tonies

tonies SE

Annual Report 2025

tonies SE – at a glance

	2025	2024
Sales		
Revenue (in EUR m)	630.3	480.5
Revenue growth in % YoY	31.2 %	33.1 %
Tonieboxes sold (in m units)	2.6	2.4
Tonies sold (in m units)	43.3	30.7
Online revenue share (in % of gross revenue)	43 %	44 %
Results of operations		
Gross margin (in % of revenue)	62.8 %	62.1 %
Gross margin after licensing costs (in % of revenue)	51.8 %	50.7 %
Contribution margin (in % of revenue)	37.0 %	34.5 %
Adjusted EBITDA margin (in % of revenue)	8.6 %	7.5 %
EBITDA margin (in % of revenue)	7.7 %	7.0 %
Financial position		
Cash (in EUR m)	87.8	87.4
Free cash flow (in EUR m)	– 11.9	33.1
Team		
People employed group-wide (as of reporting date)	634	561

tonies SE

Annual Report 2025

Listen, Learn, Grow

Dear Shareholders,

Ten years ago, the Toniebox created an entirely new category of entertainment for children. Since then, tonies has fundamentally changed the way kids play and learn. What started in Germany is now a household name for families in more than 100 countries worldwide. In 2025, we have followed up on this legacy and re-invented screen-free play again. With the launch of Toniebox 2 we have elevated our platform to new heights and captured the Zeitgeist once again. Nine years passed between the first and the second Toniebox – now, we've started to branch out an ecosystem that can expand. And I can tell you today, you won't have to wait as long for the next milestones to see its full potential.

A landmark year, headlined by a landmark innovation

Looking back on 2025, I see a landmark year defined by **resilience, remarkable innovation, and record results.** Of course, it was headlined by the **launch of Toniebox 2.** We worked on that for a long time; the anticipation was incredible, both within tonies and in our community – and so was the pressure to get this right. Truly delivering on what has been the largest global launch in the history of tonies was redeeming. Our bold ambition to make tonies a true global icon means establishing the Toniebox not only as the synonym for inspiring audio-first entertainment but also as a constant and trusted companion for families, day in and day out.

So, we made the tonies experience that families already loved so much even more interactive and engaging, expanding our product range to ensure that tonies grows alongside kids, throughout their childhood. Seeing the fantastic feedback from our community fills me, fills our team with pride – we have launched the right product at the right time. Families that loved their original Toniebox are upgrading. Families that don't yet know tonies are getting excited. The next generation of kids enters the tonies platform even earlier. Older kids engage for longer. After a few months in the market, I can confidently say: Toniebox 2 is what we hoped it would be – and it unlocked massive growth opportunities for us.

With **11.8 million Tonieboxes** and **156 million Tonies** across the world, the scale of our impact is bigger than ever.

Scaling profitably – into an SDAX company

The excitement translated directly into an extraordinary financial performance. We hit the **high end of our revenue targets,** and we did that profitably **with a record adjusted EBITDA margin.** Our blueprint to manage top- and bottom-line growth simultaneously works, even when the global economy gets bumpy. Despite a challenging environment with US tariffs, diversifying our supply chain early to increase flexibility paid off. North America has continued its fantastic momentum and accelerated our overall growth. We grew double-digits in the highly profitable DACH region – showing there's room to grow when you build a strong community and deliver innovation. And I can't overstate how exciting it is to see the positive tipping points in the Rest of World region, where we experience the same dynamics as in DACH and in the US in prior years: once we establish tonies as a brand, once parents get to know and fall in love with us, the sky is the limit. Our strong operational development was mirrored by our **share price performance.** We've even joined the **SDAX** in December and are very pleased to see the capital markets' confidence in our vision. We can't wait to tell you more about it at our inaugural Capital Markets Day later this year – moving into a higher league gained us more visibility to fuel our global ambitions.

International Board expertise for a global future

These ambitions and a deeper global footprint require a strong organization. With the expansion of the Board in 2025, we've added international expertise and balanced our set up to reflect both our European origins and our focus on North America. We managed a smooth transition from Jan Middelhoff to **Hansjörg Müller** on the CFO post, which was a big priority ever since we learned about Jan's plans to step away – once again, I'd like to thank Jan for his invaluable contributions to tonies' journey.

Hansjörg now brings lots of experience in scaling consumer companies globally to the Board. And welcoming **Christoph Frehsee** as **Chief Revenue Officer** was a particular pleasure – after he built our North American business from the ground up into our largest market, he's now leading our commercial growth worldwide. Working in a strong team is key to success, and I couldn't ask for better colleagues on the Board. On that note, I'd also like to thank the Supervisory Board for their great collaboration – not only in this process.

Our success story continues in 2026

My short-term perspective is one of conviction and excitement. We're offering a solution to a major need of modern families, and we're leading our industry. We're stronger than ever as an organization, we're delivering better experiences for our customers while improving profitability at the same time. We have a roster of partnerships – announced and in the pipeline – that outshines everything we had before. All of that drives growth, and beyond that, our mission: after all, we are here to create **genuine experiences that spark imagination, creativity, independence.** We want to make a positive contribution to the lives of children and families. With **11.8 million Tonieboxes and 156 million Tonies** across the world, the scale of our impact is bigger than ever. We continue to grow, and we are growing with a purpose.

None of this would be possible without our incredible team – the heart and soul of tonies, driving true innovation with passion, creativity, and bold ideas. So, to all tonies: You are the reason our big dreams become reality – thank you! Thank you also to our partners who share the belief in the magic of audio as much as we do.

And finally, to you, our shareholders: thank you for your trust and for joining us on this journey. You are helping us build a global icon, and we will return results. We are incredibly proud of what we accomplished in 2025. But, rest assured: we're just getting started and there's even more exciting things up on the horizon.

Tobias Wann
Chief Executive Officer, tonies SE

Innovation as a growth catalyst:

A broader portfolio elevates the customer experience and increases stickiness

2025 marked a defining year in tonies' history – we successfully re-imagined the core of our platform, opening a new chapter of innovation. The benchmark to follow up on the iconic Toniebox was always clear: If we do something new, it must truly make a difference and deliver substantially new experiences.

With Toniebox 2 we've started to build out an ecosystem that continuously excites and engages. After years of "above-the-box" development expanding our content library, we took a fundamental leap forward, demonstrating how innovation serves as a growth catalyst and redefining what's possible for screen-free audio entertainment. Designed for children aged 1 to 9+ years, expanding from the previous 3 to 7+ range, we now meet the needs of broader audiences better than ever before – from My First Tonies for toddlers to ToniePlay for older children. Toniebox 2 grows with kids throughout their childhoods. And while they discover tonies earlier and stay around for longer, we're opening and capturing additional growth vectors.

Toniebox 2: Entering a new era of growth through our most significant innovation

Toniebox 2 was our most significant product evolution since the first Toniebox hit the shelves in 2016. It builds on everything families already loved – and unlocks so much more. At tonies, innovation means meeting families where they are and responding to their needs. That's exactly what the Toniebox 2 was designed to do.

The response has been extraordinary – from community feedback to actual data. Toniebox 2 drove a 59%[1] revenue increase in the Toniebox category in its launch quarter, Q3 2025. For the full year, the Toniebox category grew by very strong 21% – a central KPI, given it's one of our key predictors for future growth. Families continue to seek screen-free alternatives and the trusted tonies experience. With an evolving ecosystem centered around Toniebox 2, tonies is well positioned for sustained growth across existing and new customer segments.

ToniePlay: Re-inventing screen-free play for older children

ToniePlay introduced a new dimension of engagement to tonies, positioning us at the intersection of technology, audio, and now gaming. Our proprietary gaming engine transforms the Toniebox into an interactive platform where children discover, play and grow with audio-first games that encourage movement, creativity, and problem-solving – all without screens.

[1] all growth rates at constant currencies

With all new, original ToniePlay games as well as classic titles reimagined for the platform – board-games such as Monopoly will launch in 2026 – we improve our value proposition particularly for older children. Defining an entirely new space where audio, gaming, and physical play converge, we're increasing engagement and household lifetime value.

My First Tonies: Engaging the smallest listeners with tactile experiences

With Toniebox 2's expanded age range starting at just one year old, we introduced My First Tonies – a curated collection designed specifically for our youngest listeners. These specially developed Tonies feature age-appropriate content, simple interaction patterns, and durable designs that support early childhood development through sound, music, and storytelling.

My First Tonies create an entry point for families with infants and toddlers, establishing tonies as a trusted companion from the earliest stages of childhood development.

Above-the-box product expansion continues

While Toniebox 2 and ToniePlay represent a fundamental evolution in the ecosystem, we continue to expand our platform above the box, too. Book Tonies brought longer-form storytelling to the platform, enabling children to experience complete novels and chapter books through Tonies. The success of educational Clever Tonies continued across major markets. Combining fundamental platform development with continuous content expansion gives us unprecedented flexibility to create and excite customers at multiple levels simultaneously – ensuring that we broaden our customer base and retain existing fans within the ecosystem for longer.

Scaling globally:

International recognition and market penetration drives sustainable top-line growth

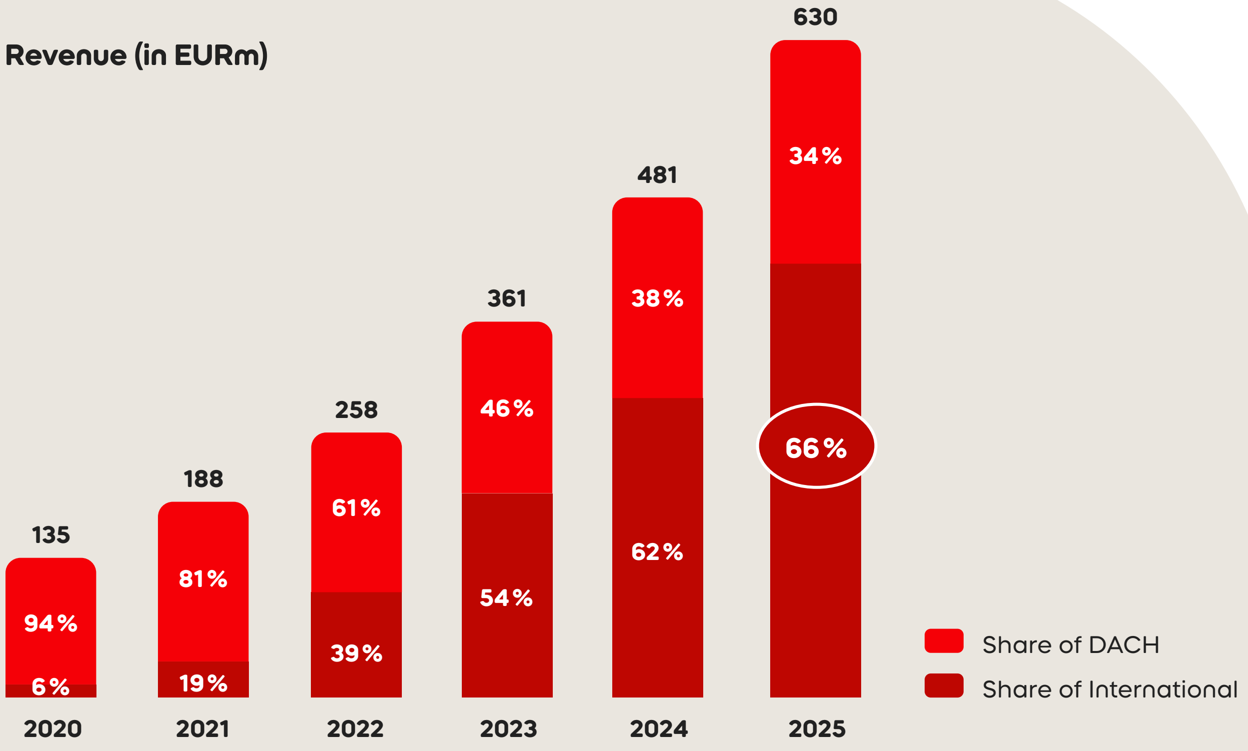
tonies has long grown into a global phenomenon as audio-first resonates with families worldwide. In 2025, we advanced further with our expansion, deepening our global footprint across all major markets. International markets – outside the DACH region – now account for approximately two thirds of total revenue. The ongoing international expansion was fueled by strong partnerships and product innovation. Complemented by an increasing installed base of Tonieboxes that served as key driver to growing Group revenue by 36%[1] to EUR 630m in 2025. A record adjusted EBITDA margin of 8.6% resulted from profitable growth in every single market.

Winning North America strategically

For a company in all but any industry, growth in the North American market in 2025 meant to manage US tariffs. Despite these challenges, tonies continued the strong momentum of past years, with revenues in North America increasing 40%[1] in 2025. With a diversified setup and the creation of new production capacities we gained flexibility and resilience in the supply chain – mitigating the tariff impact. Strong partnerships with major retailers ensured we grew instead of seeing a negative impact and demand from a loyal community was nearly unphased despite price adjustments for our figurines.

Overall, 2025 was another year of firmly making a mark in North American culture. tonies is a daily companion in many US families' lives. Walmart featured tonies prominently in its Christmas advertising spot, tonies was included in the Rival 50 list of brands to watch – a testament to our growing brand recognition. And Toniebox 2 already won awards – including the prestigious "Best of Innovation" award at Las Vegas CES 2026 in the EdTech category – validating our product excellence and market positioning in the world's largest consumer technology market. Despite significantly lower household penetration compared to DACH, North America sustains its position as tonies' largest market – highlighting the dimension of untapped potential yet to capture.

[1] all growth rates at constant currencies



DACH: Innovation drives double-digit growth in highly profitable market

As the most developed market, the DACH region continued to deliver highly profitable revenue – and, fueled by innovation, returned to double digit top-line growth of 16%. The successful launch of Toniebox 2 in our most mature market demonstrates that innovation drives growth even in highly penetrated geographies. In a market where more than 57% of relevant households already own a Toniebox, we successfully inspired upgrades and welcomed new families to the platform. As a result, tonies recorded faster growth than in the prior year, record profitability and strong cash flow that funds our global expansion and innovation pipeline. By continuously broadening our product portfolio, tonies will continue to drive growth in our most profitable market – further detailing the blueprint for other markets to follow.

Rest of World: Strengthening presence beyond core markets

tonies' trajectory of growing fast and profitably also accelerated again beyond the company's largest markets: Revenues in the Rest of World region – which is dominated by the UK, France, Australia and New Zealand – surged by 68%[1]. In France, tonies established itself as a clear market leader – and recorded the fastest growth of all pre-school toy properties and manufacturers in the year.

