the year ended 31 December 2023, the Company delivered 1.622.529 (2022: 1.375.604) of its class A shares held in treasury. The shares were initially acquired for EUR 31.771,37 (2022: EUR 26.936,24) for the settlement of exercised employee share options (See Note 17) against payment of an amount of EUR 1.244.288,43 (2022: EUR 22.009,66) corresponding to the par value of these shares. The share standing in the Books at an average unit acquisition price of 0,01958, this transaction resulted in a gain of EUR 1.212.517,06 (2022: EUR 4.926,58).

	No. of own shares 2023	No. of own shares 2022	Total EUR
Opening balance	15.030.281,00	16.405.885,00	294.313,76
Reissuance of treasury shares (Note 17)	-1.622.529,00	-1.375.604,00	-31.771,37
Ending balance	13.407.752,00	15.030.281,00	262.542,39

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Notes to the financial statements for year ended 31 December 2023
(Expressed in EUR)

6. CAPITAL AND RESERVES

Movements during the year are as follows:

	Subscribed capital EUR	Share premium account EUR	Reserve for own shares EUR	Reserves provided for by the articles of association EUR	Other available reserves EUR	Other non- available reserves EUR	Profit or loss for brought forward EUR	Profit or loss for the financial year EUR	Total EUR
Opening balance	2.029.561,36	968.252.888,64	294.313,76	262.400,00	26.936,24	9.700.000,00	-21.787.733,92	-184.877.597,83	773.900.768,25
Allocation of previous year's results to profit or loss brought forward	-	-	-	-	-	-	-184.877.597,83	184.877.597,83	-
Other movements*	-	-	-31.771,37	-	31.771,37	-	-	-	-
Results for the financial year	-	-	-	-	-	-	-	175.284.536,50	175.284.536,50
Closing balance	2.029.561,36	968.252.888,64	262.542,39	262.400,00	58.707,61	9.700.000,00	-206.665.331,75	175.284.536,50	949.185.304,75

*Reserve for own shares was aligned to the value of own shares (see Note 5)

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Notes to the financial statements for year ended 31 December 2023 (Expressed in EUR)

Subscribed Capital and Share premium

A. Class B shares

As at 31 December 2021, the Company has 7.500.000 class B shares issued and outstanding which are not part of the private placement and are not listed on stock exchange.

On 28 November 2022, the business day following the anniversary of the business combination, the 7.500.000 class B shares were converted into class A shares at a ratio of one class B share for one class A share.

B. Class A shares

As at 31 December 2021, the Company had 107.347.586 class A shares issued and outstanding with a par value of EUR 0,016, and International Securities Identification number ("ISIN") LU2333563281.

In November 2022 (first closing on the 9th, second closing on the 29th), the Company issued 12.000.000 class A shares at EUR 5,00 per share with total proceeds of EUR 60.000.000,00. The proceeds were allocated to the subscribed capital in the amount of EUR 192.000,00 and to the share premium for EUR 59.808.000,00.

As at 31 December 2023, the subscribed capital of the Company amounts to EUR 2.029.561,36 (2022: EUR 2.029.561,36) represented by 126.847.586 class A shares without nominal value. The authorized capital, excluding the issued share capital, is set at EUR 10.033.894,64 consisting of EUR 627.118.414 class A shares without nominal value.

As at 31 December 2023, the share premium account amounts to EUR 968.252.888,64 (2022: EUR 968.252.888,64).

Legal reserve

In accordance with Luxembourg law, the Company is required to allocate a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the subscribed capital. The legal reserve is not available for distribution to the shareholders.

Reserves for own shares

During the year, the company delivered 1.622.529 of its own shares for the settlement of exercised employee share options. This resulted in a decrease of the reserve for own shares in the amount of EUR 31.771,37.

As at 31 December 2023, the reserve for own shares amounts to EUR 262.542,39 (2022: EUR 294.313,76).

Reserves provided for by the articles of association - Warrant reserve

Pursuant to Article 29 of the amended Articles of Association, the Management Board shall create a specific reserve in respect of the exercise of any class A warrants or class B warrants issued by the Company (the "Warrant reserve") and allocate and transfer sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant reserve until it reaches the amount required as per Article 29 of the Article of Association. The Management Board may, at any time, fully or partially convert amounts contributed to such Warrant reserve as payment for the subscription price of any class A shares to be issued further to an exercise of class A warrants or class B warrants issued by the Company. The Warrant reserve is not distributable or convertible prior to the

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Notes to the financial statements for year ended 31 December 2023 (Expressed in EUR)

exercise, redemption or expiration of all outstanding class A warrants and class B warrants and may only be used as payment for the class A Shares issued pursuant to the exercise of such class A warrants and class B warrants; thereupon, the Warrant reserve will be a distributable reserve.