The UK celebrated its one millionth Toniebox sold; and in Australia and New Zealand, we built on the successful market entry in 2024, publishing the first local Tonie and new commercial formats such as tonies' first ever own pop up store. Each new market requires careful localization – from content partnerships to language adaptation to retail relationships – but the fundamental appeal of screen-free audio entertainment proves universal.

tonies is focused on building sustainable, long-term positions in markets that will drive growth for years to come. Our approach to international expansion is focused and disciplined, prioritizing markets where we can establish strong retail partnerships, secure relevant content licenses, and build brand awareness efficiently. As we scale these markets, we benefit from operational leverage and the ability to apply learnings from our more mature geographies.

Harmonizing global icons and propriety IP:

A unique portfolio makes tonies the leading platform for curated kids' content

We pride ourselves on our curated content universe. tonies brings together all of kids' favorite global IPs alongside unique, original franchises. Our portfolio mixes prestigious licensing partnerships and high-margin proprietary products to drive acquisition and engagement. That way, tonies drives recurring purchases and secures sustainable growth. Based on our leading market position, we've become a stage for partners to launch their (sometime first-ever) audio content, enabling iconic brands to reach new audiences through our global ecosystem. This creates a win-win proposition for shared growth – and strengthens the competitive advantage at the heart of our platform.

Increasing brand radiance and customer engagement through iconic partnerships

In 2025, tonies agreed to additional landmark partnerships: The collaboration with The Pokémon Company International will bring the first-ever audio content of one of the world's largest entertainment franchises to life – with a special yellow Toniebox and four Pokémon figurines.

Expanding our partnership with Hasbro will bring iconic boardgames to ToniePlay, classics like Monopoly are being reimagined in a whole new way – for interactive, audio-first experiences. We're strengthening our portfolio both for single- and multiplayer games, giving the Toniebox an even firmer seat on the family table.

We also welcomed culturally significant partnerships tailored to specific markets: Emma Memma in Australia, Ms Rachel in the United States, and even Snoop Dogg's Doggyland – demonstrating the breadth and diversity of content that thrives on the tonies platform.

Further agreements with Disney, Paramount, Warner Bros., Mattel, and NBC Universal further demonstrate that the world's leading entertainment companies view tonies as a must-have distribution channel for children's content.

Driving profitability and brand loyalty with proprietary franchises

To complement our licensing strategy, tonies continues to invest in proprietary franchises and smaller, owned IPs, which provide brand loyalty, independence, and strong growth potential. Our Sleepy Friends – tonies' original bedtime franchise – continued to grow in 2025. My First Tonies – our curated collection for the youngest listeners – also functions as a proprietary franchise, building brand loyalty from the earliest stages of childhood.

The success of Sleepy Friends has demonstrated the value of developing exclusive content. The franchise has won multiple awards and created opportunities for adjacent products, reinforcing the power of proprietary IP to drive both revenue and brand differentiation. For World Sleep Day 2025, the Sleepy Ocean campaign continued the original success story.

A new dimension of content creation: proprietary game development

With the launch of ToniePlay, we also entered a new dimension of proprietary content creation: game development. Our in-house gaming engine enables us to create interactive experiences that leverage the unique capabilities of the ToniePlay platform.

Progressing step by step:

Scaling our business means scaling tonies' positive social impact

At tonies, we're building for future generations. We rally behind the mission to make a positive impact on more and more children across the world. That's also how we view sustainability: To reduce our footprint on the planet, and to improve the lives of children growing up.

Our vision "Listen, Learn, and Grow Responsibly" reflects the journey in which we see ourselves – as we scale our business, we scale our positive impact.

In 2025, we advanced our commitment to circular materials, data-driven decision-making, and social impact. Recognizing that play represents a dimension beyond traditional ESG metrics, we're pioneering new ways to quantify how screen-free entertainment contributes to children's well-being.

Advancing our journey toward a circular ecosystem

Our commitment to reducing environmental impact begins with the materials we use. In 2025, we transitioned the housing of our Pocket Tonies range to Terluran® ECO GP-35 BC100, increasing the share of ISCC PLUS certified bio-circular feedstocks from previously 50% to up to 94% via a mass balance approach. These materials maintain the quality, safety, and durability families expect while significantly reducing environmental impact. We've also continued to transition from solvent-based to water-based paints for our Classic Tonies and are in the process of finding a more sustainable alternative to PVC for our Classic Tonies.

Beyond materials innovation, we're integrating circular economy principles into our service offering to extend product lifecycles and minimize waste. Our Preloved Toniebox program refurbishes and reintroduces used Tonieboxes 1 to the market, giving these products a second life while making tonies more accessible to families. The Toniebox Repair Service enables customers in DACH to extend the lifespan of their Toniebox 1 by repairing key components rather than replacing the entire unit.

Building a data-driven foundation for transparent impact

Our second Sustainability Report, aligned with the CSRD and the related 2023 ESRS, establishes a rigorous data foundation for measuring and managing our environmental and social impact. We consider our entire value chain – from raw material sourcing through manufacturing, distribution, product use, and end-of-life recovery. In 2025, we focused on improving data granularity for informed decision-making and optimizing our reporting infrastructure to support more precise strategic steering.

Quantifying our social impact: A new benchmark for children's well-being

We're all for making a positive impact on kids' development. Therefore, we provide age-appropriate, independent opportunities to play, grow and discover. Part of our sustainability approach is to measure play: We enable hours of screen-free listening, learning, and play annually – measured through total hours of active Toniebox usage representing displaced screen time. This metric turns tonies' core impact into a measurable sustainability target, creating a new benchmark for how children entertainment companies quantify their contribution to well-being.

screen-free listening

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- Remuneration Report
- tonies SE shares in review

Report of the Supervisory Board

Dear Shareholders,

2025 was a landmark year for tonies SE – a period in which tonies not only met its ambitious targets but also matured as a global organization. As Chairman of the Supervisory Board, I am particularly satisfied to see that the launch of the Toniebox 2 was executed so successfully that it drove real growth – while staying true to tonies' vision and creating tangible progress in the company's evolution into a global icon. tonies is working to make its unique audio-first experiences a central part of families' lives around the world. The progress made in 2025 has been remarkable, both financially and beyond.

tonies has achieved impressive results at the group level and reached record profitability. North America has further established its position as tonies' largest market and shown further signs of its immense potential. The Germany-Austria-Switzerland region (DACH) has returned to double-digit growth with record profitability, and the Rest of World region has surged with outstanding momentum.

This performance shines even brighter against a challenging macroeconomic backdrop. Navigating tariffs and strengthening the resilience of the supply chain while expanding the portfolio and deepening global reach were the foundations for records on the top and bottom lines. 2025 has been a true testament to the appeal of tonies' platform, the resilience of its business model and the innovation and execution power of the organization.

On behalf of the Supervisory Board, I'd like to express my gratitude to the whole tonies team around the world. Their dedication and commitment made this success possible. I'd also like to thank the Management Board, led by CEO Tobias Wann, for a trusted collaboration throughout a highly successful year. Looking at the leadership team, 2025 was a year of important transformation. With the appointments of Hansjörg Müller as Chief Financial Officer and Christoph Frehsee as Chief Revenue Officer, we have added deep expertise to scale tonies globally, sustainably, and profitably. The Management Board has been brought to completion with CXO Virginia McCormick and now balances tonies' European origins with its growing presence in the United States.

This change of course has also meant that we must bid a heartfelt farewell to Jan Middelhoff. Jan's long-term dedication and vision have been instrumental in shaping tonies' success. On behalf of the Supervisory Board, I would like to thank Jan for his invaluable contributions to the company's journey.

At the same time, we welcomed tonies' co-founder Patric Faßbender back into the organization as a member of the Supervisory Board. As one of the original creators of tonies' vision and spirit, he will closely accompany tonies' evolution in his new formal role. I am very delighted to have Patric's expertise, passion, and entrepreneurial spirit back at tonies.

2025 was a successful year for tonies, and it provided a good base to build upon in the future. We are pleased to see the momentum also being recognized in the capital markets, with a strong development of its share price and tonies' first inclusion in the SDAX. The latter marks another of hopefully many more milestones to come in tonies' growth – and it reflects the confidence that you, tonies' investors, place in the company. I would like to thank you for your support and assure you that we remain highly confident in our short- and long-term prospects. With a powerful team, a category-defining ecosystem that will see even more innovation and a truly special vision, the Supervisory Board is convinced that tonies will continue to drive sustainable and profitable growth across the world.

As the Supervisory Board, we continue to provide strategic oversight and guidance to the Management Board and the broader leadership team. We work diligently to ensure that tonies maintains its momentum, upholds its values, and achieves long-term success.

Duties of the Supervisory Board

The Supervisory Board of tonies oversees supervision and control of the Company's management. During the entire financial year 2025, it performed its duties in accordance with the articles of association of the Company, its rules of procedure and applicable laws and regulations. It consulted regularly with the Management Board and the audit committee of the Company (the "Audit Committee"). The Supervisory Board closely follows business strategy, key financial developments, investments and was directly involved in all key decisions.

The Supervisory Board was in regular contact with the Management Board. It contributed to the following topics in the financial year ended 31 December 2025.

1. Cooperation between the Supervisory Board and the Management Board

The Supervisory Board does not interfere with the management of the Company, which rests in the hands of the Management Board, prior consent requirements for certain matters notwithstanding. However, the Supervisory Board does have an unlimited right of information regarding all operations of the Company and may inspect any of the Company's documents. It may request that the Management Board provide any information necessary for exercising its functions and may directly or indirectly proceed to any verification it may deem useful to carry out its duties.

Over the course of the financial year, the Supervisory Board oversaw and supported the Management Board in regard to strategy, planning, business development, compliance and risk management in a continuous, intensive dialogue.

The Supervisory Board is involved in all decisions of fundamental importance for the Company and cooperates closely, in an atmosphere of trust, with the other corporate bodies of the Company, in particular with the Management Board, in the best interests of the Company.

In addition to attending meetings, the members of the Supervisory Board have performed the following activities:

- Approval of the proposed budget for financial year 2025;
- Support for the nomination of Patric Faßbender to the Supervisory Board at the Annual General Meeting on May 28, 2025;
- Involvement in and approval of the finalization of the Annual Report for financial year 2024 and the final documentation for the 2025 Annual General Meeting, including all related documents through Christian Bailly (as appointed delegate):
  - The audited consolidated annual accounts of the Company and its group companies (Konzernabschluss und -lagebericht) and the audited annual accounts of the Company (Jahresabschluss), each for financial year 2024, which were submitted to the 2025 Annual General Meeting;
  - The Remuneration Report (Vergütungsbericht) of the Company for financial year 2024 which was resolved upon by the 2025 Annual General Meeting;
  - The supplementary documents (i.e. press release and investor relations presentations) in connection with publication of the Annual Report on 10 April 2025;
  - The Sustainability Report of the Company for financial year 2024.
- Approvals in relation to the Companies Equity Incentive Program (EIP) as further detailed in the Remuneration Report;
- Approval of the half-year financial results for 2025;
- Appointment of Christoph Frehsee as member of the Management Board and CRO of the Company with effect as of 1 July 2025 and until 1 July 2028;
- Acknowledgement of the resignation of Jan Middelhoff as CFO, with effect as of the end of 1 September 2025;
- Appointment of Hansjörg Müller as member of the Management Board and CFO of the Company with effect as of 1 September 2025 and until 1 September 2028;
- Approval of the directional top-down budget guidance for 2026 as proposed by the Management Board;

- Involvement in important matters of the Company through coordination with the Management Board and approval of all matters reserved to the Supervisory Board;
- Review of ongoing business performance, including revenue and profitability development, liquidity position, market position, expansion and business strategy of the Company;
- Informal dialogue and consultation with the Management Board and senior executives;
- Review and approval of additional contracts with third parties as needed, e.g. the Company's external auditors and consultants;
- Ongoing review of regulatory requirements;
- Preparation of the Remuneration Report for the financial year 2025;
- Development of a new Remuneration Policy for the members of the Management Board to be submitted to the 2026 Annual General Meeting for approval.

The members of the Supervisory Board frequently exchange information among themselves, meet to discuss specific matters and hold subcommittee meetings.

Each member of the Supervisory Board is obliged to act in the best interests of the Company and must report conflicts of interest immediately to the Supervisory Board. Within financial year 2025 no conflicts of interest occurred.

2. Composition of the Supervisory Board and respective changes

Each member of the Supervisory Board must have the required knowledge, abilities and expert experience to fulfil his or her duties properly. At least one member of the Supervisory Board must be knowledgeable in the field of accounting and auditing. The members of the Supervisory Board must take responsibility for undertaking any training or professional development measures necessary to fulfil their duties. The Company supports the participation of the Supervisory Board members in such training.

The Supervisory Board consists of the following members

- Christian Bailly (as chairperson and member of the Audit Committee),
- Helmut Jeggle (as chairperson of the Audit Committee),
- Alexander Kudlich,
- Alexander Schemann (as deputy chairperson and member of the Audit Committee),
- Erika Wykes-Sneyd,
- Patric Faßbender (as member of the Supervisory Board from 28 May 2025).

3. Meetings of the Supervisory Board and its committees

The Supervisory Board held five regular meetings and a separate Strategy Day Meeting during the financial year ended 31 December 2025.

The regular meetings were all held via video conference initiated from the Grand Duchy of Luxembourg, and adequate numbers of members of the Supervisory Board were present at all meetings to ensure that a quorum was present at all times. On certain occasions, the Supervisory Board appointed a delegate to deliberate upon and determine certain transaction specifics, e.g., appointment of Christian Bailly, Chairperson of the Supervisory Board, as delegate to approve the final documentation for the 2025 Annual General Meeting.

	Total Members	Participants	Absent
Date of the Supervisory Board Meeting			
07.03.2025	5	3	2 Alexander Schemann Alexander Kudlich
02.04.2025	5	5	0
12.05.2025	5	5	0
18.08.2025	6	6	0
10.11.2025	6	6	0
Date of the Audit Committee Meeting			
08.04.2025	3	3	0
12.05.2025	3	3	0
18.08.2025	3	3	0
10.11.2025	3	3	0

4. Audit Committee and audit of the separate and consolidated financial statements

The Audit Committee of the Company oversees the accounting and financial reporting processes of the Company, the audits of the standalone and consolidated financial statements (the “Financial Statements”) of the Company, internal controls and choice of the Company’s independent auditor. The mode of operation as well as the duties and responsibilities are set out in the internal terms of reference of the Audit Committee.