As at 31 December 2023, the warrant reserve amounted to EUR 262.400,00 (2022: EUR 262.400,00).

Other reserves

A. Available reserves

During the year, the amount of other reserves available for distribution increased by EUR 31.771,37 (2022: EUR 26.936,24) due to the delivery of treasury shares for the settlement of employee share options (see Note 17) and release of the corresponding reserve.

As at 31 December 2023, the other reserves available amounts to EUR 58.707,61 (2022: EUR 26.936,24).

B. Non-available reserves

Non-available reserves refer to the class A and B warrants.

Class A warrants

On 29 April 2021, the Company had issued 10.000.000 class A warrants (the "Class A warrants") together with the class A shares (together, as "Unit") for an aggregate price of EUR 10,00 per Unit, each unit comprising one class A share and one third of a Class A Warrant. The nominal subscription price per Class A warrant was EUR 0,01. Class A warrants has ISIN code of LU2333564099. Each Class A warrants entitles its holder to subscribe for one class A share, with a stated exercise price of EUR 11,50, subject to customary anti-dilution adjustments. Holders of Class A warrants can exercise the warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price.

As at 31 December 2023, the value of the other reserves related to class A warrants is EUR 100.000,00 (2022: EUR 100.000,00).

Class A warrants may only be exercised for a whole number of class A shares. Class A warrants became exercisable 30 days after the completion of the business combination. Class A warrants expire five years from the date of the consummation of the business combination (26 November 2026), or earlier upon redemption or liquidation. The Company may redeem Class A warrants upon at least 30 days' notice at a redemption price of EUR 0,01 per Class A warrant if (i) the closing price of its class A shares for any 20 out of the 30 consecutive trading days following the consummation of the business combination equals or exceeds EUR 18,00 or (ii) the closing price of its class A shares for any 20 out of the 30 consecutive trading days following the consummation of the business combination equals or exceeds EUR 10,00 but is below EUR 18,00, adjusted for adjustments as described in the section of redemption of warrants in the prospectus. Holders of Class A warrants may exercise them after the redemption notice is given.

Class B warrants

On 16 April 2021, the sponsor and co-sponsors have subscribed for an aggregate of 5.500.000 class B warrants at a price of EUR 1,5 per warrant (the "Sponsor Capital At Risk") and an aggregate price of EUR 8.250.000,00. The sponsor agreed to set off EUR 45.500,00 of the shareholder loan against the subscription price of the class B warrants. The proceeds from the class B warrants were intended to be used to finance the Company's working capital requirements, private placement and listing expenses (except for fixed deferred underwriting fee which shall be paid from the escrow account), and due diligence cost in connection with the business combination.

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Notes to the financial statements for year ended 31 December 2023 (Expressed in EUR)

On the same date, the sponsor and co-sponsors have additionally subscribed for 900.000 class B warrants (together with the 5.500.000 class B warrants representing the Sponsor Capital At Risk, the "Class B Warrants"), at a price of EUR 1,5 per warrant and for an aggregate price of EUR 1.350.000,00 (the "Additional Sponsor Subscription"). The proceeds from this Additional Sponsor Subscription were intended to be used to cover the negative interest, if any on the cash held in escrow. For any excess portion of the Additional Sponsor Subscription remaining after the consummation of the business combination and any redemption of class A shares, the sponsor and co-sponsors had the option to:

- i) elect to either request repayment of the remaining cash portion under the Additional Sponsor Subscription by redemption of the corresponding number of class B warrants subscribed for under the Additional Sponsor Subscription; or
- ii) not to request repayment of the remaining cash portion of the Additional Sponsor Subscription and to keep the class B warrants subscribed under the Additional Sponsor Subscription.

The Company did not request repayment of the remaining cash portion on the Additional Sponsor Subscription at the closing of the Business Combination.

Class B warrants are identical to the Class A warrants underlying the Units sold in the private placement, except that the Class B warrants are not redeemable and may always be exercised on a cashless basis while held by the sponsor and the co-sponsors or their Permitted Transferees (defined in the prospectus). Class B warrants were not part of the private placement and are not listed on a stock exchange.

As at 31 December 2023, the value of the other reserves related to class B warrants is EUR 9.600.000,00 (2022: EUR 9.600.000,00).

7. PROVISIONS

Starting in 2022, the Company has implemented a share-based payment compensation scheme for eligible employees of tonies US, Inc., an affiliate of the Company, in the form of virtual stock options. The scheme is entirely cash-settled with an option of equity settlement.