The Audit Committee consists exclusively of members of the Supervisory Board and consists of three members. The Supervisory Board has specified the following rules for the composition of the Audit Committee:

- The chairperson of the Audit Committee must have specific knowledge and experience in applying accounting principles and internal control procedures.
- An adequate number of Audit Committee members should be independent of the Company. Members of the Audit Committee as a whole shall be competent in the business sector of the Company.
- The chairperson of the Audit Committee must be designated by the Supervisory Board and cannot be the chairperson of the Supervisory Board.

The current members of the Audit Committee of the Company are Helmut Jeggle (as chairperson), Christian Bailly and Alexander Schemann. This composition follows the abovementioned goals for the composition of the Audit Committee. In particular, all members of the Audit Committee have specific knowledge of and experience in applying accounting principles and internal control procedures and one of them is independent of the Company.

Forvis Mazars Luxembourg was appointed as the independent auditor of the Company at the Annual General Meeting on 28 May 2025 for this financial year. Forvis Mazars Luxembourg also performed the audit of the consolidated Financial Statements as of 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024. The auditors issued an unqualified audit opinion.

The Supervisory Board acknowledged the independence of the auditor and obtained a corresponding declaration of independence. The Financial Statements and associated audit reports were sent to the members of the Supervisory Board. The Supervisory Board reviewed the separate and consolidated Financial Statements and the management report of the Company. The results of the preliminary review by the Audit Committee and the results of its own review are fully consistent with the results of the audit of the Financial Statements. In view of the final results of its own review, the Supervisory Board raises no objections to the results of the audit by the auditor. The Supervisory Board has therefore approved the separate and consolidated Financial Statements of the Company for financial year 2025. The annual Financial Statements of the Company are thus approved.

As the Supervisory Board, we are very much looking forward to continuing the tonies success story this year.

Luxembourg, 30 March 2026

For the Supervisory Board

Christian Bailly
Chairperson

Remuneration Report 2025

Contents of the remuneration report

This remuneration report has been prepared in accordance with Luxembourg laws and provides a clear and comprehensive overview of the remuneration awarded or due to the members of the management board (the “Management Board” or the “MB Members” and each member, a “MB Member”) and supervisory board (the “Supervisory Board”) of tonies SE (“tonies”) for the 2025 financial year. The remuneration report will be submitted to the 2026 annual general meeting for approval.

1. Changes in the composition of Management Board and Supervisory Board during the 2025 financial year

The following changes in the composition of the Management Board occurred during the 2025 financial year:

The former Chief Financial Officer (CFO) of tonies, Jan Middelhoff, resigned from his office as member of the Management Board with effect as of the end of September 1, 2025. Hansjörg Müller has been appointed as member of the Management Board and CFO with effect as of September 1, 2025. Further, Christoph Frehsee has been appointed as Chief Revenue Officer (CRO) with effect as of July 1, 2025.

Further, the following changes in the composition of the Supervisory Board occurred during the 2025 financial year:

The 2025 annual general meeting elected Patric Faßbender as member of the Supervisory Board.

2. The remuneration policy for the Management Board

The current remuneration policy for the MB Members (the “Remuneration Policy 2024”) became effective as of 1 January 2024 after having been submitted to and approved by the 2024 annual general meeting of tonies with a majority of 95.54%. The Remuneration Policy 2024 applies to all current members of the Management Board.

The Remuneration Policy 2024 promotes tonies’ business strategy and long-term interests and thus contributes to tonies’ long-term development. Strengthening the profitable and sustainable growth of tonies’ business is the focus and basis for the structure of the remuneration system for the MB Members.

In this context, the remuneration system is linked to the development of tonies, providing a compensation to motivate the MB Members towards the achievement of long-term goals in order to promote tonies’ business strategy, long-term value and creation and sustainability, providing adequate compensation in consideration of the responsibilities, competency, commitment, workload, time spent and performance of each MB Member, reflecting the degree of required qualifications and experience of the MB Members, the risks that they take personally, and honour the dedication and efforts that the MB Members put into tonies; and ensuring that tonies continues to attract and retain individuals who consistently perform at or above expected levels and contribute to the success of tonies.

No deviations of the Remuneration Policy 2024 occurred during the 2025 financial year.

3. Components of the remuneration of the Management Board

The remuneration system of the MB Members comprises fixed and variable remuneration components, whereas the components mix shall balance both short term economic performance with long term goals of tonies. The total annual remuneration of the MB Members thus shall consist of 20% to 30% of fixed remuneration components, while the variable remuneration shall consist of 70% to 80% of the total annual remuneration. Such setup shall provide for flexibility to answer different needs of current and future members of the Management Board in terms of their remuneration structure, considering customary market practice and appropriateness.

3.1. Fixed non-performance-related remuneration components

The fixed components of the remuneration for all MB Members, in accordance with the Remuneration Policy 2024, are a fixed annual salary and fringe benefits. Providing adequate base compensation shall consider the responsibilities, competency, commitment, workload and time spent of each MB Member, reflect the degree of required qualifications and experience and the risks that they take personally, and honor the dedication and efforts that the MB Members put into tonies. In addition, such compensation shall ensure that tonies continues to attract and retain individuals who consistently perform at or above expected levels and contribute to the success of tonies.

a. Fixed annual salary
The MB Members receive a fixed annual salary generally to be paid in equal instalments. The amount of the fixed annual salary is based on the tasks and the strategic and operative responsibility of the individual MB Member.

b. Fringe benefits
The MB Members receive market standard fringe benefits such as contributions to accident insurance, D&O insurance and a company car respectively company car allowance or similar. Beyond that, tonies reimburses the Chief Executive Officer (CEO) Tobias Wann for the costs of a dual household management of up to EUR 2,000.00 gross per month and a BahnCard 100 for the duration of his services for tonies. The CFO Hansjörg Müller received a one-time relocation allowance in the amount of EUR 15,000.00.

In addition, tonies reimburses the MB Members for all necessary and reasonable out-of-pocket expenses within the context of their activities to the extent these expenses were incurred in the interests of tonies.

3.2. Variable performance-related remuneration components

In accordance with the Remuneration Policy, the variable remuneration of the MB Members consists of an annual performance bonus (**"Performance Bonus"**, STI) and an equity incentive plan as well as a participation in a virtual stock option plan (LTI).

Providing such different variable performance-related remuneration components shall motivate the MB Members to achieve ambitious and challenging financial, operational and strategic goals during one financial year, but also for several financial years. And besides providing further compensation considering the responsibilities, competency, commitment, workload and time spent of each MB Members, the share-value based remuneration components shall also motivate the MB Members towards the achievement of long-term goals in order to promote tonies' business strategy, long-term value and creation and sustainability and align the interests of the MB Members with those of tonies' shareholders.

a. Performance Bonus
The Performance Bonus depends on the achievement of performance targets defined during the financial year. Such performance targets consist for each MB Member of 80% financial targets (including net revenue, adjusted EBITDA, free cash flow) and 20% individual targets (qualitative and quantitative performance criteria, as strategic and operational criteria, as well as sustainability related criteria).

In the case of 100% achievement of all annual performance targets, the total amount of the Performance Bonus shall be as follows for each MB Member:

- Tobias Wann: EUR 250,000.00 gross (at maximum EUR 375,000.00 gross per financial year),
- Hansjörg Müller: EUR 200,000.00 gross (at maximum EUR 300,000.00 gross per financial year),
- Virginia McCormick: EUR 150,000.00 (at maximum EUR 225,000.00 gross per financial year),
- Christoph Frehsee: USD 220,000.00 (at maximum USD 330,000.00 gross per financial year),
- Dr. Jan Middelhoff: EUR 150,000.00 (at maximum EUR 225,000.00 gross per financial year).

The overall target achievement for the Performance Bonus as well as the payout amount resulting thereof for the MB Members shall be determined by the Supervisory Board within one month following the availability of the audited and approved consolidated financial statements of tonies SE.

This remuneration report outlines the Performance Bonus for the 2024 financial year, since it has been paid out only in the 2025 financial year.

b. LTI

The LTI for the management board includes the Share Option Agreement Plan as well as the Pre-IPO Virtual Stock Option Plan. The MB Members further participate in tonies' equity incentive plan ("Equity Incentive Plan") as adopted on 27 August 2022 and approved by the general meeting of shareholders of tonies on 24 May 2023. The Equity Incentive Plan generally provides incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of tonies, by offering them an opportunity to participate in tonies' future performance through the grant of awards, and comprises Options, Restricted Stock Awards, Stock Bonus Awards, Stock Appreciation Rights, Restricted Stock Units and Performance Awards, as defined and described in the Equity Incentive Plan.

With the exception of a participation of the former CFO, Jan Middelhoff, in a closed virtual stock option program (see below), as of the date of this remuneration report only Options have been granted to MB Members under the Equity Incentive Plan.

Options generally vest in accordance with the following schedule for the CEO Tobias Wann, CXO Virginia McCormick and the newly appointed CFO Hansjörg Müller: 4/16 of the total number of Options shall vest 12 months following the vesting commencement date (in each case as defined below), and 1/16th on each quarterly anniversary of such vesting date thereafter (i.e., every 3 months thereafter), so that the Options will become 100% vested after four years, subject to continued service and customary clawback and change of control clauses. For the former CFO Dr. Jan Middelhoff and the CRO Christoph Frehsee, 1/16 of the Options vest quarterly commencing on the vesting commencement date, so that the Options will become 100% vested after four years, subject to continued service and customary clawback and change of control clauses. The exercise of the Options is further linked to different exercise prices per share in tonies, determined when the Option is granted, in order to incentivize the individual performance for tonies' share price developments pursuant to the conditions of the Equity Incentive Plan.

As of the date of this remuneration report, the MB Members participate in the Equity Incentive Plan as follows:

In 2024, according to his individual global stock option agreement, the CEO Tobias Wann has been granted Options with the vesting commencement date being 1 January, 2024, as follows:

- 150,000 Options with an Exercise Price of EUR 6.00 per tonies' share.
- 250,000 Options with an Exercise Price of EUR 7.50 per tonies' share.
- 300,000 Options with an Exercise Price of EUR 12.00 per tonies' share.
- 300,000 Options with an Exercise Price of EUR 20.00 per tonies' share.

437,500 of these Options vested in 2025.

In 2024, according to his individual global stock option agreement, the CFO Dr. Jan Middelhoff has been granted Options with the vesting commencement date being 1 May 2024 follows:

- 97,500 Options with an Exercise Price of EUR 6.00 per tonies' share.
- 162,500 Options with an Exercise Price of EUR 7.50 per tonies' share.
- 195,000 Options with an Exercise Price of EUR 12.00 per tonies' share.
- 195,000 Options with an Exercise Price of EUR 20.00 per tonies' share.

162,504 of these Options vested in 2025.

In 2024, according to her individual global stock option agreement, the CXO Virginia McCormick has been granted Options with the vesting commencement date being 1 September 2024 as follows:

- 60,000 Options with an Exercise Price of EUR 6.00 per tonies' share.
- 100,000 Options with an Exercise Price of EUR 7.50 per tonies' share.
- 120,000 Options with an Exercise Price of EUR 12.00 per tonies' share.
- 120,000 Options with an Exercise Price of EUR 20.00 per tonies' share.

125,000 of these Options vested in 2025.

In 2024, according to his individual global stock option agreement, the CRO Christoph Frehsee (at that time in his capacity as employee of the Company) has been granted Options with the vesting commencement date being 1 January 2024 as follows:

- 150,000 Options with an Exercise Price of EUR 6.00 per tonies' share.
- 250,000 Options with an Exercise Price of EUR 7.50 per tonies' share.
- 300,000 Options with an Exercise Price of EUR 12.00 per tonies' share.
- 300,000 Options with an Exercise Price of EUR 20.00 per tonies' share.

In 2025, 250,008 Options vested, thereof 125,004 during his activities as MB Member (1 July to 31 December 2025).

In 2025, according to his individual global stock option agreement, the newly appointed CFO Hansjörg Müller has been granted Options with the vesting commencement date being 1 September 2025 as follows:

- 75,000 Options with an Exercise Price of EUR 6.00 per tonies' share.
- 125,000 Options with an Exercise Price of EUR 7.50 per tonies' share.
- 150,000 Options with an Exercise Price of EUR 12.00 per tonies' share.
- 150,000 Options with an Exercise Price of EUR 20.00 per tonies' share.

In 2025, no Options have vested.

c. Additional voluntary bonus
Tobias Wann and Jan Middelhoff received 50 kEUR a additional project-based voluntary bonus in the 2025 financial year.

3.3. Closed 2020 Virtual Stock Option Program

Before the appointment of Jan Middelhoff as CFO, he participated in a virtual stock option program ("VSOP"), set up prior the business combination resulting in tonies. The VSOP has been closed and is not part of the new remuneration policy of tonies. At the discretion of tonies, the virtual shares granted to Jan Middelhoff under the VSOP can be exercised upon vesting for cash payment or shares in tonies. The vesting period is 48 months with a cliff period of 12 months.

In 2025, no additional virtual shares of the CFO have been vested while 54,465 virtual shares have been exercised.

4. Remuneration-related agreements

The service agreements of the CEO Tobias Wann and the CFO Hansjörg Müller are concluded for the term of appointment of three years each. The service agreements of the CXO Virginia McCormick and the CRO Christoph Frehsee are concluded for an indefinite period and can be terminated by either party at any time. The conclusion of service agreements without time limitation takes into account US market practice and certain requirements under US law.

4.1. Severance payments

The service agreements of the MB Members contain provision concerning payment in the event of a premature termination of the service agreements as follows:

In case of the CEO Tobias Wann and the CFO Hansjörg Müller, any severance payment in the event of a premature termination of the service agreement shall not exceed the sum of (i) the fixed remuneration payable for a period of two years, however, at most for the remaining term of the respective service agreement, and (ii) and the pro-rated annual Performance Bonus for a period of two years, however, at most for the remaining term of the respective service agreement. Any severance payment shall count against any compensation payable in connection with the post-contractual non-competition.

In case of the CXO Virginia McCormick and the CRO Christoph Frehsee, in the event of a termination of the service agreement (i) by tonies without reason or (ii) by the CXO or the CRO, respectively, for good reason, the CXO and the CRO, respectively, shall be entitled to (a) a severance payment in the amount of six months the then-current fixed remuneration in case of the CXO and (b), in case of the CRO, a severance payment in the amount of six-months the then-current fixed remuneration in case of termination by tonies and a severance payment in the amount of 12 months the then-current fixed remuneration in case of termination by the CRO.

The former MB member Jan Middelhoff did not receive a severance payment in connection with his departure.

4.2. Retention or clawback of variable remuneration

In the 2025 financial year, the Company had no reason to retain or reclaim any variable remuneration of the MB Members.