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 at 31 December 2023, the scheme involves 22 (2022: 19) management employees.

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

During the year, an additional amount of EUR 433.813,00 (2022: EUR 1.692.638,00) was recognised as provisions under this share-based payment compensation scheme. The fair value has been calculated based on the listed share price.

As at 31 December 2023, the provision amounts to EUR 2.126.451,00 (2022: EUR 1.692.638,00).

tonies SE

Notes to the financial statements for year ended 31 December 2023 (Expressed in EUR)

8. CREDITORS

Creditors are composed of the following:

	Due within one year	Due more than one year and within five years	Total 31/12/2023	Total 31/12/2022
	EUR	EUR	EUR	EUR
Convertible notes	243.835,61	10.000.000,00	10.243.835,61	10.243.835,61
Amounts owed to affiliated undertakings	795.517,59	1.000.000,00	1.795.517,59	212.160,00
Trade creditors and accruals	1.442.990,10	-	1.442.990,10	536.691,11
Other creditors	428.005,95	-	428.005,95	240.345,54
Total	2.910.349,25	11.000.000,00	13.910.349,25	11.233.032,26

Convertible notes

On 1 July 2022 (the "First Closing Date"), the Company issued convertible notes with an aggregate principal amount of EUR 10.000.000,00, with two EUR 10.000.000,00 upside options. On the First Closing Date, only EUR 10.000.000,00 has been drawn with a denomination of EUR 100.000,00 each. The remaining EUR 20.000.000,00 can only be drawn up until 15 December 2022. The convertible notes has a maturity date on 1 July 2027 and are convertible to the Company's class A shares at the option of the holder. The convertible notes can be converted at any time from the closing date until the 5th business day prior to the maturity date. The Company may at the earliest on the second anniversary of the closing date and at the latest on the 10th business day prior to the Maturity Date, redeem all, but not some only, of the outstanding notes on giving not less than 30 nor more than 60 days prior to the redemption date notice to the holder. In the case such notice is given and to the extent the notes have not been converted, the Company will redeem the notes on the redemption date at 110% of their principal amount plus accrued interest. The convertible notes have a conversion premium of 25,00% above the volume weighted average price of the tonies class A shares on XETRA during the five trading days period that ended on 23 June 2022. The convertible notes bear interest at the rate of 5,00% per annum for the first EUR 10.000.000,00 and is payable annually in arrears on each anniversary of the closing date. As at 07 July 2023, the payment of the coupon took place and amounted to EUR 500.000,00. As at 31 December 2023, impacted by the coupon payment, the interest accrued amounted to EUR 243.835,61 (2022: EUR 243.835,61).

During the year ended 31 December 2023, the Company entered into a long-term Loan Facility with tonies GmbH. According to the Agreement the Company received EUR 1.000.000,00 till 20 December 2023. The interest due on the Loan is payable at an annual interest rate of 9% per annum. An interest is due for payment in arrears at the end of the term and at the end of the Agreement. As at 31 December 2023, the interest accrued amounted to EUR 26.250,00. The Facility is due for repayment on 25 September 2026.

The convertible notes are unsecured and unsubordinated obligations of the Company.

Amounts owed to affiliated undertakings due within one year

The increase is related to IC charges mainly from tonies US for certain legal and remuneration expenses paid out on behalf of and recharged to tonies SE.

tonies SE

Notes to the financial statements for year ended 31 December 2023
(Expressed in EUR)

9. OTHER EXTERNAL INCOME

Other external income consists of consultancy fees charged to tonies Holding GmbH and amounts to EUR 657.892,00 (2022: EUR 52.688,61).

10. OTHER EXTERNAL EXPENSES

Other external expenses are composed of:

	2023 EUR	2022 EUR
Legal fees	-496.907,61	-487.732,74
Audit fees	-346.563,50	-346.804,99
Insurance expense	-441.340,33	-515.827,13
Accounting and administration fees	-200.892,80	-150.640,63
Bank charges	-64.594,32	-53.549,59
Other professional fees	-1.405.408,23	-466.101,44
Underwriting fees	-	-1.150.000,00
Agency fees	-	-20.000,00
Notary fees	-	-104.478,30
Other expenses	-116.371,59	-54.097,29
Total	-3.072.078,38	-3.349.232,11

The total audit fees paid are as follows:

	2023 EUR	2022 EUR
Statutory audit of the financial statements	-252.563,50	-254.929,99
Audit-related fees*	-94.000,00	-91.875,00
Total	-346.563,50	-346.804,99

11. OTHER OPERATING INCOME

Income from other investments and loans forming part of fixed assets consists of income from the sale of 246.925 of own shares amounting to EUR 1.217.443,62 (2022: nil).