4.3. Post-contractual non-competition clause

The service agreements of the CEO Tobias Wann, the CFO Hansjörg Müller and the CXO Virginia McCormick include a twelve-month post-contractual non-competition clause. During the term of the non-compete, Tobias Wann and Hansjörg Müller receive in return a compensation payment in the amount of 50 % of the fixed remuneration lastly received. Virginia McCormick does not receive a compensation payment.

4.4. Share Ownership Guidelines (SOG)

The MB Members are obliged to acquire shares of tonies SE equal to 100 % of their gross annual fixed remuneration ("SOG Target") and to hold those shares at least until the end of appointment as a MB member. For this purpose, each MB Member is obliged to invest 50 % of the net amount of the Performance Bonus paid to such MB Member for a financial year in the acquisition of tonies-shares until the SOG Target is fulfilled.

5. Remuneration awarded and due in the 2025 financial year

Tobias Wann

		January – December 2025		January – December 2024	
		in EUR	in %	in EUR	in %
Fixed compensation	Base salary (fixed compensation)	500,004.00	59.8%	500,004.00	94.8%
	Fringe benefits (Insurance, car allowance, etc.)	18,000.00	2.1%	18,000.00	3.4%
	Total	**518,004.00**	**61.9%**	**518,004.00**	**98.3%**
Variable compensation	Variable compensation	318,250.00	38.1%	0.00	0.0%
	Total	**836,254.00**	**100.0%**	**518,004.00**	**98.3%**
Other		**0.00**	**0.0%**	**9,199.10**	1.7%
Total		**836,254.00**	**100.0%**	**527,203.10**	**100.0%**
Pension benefits		0.00	0.0%	0.00	0.0%
Total remuneration		**836,254.00**	**100.0%**	**527,203.10**	**100.0%**

Jan Middelhoff

		January – August 2025		January – December 2024	
		in EUR	in %	in EUR	in %
Fixed compensation	Base salary (fixed compensation)	200,000.00	25.4%	275,000.00	78.7%
	Fringe benefits (Insurance, car allowance, etc.)	9,384.48	1.2%	14,076.72	4.0%
	Total	**209,384.48**	**26.5%**	**289,076.72**	**82.8%**
Variable compensation	Variable compensation	198,201.72	25.1%	60,134.53	17.2%
	Virtual Stock Option Bonus	381,278.60	48.3%	0.00	0.0%
	Total	**788,864.80**	**100.0%**	**349,211.25**	**100.0%**
Other		**0.00**	**0.0%**	**0.00**	0.0%
Total		**788,864.80**	**100.0%**	**349,211.25**	**100.0%**
Pension benefits		0.00	0.0%	0.00	0.0%
Total remuneration		**788,864.80**	**100.0%**	**349,211.25**	**100.0%**

Virginia McCormick

		January – December 2025		September – December 2024	
		in EUR	in %	in EUR	in %
Fixed compensation	Base salary (fixed compensation)	443,687.80	79.6%	154,309.90	97.1%
	Fringe benefits (Insurance, car allowance, etc.)	34,073.04	6.1%	4,644.87	2.9%
	Total	**477,760.84**	**85.7%**	**158,954.78**	**100.0%**
Variable compensation	Variable compensation	45,675.28	8.2%	0.00	0.0%
	Total	**523,436.12**	**93.9%**	**158,954.78**	**100.0%**
Other		**18,500.52**	**3.3%**	**0.00**	0.0%
Total		**541,936.64**	**97.2%**	**158,954.78**	**100.0%**
Pension benefits		15,495.75	2.8%	0.00	0.0%
Total remuneration		**557,432.39**	**100.0%**	**158,954.78**	**100.0%**

Christoph Frehsee

		July – December 2025		January – December 2024	
		in EUR	in %	in EUR	in %
Fixed compensation	Base salary (fixed compensation)	194,803.74	83.1%	0.00	0.0%
	Fringe benefits (Insurance, car allowance, etc.)	12,463.37	5.3%	0.00	0.0%
	Total	**207,267.11**	**88.4%**	**0.00**	**0.0%**
Variable compensation	Variable compensation	0.00	0.0%	0.00	0.0%
	Total	**207,267.11**	**88.4%**	**0.00**	**0.0%**
Other		**27,277.69**	**11.6%**	**0.00**	0.0%
Total		**234,544.80**	**100.0%**	**0.00**	**0.0%**
Pension benefits		0.00	0.0%	0.00	0.0%
Total remuneration		**234,544.80**	**100.0%**	**0.00**	**0.0%**

Hansjörg Müller

		September – December 2025		January – December 2024	
		in EUR	in %	in EUR	in %
Fixed compensation	Base salary (fixed compensation)	119,330.98	99.1%	0.00	0.0%
	Fringe benefits (Insurance, car allowance, etc.)	1,105.40	0.9%	0.00	0.0%
	Total	**120,436.38**	**100.0%**	**0.00**	**0.0%**
Variable compensation	Variable compensation	0.00	0.0%	0.00	0.0%
	Total	**120,436.38**	**100.0%**	**0.00**	**0.0%**
Other		**0.00**	**0.0%**	**0.00**	0.0%
Total		**120,436.38**	**100.0%**	**0.00**	**0.0%**
Pension benefits		0.00	0.0%	0.00	0.0%
Total remuneration		**120,436.38**	**100.0%**	**0.00**	**0.0%**

6. Comparative presentation of the annual change in compensation with earnings development and employee salary development

	Annual change 2025 to 2024	Annual change 2024 to 2023	Annual change 2023 to 2022	Annual change 2022 to 2021	Annual change 2021 to 2020
Management Board remuneration*					
Tobias Wann (since 1 January 2024)	0.00%	./.	./.	./.	./.
Jan Middelhoff (1 May 2023 – 1 September 2025)	0.00%	+25.0%	./.	./.	./.
Virginia McCormick (since 2 September 2024)	0.00%	0.00%	./.	./.	./.
Christoph Frehsee (since 1 July 2025)	./.	./.	./.	./.	./.
Hansjörg Müller (since 1 September 2025)	./.	./.			
Patric Faßbender (until 31 December 2023)	./.	./.	–0.17%	0.00%	+29.34%
Marcus Stahl (until 31 December 2023)	./.	./.	–0.17%	0.00%	+30.14%
Business development of tonies					
Revenue development	+31.2%	+33%	+40%	+37%	+40%
Adj. EBITDA development	+49.9%	+251%	+6.4%	./. (negative)	./. (negative)
Average salary development of employees with full time employment					
Average remuneration of all employees or a reference group	+3.2%	+4.2%	+8.2%	+9.6%	+12.43%

*For further explanations please review the respective remuneration reports.

The remuneration of the Supervisory Board has not changed over the last five years except for changes in the members and role changes.

6.1. Review of the appropriateness of Management Board remuneration

The Supervisory Board conducted a review of the remuneration of the Management Board in the 2025 financial year and came to the conclusion that the amount of the remuneration of the Management Board is appropriate and ensures conformity with the Luxembourg laws.

For the assessment of the appropriateness of Management Board compensation, the Supervisory Board also regularly takes external advice. This involves assessing from an external perspective the relationship between the level and structure of the Management Board compensation and the compensation of the workforce as a whole (vertical comparison). In addition to a status quo analysis, the vertical comparison also takes into account the development of compensation ratios over time. On the other hand, the level and structure of remuneration are assessed on the basis of tonies' positioning in a comparative market (horizontal comparison). In addition to fixed compensation, the horizontal comparison also includes the share-based long-term bonus as well as the amount of fringe benefits. The peer group was chosen carefully by the Supervisory Board in order to avoid an automatic upward trend in compensation.

7. Remuneration of the Supervisory Board in the 2025 financial year

In accordance with the remuneration policy of the Supervisory Board as approved by the 2024 general meeting, the members of the Supervisory Board receive a fixed annual salary as follows:

For each financial year, the chairperson of the Supervisory Board receives EUR 120,000.00 and the deputy chairperson of the Supervisory Board receives EUR 90,000.00. The chairperson of the audit committee receives EUR 90,000.00 for each financial year and the ordinary members of the Supervisory Board receive EUR 60,000.00 per financial year. If the position of a Supervisory Board member begins or ends during a financial year, the remuneration for such financial year will be paid on a pro-rata basis.

Supervisory Board member	Financial Year	Fixed compensation in EUR
Chairperson of the Supervisory Board Christian Bailly (from 20 August 2024)	2025	120,000
	2024	100,833
Member of the Supervisory Board, Chairperson of the Audit Committee Helmut Jeggle	2025	90,000
	2024	90,000
Member of the Supervisory Board Patric Faßbender (from 28 May 2025)	2025	35,667
	2024	./.
Member of the Supervisory Board Alexander Kudlich	2025	60,000
	2024	60,000
Deputy Chairman of the Supervisory Board Alexander Schemann (from 20 August 2024)	2025	60,000
	2024	60,000
Member of the Supervisory Board Erika Wykes-Sneyd	2025	60,000
	2024	60,000

tonies SE shares in review

Market Environment and Challenges in 2025

In the fiscal year 2025, tonies navigated a highly complex and structurally challenging macroeconomic environment across core global markets, balancing domestic European stagnation with shifting dynamics in the critical US growth engine. The German economy experienced an extended period of stagnation, ultimately achieving only modest gross domestic product (GDP) growth of approximately 0.2%. Persistent domestic headwinds, including elevated operational costs, weak industrial order volumes, and a shortage of skilled labor, continued to constrain overall business dynamism. Despite these hurdles, capital markets observed a welcome stabilization in the broader Eurozone, where average German inflation fell to 2.3%.

The United States economy demonstrated more resilience but cooled significantly as the year progressed, finishing 2025 with an annual GDP growth rate of 2.2% amid fourth-quarter disruptions from a federal government shutdown and uncertainties surrounding newly implemented trade tariffs. These macroeconomic crosswinds weighed heavily on US consumer sentiment, as households grappled with the cumulative living cost increases.

Consequently, the broader consumer discretionary sector faced notable pressure and lagged the wider equities market, as budget-conscious shoppers became highly pragmatic, prioritizing essentials and selectively hunting for value. Interestingly, capital markets demonstrated a notable decoupling from this subdued economic reality; German small and mid-cap equities showcased remarkable resilience, with the MDAX and SDAX indices recording robust double-digit gains of approximately 19% and 25%, respectively. In the United States, equity markets defied the cooling macroeconomic data, with the S&P 500 and Nasdaq 100 delivering robust annual returns of approximately 18% and 20%, respectively, marking a third consecutive year of double-digit gains. This upward momentum was largely underpinned by high-conviction investments in the "Artificial Intelligence" ecosystem, which effectively outweighed the market's initial anxieties regarding aggressive trade policies and tariff-induced volatility.

As we move forward into 2026, tonies remains cautiously optimistic that proactive financial discipline and the resilient, non-cyclical appeal of its unique interactive audio platform will allow the company to continue recording double-digit growth rates as well as capturing market share even amidst a cautious global consumer environment.

Share Price Performance

Despite the above-mentioned headwinds, tonies SE shares performed exceptionally well in 2025, rising by **38%** over the year. After starting at **EUR 7.58**, the share price peaked at **EUR 10.52** before closing at **EUR 10.44** on **31 December 2025**. The company's market capitalization stood at EUR 1.324 billion (including treasury shares) at year-end, with an average daily trading volume on Xetra of approximately **77k shares**.

tonies SE share (as of 31 December 2025)

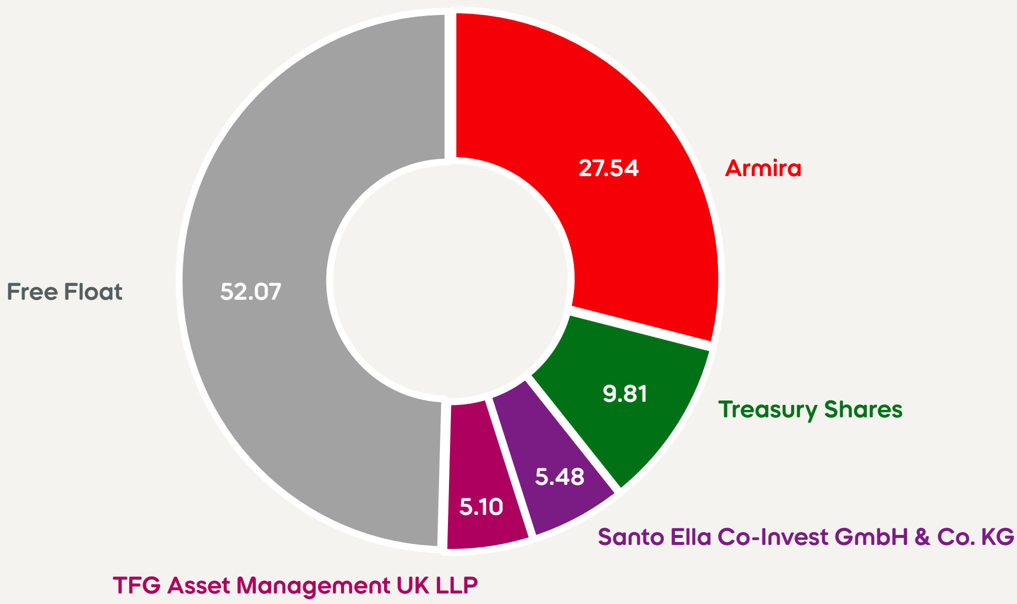
	2025
Number of shares Issued	126,847,586
Share price in EUR	
Last (31 December)	10.44
High	10.52
Low	4.88
Market capitalization in EUR billion (31 December)	1.324
ISIN	LU2333563281
Ticker symbol	TNIE
WKN	A3CM2W

Investor Engagement and Transparency

Since **25 August 2022**, tonies SE shares have been traded in the Prime Standard segment of the Frankfurt Stock Exchange, representing the highest transparency standard. Additionally, as of **22 December 2025**, the company was added to the SDAX, recognizing it as one of the largest and most liquid stocks listed on the Frankfurt Stock Exchange. The SDAX inclusion underscores tonies' strong and profitable growth dynamic in its evolution from category creator to global leader and marks the beginning of a new phase in the company's history. tonies' strong performance has translated into a significant increase in market capitalization and liquidity, leading to the company's promotion into the index.

Throughout 2025, the company actively engaged with the financial community, participating in **16 capital market conferences and roadshows** across Europe and North America. These events provided institutional investors and financial analysts the opportunity to engage directly with tonies SE, including top management, through one-on-one and group meetings, site visits, and virtual formats. tonies remains committed to open and transparent communication with investors and analysts.

Shareholder Structure



as of 31 December 2025, in %

Analyst Coverage and Recommendations (as of 28 February 2026)

Broker	Analyst	Price target (EUR)	Rating
Cantor Fitzgerald	Christian Salis	18.00	Overweight
Oddo BHF	Sinan Doganli Mariem Ben Nejma	14.50	Outperform
Berenberg	Gerhard Orgonas	14.50	Buy
nuways	Christian Sandherr	14.00	Buy
mwb Research	Oliver Wojahn	14.00	Buy
Kepler Cheuvreux	Julien Rault	13.00	Buy
Metzler	Felix Dennl	12.50	Buy

As of **28 February 2026**, tonies SE shares were covered by seven research analysts. The consensus outlook remained positive, with all seven analysts assigning a **Buy** rating or similar. The average target price stood at around **EUR 14.40**.

Consolidated Financial Statements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Consolidated Management Report for the year ended 31 December 2025

1. Basic information on the Group

1.1. Business model

tonies was founded in 2013 and established a new, multi-billion-euro category. tonies SE and its subsidiaries (hereinafter referred to as the "Group", the "Company" or "tonies") develop, produce and distribute a digital, cloud based and interactive audio platform and entertainment system for children aged three and up, providing a listening and storytelling experience that captures their imagination and allows them to play intuitively and through the sense of touch. tonies generates revenue from the initial sale of the "Toniebox" and from follow-on purchases of "Tonies" and "Accessories & Digital".

The Toniebox is a connected audio player, using tonies patented hardware. The sale of a Toniebox marks the start of the customer journey through the tonies ecosystem. Children can operate the Toniebox independently and autonomously, making the Toniebox essentially a kids "first device". In 2025, the global launch of the Toniebox 2 marked the company's most significant hardware innovation, transitioning the system into an interactive entertainment platform. The volume can be increased or decreased by pressing one of the two ears of the Toniebox and chapters or songs can be changed by tapping the sides of the Toniebox or fast-forwarded and rewound by tilting it. Even swapping stories is simple by placing a different Tonie on the box to begin a new adventure.

Tonies are figurines that can be placed on top of the Toniebox. Each Tonie contains a download code that serves as a key to unlock content which is then downloaded from the cloud to the Toniebox. Historically, each sale of a Toniebox triggered on average repeat purchases of around 20 Tonies within 4.5 years from the sale of the respective Toniebox. Tonies cover a wide range of content including songs, stories, entertainment, and education. Content Tonies, which provide inhouse-produced or externally licensed content from partners such as Disney, Sony, and Universal account for the majority of Tonies revenue. With the Pocket Tonies designed for kids 5+, which focus on learning series, and the introduction of Tonieplay, the company has successfully extended its product lifecycle for children up to age nine and beyond. The Group also sells Creative Tonies that can play the customer's own content such as favourite books recorded in their own voice, singing favourite songs, preserving cherished family memories for the future, or sending messages to loved ones from afar.

The **Accessories & Digital** product category includes revenues from accessories, such as adjacent products and merchandising like headphones, transport solutions and decoration as well as revenue from tonies digital library, which offers a wide variety of digital content that can be assigned to a Tonie using the mytonies app. tonies operates in the geographical regions DACH (Germany, Austria, and Switzerland), North America and Rest of World (including UK and France as largest markets and Australia and New Zealand that were successfully expanded in 2025) with local teams in place. The Group generated the majority of its revenue in fiscal year 2025 in the international markets. Due to the continued successful international expansion, revenue in international markets is growing rapidly and represents a larger share of total revenue than the DACH region – in 2025, around 66% of revenue was generated in international markets compared to 62% in 2024. The DACH region still provides a large portion of total sales, which accounted for EUR 213.8 million of the total revenue of EUR 630.3 million. The North America market solidified its position as the largest region in 2025 with EUR 275.7 million in revenue.

With 11.8 million Tonieboxes and 156 million Tonies sold since the first product launch at the end of 2016, tonies is, by its own admission, a clear market leader for its product category.

tonies products are sold through different online and offline **distribution channels**: in **wholesale** (brick-and-mortar retail partner stores and retail partner online channels) and through the Group's **direct-to-consumer channels**, consisting of its own online shops and the Amazon marketplace in the various countries. For wholesale revenue, tonies supplies major retailers ("key accounts") such as Target and Walmart, as well as specialist retailers operating in the areas of toys and books. In 2025, the Group successfully crossed more than 7,300 points of sale mark in North America. Revenue via direct-to-consumer channels amounted to around 43% of the Group's revenue in 2025 compared to around 44% in 2024.

tonies marketing builds on a brand and category building strategy. By presenting Tonieboxes and Tonies as category-defining products, tonies has created its own distinctive identity on the market, which provides high recognition value and creates differentiation from other products on the market. Maintenance of tonies' strong brand identity, which reached an aided brand awareness of over 80% in the DACH region, drives customer loyalty, revenue and profit growth.

Alongside retail and sales expertise, the Group, together with its suppliers, also has the design, manufacturing, and product development expertise it needs and the patents. The use of specially coded chips enables a closed system. Under its new Group Strategy, tonies focuses on three pillars: "Grow the Core", "Build the Platform", and "Fuel the Future", aiming to become the ultimate "Hero of the Children's Room" worldwide.

1.2. Capital markets, governance and takeover law

General information

tonies SE is listed on Frankfurt Stock Exchange under the symbol "TNIE" and ISIN LU2333563281.

The Company is managed by a management board ("Management Board") which exercises its function under the control of a supervisory board ("Supervisory Board") in a dual management and supervisory structure. The members of the Management Board are appointed by the Supervisory Board for a term of up to five years and are eligible for reappointment for successive terms. A member of the Management Board may be removed at any time, with or without cause, by the Supervisory Board. Members of the Supervisory Board are appointed at the general meeting for a term of up to six years and are eligible for reappointment for successive terms. A member of the Supervisory Board may be removed at any time, with or without cause, by the general meeting at a two thirds majority vote of the shares present or represented.

Subject to the provisions of the Luxembourg law, any amendment of the Company's articles of association (the "Articles of Association") requires a majority of at least twothirds (2/3) of the votes validly cast at a general shareholders' meeting at which at least half of the share capital is present or represented. In case the second condition is not satisfied, a second meeting may be convened in accordance with the Luxembourg law, which may deliberate regardless of the proportion of the capital represented and at which resolutions are taken at a majority of at least two thirds (2/3) of the votes validly cast. Abstention and nil votes will not be taken into account for the calculation of the majority. Furthermore, where there is more than one class of shares and the resolution of the General Meeting is such as to change the respective rights thereof, the applicble quorum and majority requirements must be met in each of the share classes.

The Management Board is authorised to issue public shares, to grant options or warrants and to issue any other instruments giving access to public shares within the limits of the authorised capital, set at EUR 10,033,894.64, consisting of 627,118,414 class A (public) shares, to such persons and on such terms as they shall see fit and specifically to proceed to such issue with removal or limitation of the preferential right to subscribe to the shares issued for the existing share holders.

The Management Board is currently not authorised to instruct the Company, directly or indirectly, to repurchase its own shares.

The Company had 126,847,586 total shares in issue (including treasury shares) as of 31 December 2025.

The shareholders of tonies as of 31 December 2025 are the following entities, none of which is a controlling party from its shareholding. The information below is based on official publications incl. voting rights notification:

Armira	27.5%
Treasury Shares	9.8%
Santo Ella Co-Invest GmbH & Co. KG	5.5%
TFG Asset Management UK LLP	5.1%
Free Float	52.1%

Own share transactions

On 24 February 2025, the Company disposed of 161,860 class A shares of the Company held in treasury for an average amount of EUR 6.10 per class A share as a private placement.

On 4 and 5 September 2025, the Company disposed of a total of 129,160 class A shares of the Company held in treasury for an average amount of EUR 7.27 per class A share as a private placement.

Another 28,273 shares have been transferred to a plan recipient in fulfillment of sharebased payment payments. The transactions were carried out to make payments in accordance with the equity incentive plan. The Company held 12,446,839 (31.12.2024: 12,766,132) class A shares of the Company in treasury as of 31 December 2025.

Branches

The Company had no branches for corporate purposes at the end of the reporting period in addition to the subsidiaries.

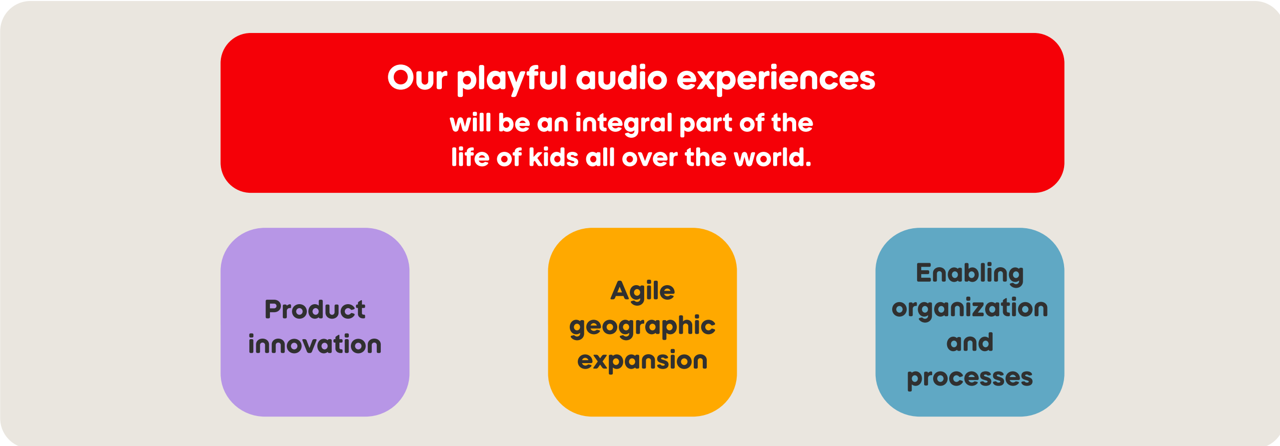
1.3. Group structure

tonies SE heads the Group. The Company's headquarters are located at 9, Rue de Bitbourg, L1273 Luxembourg, Luxembourg.

As of 31 December 2025, tonies SE held 100% in tonies Holding GmbH which held 100% in tonies Beteiligungs GmbH. This corporate structure is the result of a business combination. tonies Beteiligungs GmbH holds all shares in tonies GmbH, which runs the Group's operating business in the DACH region, its European webshop as well as other international activities not covered by dedicated entities, and all Headquarters' functions. It is also the parent company of the international subsidiaries. Operating business in the US and Canada is run by tonies US Inc. and in France by tonies France SAS. tonies UK Ltd is the sales company for markets in the UK and Ireland and tonies ANZ Pty Ltd supports market activities in Australia and New Zealand.

1.4. External factors that affect business

Material factors that could have an impact on the Group's business in the short term include changes in general macroeconomic and political conditions and the sector specific economy. These are explained in more detail in Section 2.1. Section 8. also includes further explanations of opportunities and risks in relation to the Company's business.



1.5. Group strategy

Vision and Mission

Our vision is to build a global icon by making our playful audio experiences an integral part of the life of kids all over the world, shaping routines and rituals that constitute childhood. tonies' strategy to deliver on this vision is based on three key pillars:

- Product innovation, which is crucial to continue delivering value to our customers going forward
- Agile geographic expansion, which is currently focused on further penetration in existing markets
- Enabling organization and processes, which is required as a basis to successfully scale our business through international expansion and product innovation

On our way to achieve our vision, tonies' mission is to enrich moments for little listeners around the world.

Product innovation at tonies encompasses physical and digital products as well as audio content, including both licensed and proprietary content.

Physical: Innovations in our physical platforms will be a key driver for securing our leading position in the category. In 2025, we launched our biggest innovation to date, Toniebox 2, giving our flagship platform an upgrade, and Tonieplay. Further, we continue to grow the attractiveness of our platform through special Starterset bundles and the launch of new Tonie figurines. At the same time, new Tonies form factors, such as the My First Tonies, will help us to expand our tonieverse for families and broaden our target audience across age groups. Through the further expansion of our accessories portfolio, ranging from headphones to Night Lights, we further offer attractive add-on products for our customers, which – due to their attractive margin profiles – support our overall profitability ambition.

Digital Experience: Our digital ecosystem is a key driver of engagement, retention, and longterm customer value, seamlessly complementing our physical products. Through continuous enhancements to our mobile app, we are elevating the customer experience with personalization, ensuring that households receive tailored recommendations that enrich their Toniebox journey. Beyond engagement, we have streamlined the setup experience, making it easier than ever for families to get started with Tonies and improving app store ratings. Looking ahead, we are investing in research to unlock new product experiences and drive the next wave of interactive, screenfree storytelling for children.

Content: Together with the physical product, highquality audio content forms the core of our tonies' experiences. We will continue to offer license-based global blockbusters and local hero stories to cater to the requirements of our little listeners. At the same time, we will continue to build our own content franchises/brands (which we call "tonies Originals") to leverage our global installed base and our inhouse content expertise. The huge success of our awardwinning "Sleepy friends" franchise, which focuses on bedtime routines, showcases the potential of such franchises.

Agile geographic expansion

With regards to geography, tonies manages its business in three different regions: DACH, North America, and Rest of World.

DACH: Our DACH market continues to be a huge success story: Almost every second child in our target group in Germany owns a Toniebox. In this more established market, the focus remains on further increasing profitability. This involves distribution channel optimization, active portfolio management including both attractive new product launches and decisions on discontinuing less profitable products as well as the optimization of unit economics.Nonetheless, DACH has continuously delivered double-digit growth for the group in recent years.

North America: In 2024, North America became the largest market for tonies after launching in 2020. Business performance in this large and strategically important market has exceeded expectations led by continued wholesale expansion, strengthening the brand presence at major retailers. We continue to grow our retail partnerships, especially through expanding our business with key partners such as Target and Walmart. Realizing our potential in North America is one of tonies' key priorities and will be supported by products tailored specifically to North American market requirements.

Rest of World: This region currently consists of the United Kingdom & Ireland (both served from the UK), France and Australia & New Zealand as core markets with local teams. In non-core markets, tonies pursues an agile approach and serves the markets via direct-to-consumer channels only without fully localized content (European webshop).

Enabling organization and processes

On our way to further strengthen the scalability of our company, we are constantly working to set up and enable our organization and processes to support our growth ambition. This includes, but is not limited to, the following aspects:

Scalable operations: Operations are – and will continue to be – a major focus area for tonies to achieve scalability. With our operational excellence program, which we launched in 2023, we have been able to generate major scalability improvements. This program has now progressed to a phase where its activities are integrated into daily operations, aiming to further stabilize, standardize, and mitigate risks in our operations and production. This phase also includes exploring further automation and tool-support opportunities in our processes.