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Notes to the financial statements for year ended 31 December 2023
(Expressed in EUR)

12. OTHER OPERATING EXPENSES

Other operating expenses are composed of:

	2023 EUR	2022 EUR
Payout of restricted stock units	-657.548,37	-
Directors fees	-555.000,00	-527.500,00
Operating provisions (see Note 7)	-433.813,00	-1.692.638,00
Non-refundable VAT	-223.659,51	-440.083,03
CSSF fees	-40.985,90	-
Listing fees	-26.339,12	-36.272,27
Other expenses	-74,70	-10,10
Total	-1.937.420,60	-2.696.503,40

13. OTHER INTEREST AND SIMILAR EXPENSES

Other interest and similar expenses are composed of:

	2023 EUR	2022 EUR
Loss on own shares	-4.926,56	-4.926,58
Interest on IC loan	-26.250,00	-
Interest on convertible notes (see Note 8)	-500.000,00	-243.835,61
Other financial charges	-	-20.147,30
Total	-531.176,56	-268.909,49

14. RELATED PARTIES DISCLOSURES

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions.

Terms and conditions of transactions with related parties

As at 31 December 2023, receivables from related parties amounted to EUR 657.892,00 (2022: EUR 537.225,26) (see Note 4). Receivables for the period ended 31 December 2023, pertain to payments made on behalf of tonies Holding GmbH (2022: EUR 48.020,00), receivables for the period ended 31 December 2022, relate to payments made on behalf of other related entities as well (2022: EUR 489.205,26).

As at 31 December 2023, payables to related parties were represented by the long-term Loan payable in the amount of EUR 1.000.000,00 (2022: nil) (see Note 8) and payables to related parties in the amount of EUR 795.517,59 (2022: EUR 212.160,00). Payables to affiliated undertakings represent payments made by related entities on behalf of the Company.

There have been no guarantees provided or received for any related party receivables or payables as at 31 December 2023 and 2022.

tonies SE

Notes to the financial statements for year ended 31 December 2023 (Expressed in EUR)

Commitments with related parties

There are no commitments with related parties as at 31 December 2023 and 2022, except those already disclosed in these consolidated financial statements.

15. STAFF

The Company did not employ any staff during the financial year ended on 31 December 2023 (2022: nil).

16. EMOLUMENTS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES AND COMMITMENTS IN RESPECT OF RETIREMENT PENSIONS FOR FORMER MEMBERS OF THOSE BODIES

The Company granted emoluments amounting to EUR 555.000,00 (See Note 12) to the supervisory board members during the year ended 31 December 2023 (2022: EUR 527.500,00). The Company has no commitments in respect of retirement plans to members of its management and supervisory board during the financial year ended on 31 December 2023 (2022: nil).

17. ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

The Company did not grant any advances or loans to members of its Management Board during the financial year ended on 31 December 2023 (2022: nil).

18. OFF-BALANCE SHEET COMMITMENTS

On 26 November 2021 (the grant date), tonies SE has implemented an equity-settled stock option plan ("ESOP") in favor of Höllenhunde GmbH for the subscription of 2.751.208 class A shares of the Company at notional value equal to their par value. A vesting period of 24 months with a cliff period of 12 months had been agreed.

During the year ended 31 December 2023, tonies SE delivered 1,375,604 (2022: 1.375.604) of its class A shares held in treasury to Höllenhunde GmbH against the payment in cash by the latter of an amount equal to the notional value of those class A shares (Note 5).

As at 31 December 2023, the staff costs estimated in relation to this ESOP are EUR 4.945.146,26 (2022: EUR 24.538.974,00). The fair value at the grant date of the ESOP has been calculated. The fair value at the grant date of the ESOP has been calculated using the share price at the grant date. There are no payouts from this plan in 2023.

On 28 June 2022, the Company entered into a credit facility agreement (convertible agreement) as a guarantor and is jointly liable with tonies GmbH for a total amount of EUR 10m plus interest. On 25 September 2023 the Company entered into a credit facility agreement (syndicated loan) as a guarantor and is jointly liable with tonies GmbH for a maximum amount of EUR 30m plus interest. As at 31 December 2023 an amount of EUR 15m was utilized from the total of EUR30m.

19. SUBSEQUENT EVENTS

There are no other significant events after balance sheet date, other than those disclosed in herein.

As of 31 December 2023, the groups Co-CEO's Patric Fassbender and Marcus Stahl resigned as managing directors. Tobias Wann has been appointed by the supervisory board as the new CEO and managing director of tonies SE and other group companies.