Performance Management: Performance management played an important role in becoming a profitable company on group level and helped us especially in times of challenging macroeconomic environments. The continued active steering of our profitability supported the achievement of our positive high single-digit adjusted EBITDA margin level in 2025, e.g. through further optimization of unit economics, active management of our distribution channels and the generation of cross-company marketing efficiencies. Performance management will remain a major focus area for tonies going forward. Moreover, we will remain cost-conscious and maintain a sound cost base throughout our international growth.

Sustainability: Since the 2024 reporting year, we have voluntarily published our dedicated Sustainability Report. This report contains details of our specific sustainability projects, allowing us to share our ambitions and progress with external stakeholders. The new report will be published separately as part of the annual report package.

Data: As a data driven company, tonies aims to better leverage existing data and generate additional data to actively steer and support the company during our scale-up. In 2025, we have continued to build our data expertise, also through selected hires, and further trained our employees to improve data literacy throughout the company.

People and Culture: Besides our product, the success of tonies is built on the strength of engaged teams and our corporate culture. In 2025, we reinforced our commitment to employee engagement by encouraging a global annual engagement survey alongside quarterly pulse surveys. In times of high growth, actively listening to our teams' feedback is key, helping us understand sentiments, identify challenges, and take meaningful action.

1.6. Performance assessment system

Since 2023, 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. Since 2023, the Management Board uses several key performance indicators (KPI) presented in the table below to measure operating performance of the segments, as a basis for strategic planning. These KPI's also provide useful information to investors and others in understanding and evaluating the results of operations and are a useful measure for period to period comparisons of tonies business performance. For further information on the segments, please refer to Section 6, "Operating segments" in the notes to the consolidated financial statements.

KPI	2025 (audited)	2024 (audited)
Revenue	EUR 630 million	EUR 481 million
Contribution margin (a)	37.0%	34.5%
Adjusted EBITDA margin (b)	8.6%	7.5%
EBITDA margin (c)	7.7%	7.0%

We refer to the separate overview included in the annual report with detailed description of the calculation of alternative performance measures.

(a) For the definition, explanation and reconciliation of contribution margin refer to 2.3.2 Profitability
(b) For the definition, explanation and reconciliation of adjusted EBITDA margin refer to 2.3.2 Profitability
(c) For the explanation of EBITDA margin refer to 2.3.2 Profitability

2. Economic report

2.1. Macroeconomic development

The Kiel Institute for the World Economy (IfW Kiel) expects the global economic upturn to remain moderate throughout the forecast period. While monetary policy is shifting toward a neutral course and rising real wages are buoying private consumption, global momentum is hindered by structural problems and significant economic policy uncertainty.

The Kiel Institute projects global production to grow by 3.1% in 2026, consistent with the expansion rate of the previous year. A major downside risk factor is the potential introduction of high protective tariffs in the United States, which threatens global trade dynamics.

Economic activity in the Eurozone remains on a low level. GDP growth is projected to increase slightly from 0.9% in 2025 to 1.2% in 2026. This weak momentum is attributed to ongoing industrial weakness, a lack of fiscal stimulus, and political uncertainty in key member states. Within this context, Germany is expected to remain at the lower end of the range with a projected growth of 1.0% in 2026.

2.2. Review of overall business performance

Overall, tonies recorded a very strong 2025 with exponential revenue growth led by North America now being the largest single market for tonies. tonies also achieved further substantial improvements in profitability resulting in a substantial increase in adjusted EBITDA, while the Free Cash Flow (FCF) was impacted by strategic and temporary inventory build-up related to the launch of the new Toniebox 2.

Group revenue amounted to EUR 630.3 million in 2025, representing a year-over-year increase of 31.2% and 35.7% in constant currency, with a strong increase in revenue in all regions. North America continued its rapid growth trajectory with revenue growth of 31.1% and 39.7% in constant currency to EUR 275.7 million, becoming tonies' largest region for the first time. The growth in North America was driven not only by expanded retail partnerships but also by an increasingly localized content strategy, which allowed tonies to achieve category leadership in its largest market within only four years of entry. The continued successful international expansion was further supported by the launch of product innovations, most notably the Toniebox 2 in the second half of the year.

Contribution margin stood at 37.0% in 2025. While gross margin was higher as a result of favorable effects from channel and product mix as well as optimized sourcing, licensing costs increased in absolute terms to EUR 69.4 million after EUR 54.9 million in 2024 (increase of 26.4%).

The Group's adjusted EBITDA margin improved from 7.5% in 2024 to 8.6% in 2025. The margin increase resulted from an improved contribution margin.

The Group's EBITDA margin also improved from 7.0% in 2024 to 7.7% from total revenues in 2025. The difference between adjusted EBITDA and EBITDA was EUR 5.8 million or 0.9 percentage points in 2025, primarily driven by share-based compensation.

2.3. Results of operations of the Group

2.3.1. Revenue

Revenue increased substantially by 31.2% from EUR 480.5 million in 2024 to EUR 630.3 million in 2025. In constant currency the increase was even 35.7%. This growth was driven by continued international expansion and the strategic launch of major product innovations in the second half of the year.

The established **DACH** region witnessed a notable revenue increase of 16.0% from EUR 184.3 million to EUR 213.8 million. Growth was bolstered by the market introduction of the Toniebox 2 and the rollout of "Pocket Tonies." Performance was further supported by the wholesale channel, which now includes more than 10,000 points of sale (POS).

Revenue in **North America** increased by 31.1% from EUR 210.4 million to EUR 275.7 million, officially establishing it as the Group's largest reporting segment. Continuous adoption by major retailers like Target and Walmart, along with the launch of the Toniebox 2, contributed to a rise in points of sale to more than 7,300.

In the **Rest of World (RoW)** region, revenue increased by 63.9% from EUR 85.9 million to EUR 140.8 million. This dynamic growth was predominantly fueled by strong revenue increases in the UK and France, as well as the successful market entry and expansion in Australia and New Zealand.

Due to the continued successful international expansion, approximately 66% of revenue was generated in international markets (2024: 62%).

In terms of product categories, revenue from **Tonieboxes** increased by 17.5% from EUR 137.2 million to EUR 161.2 million. Most Tonieboxes were sold in North America, significantly increasing tonies installed base and underlining international margin potential. Growth was accelerated by the global launch of the Toniebox 2, the company's most significant hardware innovation to date.

Revenue from **Tonies figurines** increased by 37.4% from EUR 325.5 million to EUR 447.2 million. The increase was driven by licensed content, including the record-breaking launch of Ms. Rachel in the US along with staples like Disney and Paw Patrol, and inhouse-produced content such as "Lalalinos" and "My First Tonies". New categories like "Tonieplay" and "Pocket Tonies" successfully strengthened the portfolio for older age groups.

Accessories & Digital revenue increased by 22.8% to EUR 22.0 million.

in EUR million	FY 2025	FY 2024	Change
Net revenue	**630.3**	**480.5**	**31.2%**
by geography			
DACH	213.8	184.3	16.0%
North America	275.7	210.4	31.1%
RoW	140.8	85.9	63.9%
by product category			
Tonieboxes	161.2	137.2	17.5%
Tonies	447.2	325.5	37.4%
Accessories & Digital	22.0	17.9	22.8%

2.3.2. Profitability

Adjusted EBITDA is a key performance indicator, which is calculated from EBITDA by adjusting for various one-off effects to create a metric for the underlying operational profitability of the business. Adjustments relate to expenses incurred where management believes adjustments should be made due to extraordinary and non-operational character. Since 2023, the adjustments comprised only expenses for share-based compensation. The **adjusted EBITDA margin** is defined as adjusted EBITDA as a percentage of revenue. Despite the continued investment in international growth, adjusted EBITDA margin improved substantially from 7.5% of revenue in 2024 (EUR 36.1 million) to 8.6% of revenue in 2025 (EUR 54.1 million). This was attributable to an increase in gross margin and lower licensing costs as a percentage of sales.

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

	2025		2024		Change	
	EUR m	% of Revenue	EUR m	% of Revenue	EUR m	ppt
Revenue	**630.3**	**100.0%**	**480.5**	**100.0%**	**149.8**	**0.0**
COGS	– 234.4	– 37.2%	– 182.2	– 37.9%	– 52.3	0.7
Gross profit	**395.9**	**62.8%**	**298.4**	**62.1%**	**97.5**	**0.7**
Licensing costs	– 69.4	– 11.0%	– 54.9	– 11.4%	– 14.5	0.4
Gross profit after licensing costs	**326.5**	**51.8%**	**243.5**	**50.7%**	**83.0**	**1.1**
Own work capitalized	1.1	0.2%	1.6	0.3%	– 0.5	– 0.2
Other income	5.2	0.8%	14.9	3.1%	– 9.8	– 2.3
Personnel expenses	– 70.7	– 11.2%	– 53.7	– 11.2%	– 17.0	0.0
Other expenses	– 213.8	– 33.9%	– 172.9	– 36.0%	– 40.9	2.1
EBITDA	**48.3**	**7.7%**	**33.5**	**7.0%**	**14.8**	**0.7**
Depreciation and amortization	– 20.5	– 3.3%	– 20.8	– 4.3%	0.3	1.1
EBIT	**27.8**	**4.4%**	**12.7**	**2.6%**	**15.1**	**1.8**
Financial result	11.5	1.8%	7.7	1.6%	3.8	0.2
EBT	**16.3**	**2.6%**	**5.0**	**1.0%**	**11.3**	**1.5**
Tax result	– 3.2	– 0.5%	8.0	1.7%	– 11.3	– 2.2
Net income (loss)	**13.1**	**2.1%**	**13.1**	**2.7%**	**0.0**	**– 0.6**

Adjusted EBITDA is calculated from EBITDA as follows:

	2025		2024		Change	
	EUR m	% of Revenue	EUR m	% of Revenue	EUR m	ppt
EBITDA	48.3	7.7%	33.5	7.0%	14.8	0.7
Share based payment expenses	5.8	0.9%	2.7	0.6%	3.1	0.3
Adjusted EBITDA	**54.1**	**8.6%**	**36.1**	**7.5%**	**17.9**	**1.1**

The Group's **EBITDA** margin also improved significantly from 7.0% in 2024 to 7.7% in 2025 as EBITDA increased from EUR 33.5 million in 2024 to EUR 48.3 million in 2025. Operating leverage and an improved gross margin contributed to this increase. The difference between adjusted EBITDA margin and EBITDA margin widened slightly from 0.5% in 2024 to 0.9% in 2025 due to higher absolute share-based compensation expenses due to increased share prices.

The contribution margin is defined as the contribution profit in percent of revenue with external customers. The contribution profit is calculated from the gross profit after licensing costs less various sales-related costs that are together aggregated as logistics and other sales dependent costs (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, marketing and other expenses.

Contribution margin increased from 34.5% of revenue in 2024 to 37.0% of revenue in 2025. Gross margin was higher as a result of favourable effects from channel and product mix as well as optimized sourcing. Licensing costs decreased as a percentage of revenue compared to the previous year which included a positive non-recurring effect from the release of licensing provisions of around EUR 3.3 million in 2024). At EUR 233.2 million, contribution margin was well above the previous year's level of EUR 165.8 million.

Reconciliation contribution margin

	2025		2024		Change	
	EUR m	% of Revenue	EUR m	% of Revenue	EUR m	ppt
Gross profit after licensing costs	326.5	51.8%	243.5	50.7%	83.0	1.1
Logistics costs	–57.3	–9.1%	–46.0	–9.6%	–9.3	0.8
Sales dependent costs	–36.0	–5.7%	–31.7	–6.6%	–6.4	0.6
Contribution profit/margin	**233.2**	**37.0%**	**165.8**	**34.5%**	**67.3**	**2.5**

Gross margin improved slightly compared to the previous year from 62.1% to 62.8%. This was primarily due to favourable effects from channel and product mix, as well as ongoing supply chain efficiencies and optimized sourcing which resulted in lower unit costs.

Licensing costs decreased from 11.4% of revenue in 2024 to 11.0% in 2025. The decrease was related to a higher share of higher-margin tonies® Originals with significantly reduced licensing costs in the revenue mix in 2025 compared to 2024. Considering the one-time effect from the release of licensing provisions in the amount of EUR 3.3 million in 2024, licensing costs as a percentage of revenue in 2025 are at a significantly improved level compared to the underlying previous year. As a result, gross margin after licensing costs increased from 50.7% in 2024 to 51.8% in 2025.

Internally developed assets were recognized as own work capitalized in the amount of EUR 1.1 million in 2025 (2024: EUR 1.6 million).

Personnel expenses rose from EUR 53.7 million in 2024 to EUR 70.7 million in 2025 mainly due to the strategic personnel increase. As a percentage of revenue, personnel expenses remained stable at 11.2% in 2025.

Other expenses increased from EUR 172.9 million in 2024 to EUR 213.8 million in 2025. As a share of revenue, other expenses declined from 36.0% in 2024 to 33.9% in 2025, again demonstrating strong operating leverage. Other expenses include a range of different expenses such as logistics costs, other sales dependent costs, marketing, and other operating expenses. In particular, marketing and logistics expenses increased significantly with the continued international expansion. Furthermore, legal and consulting fees contributed to the absolute increase in other expenses. In addition, the other operating expenses also include expenses from realized and unrealized currency losses, which are partially compensated by currency gains within other income.

Depreciation and amortization of EUR 20.5 million in 2025 (2024: EUR 20.8 million) included depreciation and amortization of property, plant and equipment and intangible assets.

Financial result declined from EUR – 7.7 million in 2024 to EUR – 11.5 million in 2025. This change was primarily driven by a higher non-cash expense resulting from the revaluation of warrants at fair value (EUR 7.8 million in 2025 compared to EUR 4.5 million in 2024), as well as higher short-term interest costs.

Tax result turned from a tax income in the prior year (EUR 8.0 million) to a tax expense of EUR 3.2 million as a result of current taxes calculated for the year 2025. 2024 tax income was mainly due to first-time recognition of deferred tax assets on US tax losses carried forward.

The net income for the year amounted to EUR 13.1 million in 2025 after a net income of EUR 13.1 million in 2024.

2.3.3. Financial position

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

IFRS Consolidated Statement of Cash Flows	2025	2024	Change
	EUR m	EUR m	EUR m
EBITDA	**48.3**	**33.5**	**14.8**
Decrease (increase) in net working capital	– 57.1	– 4.3	– 52.8
Change in other positions	14.6	18	– 3.3
Cash Flow from operating activities	**5.9**	**47.2**	**– 41.3**
Acquisition of property, plant and equipment	– 6.2	– 3.6	– 2.7
Acquisition of intangible assets	– 11.6	– 11	– 0.6
Own Development expenses capitalized	– 1.1	1.5	– 0.8
Change in other positions	1.1	0.5	– 0.2
Cash flow from investing activities	**– 17.8**	**– 14.1**	**– 3.7**
Proceeds from placement of treasury shares	3.2	2	1.2
Increase (decrease) in borrowings & leasings	12.4	– 11.1	23.6
Cash flow from financing activities	**15.7**	**– 9.1**	**24.8**
Net increase (decrease) in cash	**3.7**	**24.0**	**– 20.2**
Change in cash resulting from exchange rate differences	– 3.3	4.2	– 7.4
Free cash flow	**– 11.9**	**33.1**	**– 45.0**

Cash flow from operating activities amounted to EUR 5.9 million in 2025 (2024: EUR 47.2 million). This development was characterized by a significantly higher EBITDA, which rose by EUR 14.8 million to EUR 48.3 million. However, this positive operating performance was offset by a deliberate increase in net working capital, resulting in a cash outflow of EUR – 57.1 million (2024: outflow of EUR 4.3 million). As part of a strategic inventory build-up to secure product availability for the continued international expansion as well as the launch of the new Toniebox 2, inventories grew significantly. The corresponding increase in trade payables only partially compensated for this effect. In addition, trade receivables increased in line with the strong revenue growth.

Cash flow from investing activities amounted to EUR – 17.8 million in 2025 (2024: EUR – 14.1 million), reflecting continued investments in property, plant and equipment and intangible assets. These include investments in tools to manufacture Tonies figurines, product-related expenses as well as own content production and software.

Free cash flow, calculated as the sum of cash flow from operating activities and cash flow from investing activities, amounted to EUR – 11.9 million in 2025 (2024: EUR 33.1 million). This temporary decline was primarily driven by the strategic investments in net working capital to support the new category launches in addition to continued geographic expansion.

Cash flow from financing activities turned positive and amounted to EUR 15.7 million in 2025 (2024: EUR – 9.1 million). This was primarily driven by a net increase in borrowings to finance the strategic inventory build-up, as well as proceeds from the placement of treasury shares amounting to EUR 3.2 million.

Overall, the Group's **cash increased** slightly by EUR 3.7 million, from EUR 87.4 million at the beginning of the period to EUR 87.8 million at year-end 2025. While the actual cash increase was EUR 3.7 million this was offset by negative effects from exchange rate differences of EUR – 3.3 million.

The Group was able to meet its obligations at all times in the financial years 2024, 2025 and until date of this report.

2.3.4. Assets and liabilities

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

	31.12.2025		31.12.2024		Change	
	EUR m	% of BS total	EUR m	% of BS total	EUR m	ppt
Assets	**637.3**	**100.0%**	**558.5**	**100.0%**	**78.8**	**0.0**
Non-current assets	**282.1**	**44.3%**	**287.4**	**51.5%**	**– 5.3**	**– 7.2**
Property, plant and equipment	7.3	1.1%	5.7	1.0%	1.6	0.1
Intangible assets (incl. Goodwill)	261.7	41.1%	266.1	47.6%	– 4.4	– 6.6
Other	13.1	2.1%	15.6	2.8%	– 2.5	– 0.7
Current assets	**355.1**	**55.7%**	**271.1**	**48.5%**	**84.1**	**7.2**
Cash	87.8	13.8%	87.4	15.6%	0.4	– 1.9
Inventories	151.8	23.8%	89.1	16.0%	62.8	7.9
Trade receivables	100.5	15.8%	76.9	13.8%	23.5	2
Other	15.0	2.4%	17.7	3.2%	– 2.7	– 0.8
Equity and Liabilities	**637.3**	**100.0%**	**558.5**	**100.0%**	**78.8**	**0.0**
Equity	**356.5**	**55.9%**	**346.4**	**62.0%**	**10.1**	**– 6.1**
Share capital & premium	612.3	96.1%	609.1	109.1%	3.2	– 13
Other incl. accumulated profit and loss	– 255.7	– 40.1%	– 262.7	– 47.0%	6.9	6.9
Liabilities	**280.7**	**44.0%**	**212.1**	**38.0%**	**68.6**	**6.1**
Non-current liabilities	**36.9**	**5.8%**	**45.9**	**8.2%**	**– 9.0**	**– 2.4**
Loans and borrowings	8.7	1.4%	15.5	2.8%	– 6.8	– 1.4
Lease liabilities	4.5	0.7%	3.7	0.7%	0.7	0.0
Share-based payment liabilities	1.8	0.3%	1.3	0.2%	0.5	0.0
Deferred tax liabilities	21.9	3.4%	25.3	4.5%	– 3.4	– 1.1
Current liabilities	**243.9**	**38.3%**	**166.2**	**29.8%**	**77.7**	**8.5**
Trade payables	110.6	17.4%	75.5	13.5%	35.1	3.8
Loans and borrowings	22.7	3.6%	0.2	0.0%	22.5	3.5
Other and borrowings	92.4	14.5%	80.1	14.3%	12.3	0.2
Warrant liabilities	18.2	2.9%	10.3	1.8%	7.8	1

At EUR 637.3 million, total assets showed an increase compared to year-end 2024 (EUR 558.5 million) mainly driven by increased inventory and receivables.

Assets consisted in particular of **non-current assets**, which accounted for 44.3% of total assets in 2025 (EUR 282.1 million) and were in absolute terms on a slightly lower level compared to 2024 (EUR 287.4 million) while their share of total assets decreased (relative to total assets) from 51.5% due to the growing business and related short-term assets. The major position within non-current assets is intangible assets. These were affected by the purchase price allocation for the acquisition of tonies GmbH in 2019. Goodwill, the tonies brand, and the capitalized technology as well as customer relationships represented the vast majority of intangible assets and total assets. The decrease from EUR 266.1 million in 2024 to EUR 261.7 million in 2025 stemmed primarily from regular brand amortization and technology. Intangible assets include goodwill in the amount of EUR 162.2 million. Investment in the Group's intangible and tangible assets continued in 2025. In addition to machine capacities and tooling for new products, investments were made primarily in IT infrastructure (hardware and software) and internally developed assets to ensure the Group's systems remain viable.

Current assets increased from EUR 271.1 million per 31 December 2024 to EUR 355.1 million per 31 December 2025. Cash and cash equivalents remained stable at EUR 87.8 million (31 December 2024: EUR 87.4 million). Inventories increased to EUR 151.8 million as of 31 December 2025, supporting overall growth as well as the launch of the Toniebox 2. Trade receivables increased from EUR 76.9 million to EUR 100.5 million per 31 December 2025, mainly due to the strong fourth quarter performance. Other current assets declined from EUR 17.7 million to EUR 15.0 million, mainly including VAT receivables and prepaid expenses.

Compared to year-end 2024, **equity** increased from EUR 346.4 million to EUR 356.5 million, mainly driven by the positive net income for the period. The equity ratio decreased from 62.0% to 55.9% due to the balance sheet expansion.

Non-current liabilities decreased from EUR 45.9 million to EUR 36.9 million. Long-term loans and borrowings decreased to EUR 8.7 million (31 December 2024: EUR 15.5 million). Long-term share-based payment liabilities increased to EUR 1.8 million per year-end 2025. Net deferred tax liabilities decreased to EUR 21.9 million compared to EUR 25.3 million per 31 December 2024.

Current liabilities increased from EUR 166.2 million per 31 December 2024 to EUR 243.9 million per year-end 2025 The increase was due to the rising trade payables growing from EUR 75.5 million to EUR 110.6 million per 31 December 2025, directly correlating with the strategic inventory build-up. Short-term loans and borrowings increased from EUR 0.2 million to EUR 22.7 million to support working capital requirements. Other current liabilities and provisions increased to EUR 92.4 million per 31 December 2025 compared to EUR 80.1 million per year-end 2024. Warrant liabilities increased from EUR 10.3 million to EUR 18.2 million due to the fair value revaluation of warrants, primarily driven by the positive development of the tonies SE share price.

2.3.5. Comparison between actual business performance and outlook

In the 2024 Annual Report, tonies had initially decided not to provide specific numerical guidance for 2025 due to the highly dynamic global tariff situation and macroeconomic uncertainties at the time of publication. Subsequently, in its half-year report 2025, tonies updated its outlook and provided specific guidance. Group revenue was expected to grow by more than 25 % year-over-year to above EUR 600 million (in constant currency). North America revenue was expected to grow by more than 30 % year-over-year to above EUR 273 million (in constant currency). Adjusted EBITDA margin was expected to come in between 6.5 – 8.5 %.

Group revenue reached EUR 630.3 million and was therefore in-line with guidance, while North American revenue also met the guidance at EUR 275.7 million. Overall, revenue increase was driven by double-digit growth across all regions. For the first time, North America became the largest market for tonies, mainly driven by a continued successful wholesale expansion in the US market.

Adjusted EBITDA margin was slightly above the expected range of 6.5 – 8.5 % and came in at 8.6 %. The margin increase resulted from an improved contribution margin.

Overall, tonies achieved a strong business performance in 2025, successfully meeting or slightly exceeding its updated guidance once again.

Outlook versus performance 2025

	Guidance 2025	Actual 2025
Group revenue (EUR million)	> 25 % YoY growth (> EUR 600 million)	630.3
North America revenue (EUR million)	> 30 % YoY growth (> EUR 273 million)	275.7
Group adjusted EBITDA (% of revenue)	6.5 – 8.5 %	8.6 %

2.3.6. Overall assessment of the economic situation

Overall, the management considers the Group’s economic situation to be sound based on the business performance described and the financial position. Following the initial refinancing of the syndicated loan on 28 March 2025, which extended the facility to EUR 60 million, the Group further utilized its expansion options in August 2025 to increase the total facility to EUR 75 million. This strategic move, supported by an expanded group of five financial institutions, ensures sufficient liquidity to fund the new category launches particularly around Toniebox 2 and the group’s continued international growth. For more details to loans and borrowings please refer to note 15 in the Notes to the Financial Statements.

3. Non-financial disclosures

In addition to the non-financial disclosures included in this report, tonies will publish its second comprehensive sustainability report for the 2025 financial year by the end of April 2026. While not yet legally required, the sustainability report will voluntarily follow the Corporate Sustainability Reporting Directive (CSRD) and the related 2023 European Sustainability Reporting Standards (ESRS). This proactive alignment underscores our commitment to early readiness and continuous, meaningful progress in sustainability.

A structured overview of the principal risks and potential adverse impacts identified through our 2025 double materiality assessment is provided in tonies' comprehensive sustainability report.

Building on our existing foundation and the 2024 reports, our primary focus throughout 2025 was to further refine our understanding of tonies' impact while optimizing internal reporting processes. By enhancing data quality and governance, we have created an even more robust basis for future sustainability efforts.

3.1 Environment

At tonies, our mission has always been centered around making a positive impact on people. As a fast-growing company, we have prioritized social responsibility from the start. Now, consistent with the results of our 2025 double materiality assessment, we expand our focus and take a more structured approach to environmental sustainability.

We are already taking steps in the right direction – incorporating recycled and renewable materials, minimizing waste, and advancing circular economy principles for our Tonieboxes. However, we see even greater potential to enhance our environmental strategy. This includes tackling key topics such as GHG emissions, resource efficiency, and material safety, while also building resilience to climate-related risks that could affect our operations and supply chain. This also includes physical climate risks, such as extreme weather events and temperature extremes, which may impact our upstream value chain and supplier operations, as well as the potential insufficient availability of critical resources, including valuable metals and rare earth elements essential for electronics and batteries. As environmental expectations continue to evolve – both from regulators and consumers – we are committed to staying ahead of the curve.

The past year marks a further step in our sustainability journey. We continue to build the foundation by deepening our understanding of our environmental footprint, which serves as the basis for setting ambitious goals and implementing high-impact policies in the near future.

In 2025, we adopted a Group Sustainability Policy that establishes the guiding principles and framework for our environmental commitments. Our sustainability vision – "Listen, learn, and grow responsibly" – reflects our commitment to assessing our current environmental impacts, continuously improving our practices, and taking decisive responsibility for a more sustainable future. The policy integrates sustainability as an integral part of our operations, emphasizing open-mindedness and innovation, transparency and awareness, and continuous improvement. In terms of environmental due diligence, we conduct annual evaluations of our Corporate Carbon Footprint (CCF) and perform risk assessments to identify potential environmental impacts within our operations and supply chain. These processes enable us to identify areas for improvement, prioritize mitigation measures where necessary, and track progress toward our environmental objectives. Through the implementation of the Group Sustainability Policy, we aim to enhance our environmental performance across climate change adaptation and mitigation, pollution prevention, resource use and circular economy – contributing to a more sustainable future for generations to come.

CO_2 reduction

At tonies, we acknowledge that transition risks play a growing role in shaping our business model and operations. The European Union's evolving regulatory landscape – including stricter sustainability reporting requirements, extended producer responsibility laws, and potential carbon pricing mechanisms – impacts the way we manufacture and distribute our products. In this context, tonies has continued to perform a detailed evaluation of its Corporate Carbon Footprint (CCF) since 2023, following the GHG Protocol and focusing on Scope 1 and Scope 2 emissions. In addition, we are analyzing our Scope 3 emissions, focusing on emissions from purchased goods and services as well as transportation. Understanding these indirect emissions is crucial to developing a more comprehensive and effective sustainability strategy.

As we gain deeper insights into our impact, we continue to focus on the optimization of logistics. At the same time, we are continuously researching and implementing lower-emission material alternatives to replace our current components – ensuring that sustainability is embedded throughout our product lifecycle.

At the end of December 2025, the Group's GHG emissions in tCO_2e were as follows:

	2025	2024
Scope 1 GHG emissions		
Gross scope 1 GHG emissions	**138.85**	**443.58**
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	**0%**	**0%**
Stationary combustion	85.33	48.95
Mobile combustion	52.78	70.86
Fugitive emissions	0.74	323.77
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions	**53.51**	**134.97**
Gross market-based Scope 2 GHG emissions	**37.56**	**123.31**
Purchased electricity (location-based)	53.50	51.58
Purchased electricity (market-based)	37.55	39.92
Purchased heat (location-based)	0.01	83.39
Purchased heat (market-based)	0.01	83.39
Significant Scope 3 GHG emissions		
Gross Scope 3 GHG emissions	**202,320.33**	**111,567.82**
Percentage of Gross Scope 3 GHG emissions	**99.91%**	**99.49%**
Purchased goods and services	194,897.18	105,675.53
Upstream transportation and distribution	7,230.96	5,199.09
Downstream transportation	192.19	419.95
Total GHG emissions		
Total GHG emissions (location-based)	**202,512.70**	**112,146.37**
Total GHG emissions (market-based)	**202,496.75**	**112,134.70**

Notwithstanding the above, tonies is currently not in a position to confirm whether the observed year on year deviations reflect actual emissions reductions or are primarily the result of implementing the new software and its updated calculation methodologies. The company's priority at this stage is to continue improving data quality and ensuring the accuracy of underlying activity data. While the 2025 figures differ significantly from 2024, these changes are driven by enhanced data processes, updated methodologies, and business growth. To address the comparability of reporting periods, the following methodological changes should be noted:

- **Scope 1:** Gross Scope 1 emissions decreased by 69 %. This is primarily attributable to more precise input data regarding "Fugitive emissions".

- **Scope 2:** We observed a reduction of 60 % (location-based) and 70 % (market-based). This deviation is largely due to refined data collection for heating energy. More precise input data allowed for a reclassification of energy consumptions to "Stationary combustion" (Scope 1).

- **Scope 3:** Total Scope 3 emissions increased by 81 %. This increase is primarily driven by the "Purchased goods and services" category, reflecting tonies' business growth and the launch of the Toniebox 2.

To focus our resources on the areas where we can have the greatest impact, we have refined our reporting boundaries for 2025. The categories "Fuel and energy-related activities", "Waste generated in operations", and "Employee commuting" have been excluded from the inventory.

These methodological refinements represent a necessary step toward long-term transparency and data reliability, even though they limit direct year-on-year comparability during this transition phase.

Circular concepts

With 11.8 million Tonieboxes and 156 million Tonies sold to date, tonies recognizes its significant responsibility and is committed to promoting responsible resource use. Our business model provides us with a real opportunity to integrate circular economy principles into our operations.

While tonies' products were originally designed to ensure quality, safety, and durability using industry-standard materials, we remain committed to further development. Tonieboxes and Tonies continue to be primarily made from plastic-based materials and require electronic components, paper-based resources, and other materials. As global policies favor low-emission and circular economy models, the costs of traditional fossil-based plastics and non-renewable materials are expected to rise globally, pushing companies toward more sustainable alternatives. We continue to evaluate steps toward more sustainable resource use, recognizing the impact this transition risk has on our business model.

tonies has begun transitioning from solvent-based to water-based paints for our Classic Tonies. This shift not only offers environmental benefits but also supports healthier working conditions at our suppliers. In addition, we are aiming to go further by working on finding a more sustainable alternative to PVC for our Classic Tonies.

At tonies, we are also integrating circular economy principles into our service offering, particularly:

- "Usability" – through the long lifespan and continued use of tonies products,
- "Repairability" – by offering our Toniebox 1 Repair Service,
- "Refurbishment" – through the launch of our Preloved Toniebox 1, and
- "Recycling" – by handling returns responsibly.

Waste management

While we still must resolve the challenge of creating no waste at all, Toniebox and Tonie figurines are built to outlast their first use period, allowing the product to be passed on to family or friends to make sure that the joy can be shared. Thanks to the repair-friendly design of the Toniebox, its lifetime can be extended even further, as we launched in 2024 the Toniebox 1 Repair Service in the DACH region. Our goal is to extend the lifespan of Tonieboxes, minimize waste, and provide customers and our little listeners with a sustainable option for preserving their listening experience, by repairing key components of the Toniebox.

In cases where it seems that our products' life have finally come to an end, they can always be returned. Even our most complex product, the Toniebox, can undergo the refurbishment process, with our Preloved Toniebox 1 program – some are restored and reintroduced as refurbed sales, while others are carefully disassembled for parts. We are pleased with the development of this program and plan to expand circular concepts. For other electronic and non-electronic returns, we partner with trusted disposal companies to ensure responsible recycling, incineration, or landfill management.

Resource outflows (in tons)	2025	2024
Total waste generated	**435.64**	**412.18**
Total amount of hazardous waste	1.39	0.06
Hazardous waste diverted from disposal	**0.47**	**0.02**
Hazardous waste diverted from disposal due to recycling	0.46	0.02
Non-hazardous waste diverted from disposal	**166.12**	**263.70**
Non-hazardous waste diverted from disposal due to recycling	165.97	199.22
Hazardous waste directed to disposal	**0.92**	**0.03**
Hazardous waste directed to disposal by landfilling	0.92	0.03
Non-Hazardous waste directed to disposal	**268.17**	**148.44**
Non-Hazardous waste directed to disposal by incineration	6.98	27.13
Non-Hazardous waste directed to disposal by landfilling	261.18	121.32
Non-recycled waste	**269.08**	**148.48**
Percentage of non-recycled waste	62%	38%

3.2. Social

tonies recognizes that its people are the heartbeat of its success, shaping a unique culture that drives quality, consistency, and empowered decision-making across the business. That's why fostering a motivated and fulfilled workforce remains a top priority. We're proud to see mostly positive impacts on both our teams and supply chain.

While no material risks have been identified in relation to our own workforce, tonies remains vigilant regarding potential risks within its supply chain. These include the possibility of reputational damage or supply chain disruptions arising from insufficient consideration of value chain workers' interests and needs, the potential loss of social license to operate in the event of non-compliance with applicable labor standards, and regional labor rights considerations in certain manufacturing locations, including China and Tunisia. To proactively address these risks, tonies has implemented robust due diligence measures, including annual Human Rights Risk Analyses, regular social audit reviews of core suppliers, and enforcement of our Code of Conduct for Business Partners. These measures enable us to identify, monitor, and mitigate potential risks while fostering collaborative relationships with our supply chain partners.

Furthermore, our Code of Conduct (CoC) outlines tonies' core values, which include taking social responsibility, embracing diversity, and focusing on the longterm effects of our actions.

Beyond environmental considerations, our workforce remains one of our most valuable assets. As a company built on creativity and innovation, we understand that engaged employees are key to our continued success. Through regular employee engagement surveys, we provide a platform for our teams to share their insights, helping us foster a positive and responsive workplace culture. By listening to our employees and continuously improving, we strengthen job satisfaction, and enhance productivity – ensuring we remain a dynamic and resilient company for years to come.

Our engagements and expectations also apply to subcontractors and suppliers. They are considered part of the family and need to share our values and comply with the applicable laws. Our Code of Conduct for Business Partners (CoCBP) reflects the necessary requirements and obliges all business partners to be compliant and follow our standards.

Furthermore, tonies commitment to human rights is reflected in its adherence to international standards such as the UN Universal Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Issues such as respect for human rights, prohibition of child labor and compliance with other standards relating to labor rights and the provision of a safe workplace are set out in the Group Human Rights Policy and CoCBP.

The Group Human Rights Policy forms the binding basis for the implementation of human rights standards for tonies' workforce and was adopted by the Management Board of tonies. These guidelines recognize the core labor standards of the ILO and the OECD Guidelines for Multinational Enterprises, committing to prevent, mitigate, and, as far as possible, end adverse impacts on human rights within tonies' operations. This commitment in the Group Human Rights Policy is aligned with the guidelines set out in the Modern Slavery & Transparency Statement and the Code of Conduct. This includes the prohibition of child labor (ILO 138), the elimination of the worst forms of child labor (ILO 182), and the abolition of forced labor (ILO 105). The Group strictly opposes forced or compulsory labor, including all forms of slavery, and human trafficking as part of its Human Rights Policy.

To better understand and verify actual and potential risks of human rights violations of our business partners, we conduct an annual Human Rights Risk Assessment covering core first-tier suppliers in China, Vietnam, and Tunisia. This enables us to identify increased risk for violations of human rights within our supply chains and prioritize mitigation and remedial measures, if necessary. To monitor the effectiveness of our measures, tonies regularly reviews social audit reports which we request yearly from our core first-tier suppliers. The standards contained therein are based in many respects on those of the ILO and are intended to contribute to implementation and compliance along our supply chain. The Group is proud to report that no risks exceeding our defined materiality thresholds have been identified within its operations concerning work-related rights, such as forced or child labor.

While many factors need to be taken into account, our growth can be taken as a sign that our efforts to foster a positive work environment bear fruit. At the end of December 2025, the Group employed 634 people (headcount), of which 15 were inactive.

Headcount of employees by gender	2025 (year-end)
Total	**634**
Male	276
Female	357
Not reported or Other	1

Gender distribution is reported only for entities with more than 50 employees (headcount).

Headcount of employees by country	2025 (year-end)
Total	**634**
Germany	426
USA	116
United Kingdom	55
France	31
Other	6

	Headcount
Gender distribution at top management level	**14**
Male	11
Female	3
Other	0

Top management level, internally also referred to as Executive Team, comprises the Management Board, C-Level executives, and General Managers on regional level.

	Headcount	in %
Distribution of employees by age group	**634**	**100**
Under 30 years old	83	13
30 – 50 years old	454	72
Over 50 years old	56	9
Not reported	41	6

The above headcount figures are reported at the end of the reporting period. Comparative data for 2024 has been omitted as our headcount calculation methodology was updated, making a direct year-on-year comparison misleading. tonies is committed to reporting consistency and will include comparative figures in subsequent reporting cycles.

Reporting on discrimination	Unit	2025	2024
The total number of incidents of discrimination, including harassment, reported in the reporting period	Number	1	2
Number of complaints filed through channels for people in own workforce to raise concerns	Number	5	2
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	Number	0	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints field	€	0	0

Reporting on human rights issues	Unit	2025	2024
Number of severe human rights issues and incidents connected to own workforce	Number	0	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	Number	0	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	Number	0	0
Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	€	0	0

3.3. Governance and diversity

At tonies, strong governance is essential to our success. As part of our commitment to ethical business practices, we have identified anti-corruption as a key area where we can reinforce our standards and enhance transparency. By continuously strengthening our policies, internal controls, and compliance measures, we ensure that we operate with integrity and accountability. Upholding these high standards not only builds trust with our stakeholders but also supports long-term, sustainable growth. Like any other company, tonies faces different compliance risks. Based on an initial risk assessment, anti-corruption has been identified as a topic with significant compliance risks (e.g., fines and reputational damages) and as a result, avoidance of regulatory violations must be proactively managed.

tonies is actively monitoring regulatory developments regarding board diversity, including the Women on Boards Directive. tonies has identified the need for a formal diversity policy and is committed to developing and adopting one during the first half of the 2026 financial year. This policy will be guided by principles of gender balance, non-discriminatory selection processes, and consideration of diversity criteria such as gender, age, qualifications, and professional experience. This initiative is undertaken to ensure compliance with applicable legal requirements, including the Luxembourg law implementing the Women on Boards Directive, which mandates a 33% gender balance objective across the Management and Supervisory Boards combined. tonies is formalizing its selection and reporting processes to ensure compliance with the requirements.

Anti-Corruption Policy

tonies' Group Anti-Corruption Policy was designed to protect its management bodies, employees, customers, and business partners from risks and damages that may arise in connection with corruption and bribery. The policy covers business interactions with external parties and public officials and describes key procedures and principles to prevent incidents relating to bribery and corruption. In addition, there are specific guidelines for gifts, event invitations, donations, sponsorships and contributions. Employees can access the Group Anti-Corruption Policy through a tool.

During the reporting period, no incidents of corruption or bribery were reported.

During the 2025 reporting period, no dedicated anti-corruption training sessions were conducted. The company is setting up a new digital platform for web-based training, with anti-corruption training included. The company remains committed to conducting comprehensive anti-corruption training on a two-year cadence and, by doing so via a web-based format, ensuring that relevant training metrics and completion rates will be available for subsequent reporting periods.

Whistleblowing Policy

tonies' Whistleblowing Policy is designed to protect both our employees and the company from potential risks, reinforcing our commitment to integrity and accountability. Our whistleblowing system empowers employees and third parties to speak up, fostering a strong corporate and compliance culture. Not only does this system meet European legal requirements, it also aligns with our core values – promoting transparency, trust, and open communication across the organization.

Employees and management bodies at tonies who become aware of circumstances indicating violations of human rights or other misconduct are required to report these to the Legal & Compliance Department immediately. Reports can also be made to a direct supervisor. The information received via the online whistleblowing platform is checked by the Legal & Compliance Department, and all notices and reports are documented and processed by the IT-System "LegalTegrity". The Legal & Compliance Department tracks and monitors all issues raised through the whistleblowing system. The system ensures the protection of the whistleblower's identity, confidentiality of the information, no reprisals for whistleblowers who raise concerns in good faith as well as that information can be evaluated, further clarification can be initiated, and potential process improvements can be identified and implemented to avoid recurrence in the future.

tonies assesses that its workforce is aware of and trusts the whistleblowing system through regular communication.

Compliance Policy

tonies' Group Compliance Policy contributes to the effective implementation of its values, principles and rules. Employees are encouraged to be alert, observant and to express their concerns if they suspect a violation of a corporate governance rule. Concerns can be addressed through internal communication channels to office superiors and/or the Legal & Compliance Department, or, if preferred, on an anonymous basis via our whistleblowing system. The information received via the online whistleblowing platform is checked by the Legal & Compliance Department, and all notices and reports are documented and processed by the IT system "LegalTegrity". The Legal & Compliance Department tracks and monitors all issues raised through the whistleblowing system.

This policy helps us to preemptively identify, assess, and manage potential compliance breaches, which could have negative financial and reputational implications. Through the avoidances of such negative ramifications, we can allocate more resources where they matter most – driving our business forward and investing in what truly makes a difference.

In terms of due diligence, the Group Compliance Policy is implemented through a structured governance framework overseen by the Legal & Compliance Department, which is responsible for tracking and monitoring compliance matters across the organization. The effectiveness of the policy is assessed through regular reviews of reported incidents, the responsiveness of internal communication channels, and the overall adherence to corporate governance rules.

3.4 EU Taxonomy

The EU Taxonomy Regulation was introduced as part of the European Union's broader efforts to promote sustainable finance and guide capital flows toward environmentally sustainable activities. It establishes a classification system to identify economic activities that contribute to environmental sustainability, ensuring transparency and comparability across industries.

The EU Taxonomy defines six overarching environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

For an activity to be classified as environmentally sustainable under the EU Taxonomy, it must meet the following criteria:

- Contribute substantially to at least one of the six environmental objectives;
- Do no significant harm (DNSH) to any of the other objectives;
- Comply with minimum social and governance safeguards;
- Meet the technical screening criteria established in the Taxonomy framework.

As part of its commitment to regulatory compliance and sustainability, tonies has undertaken a comprehensive review of its economic activities to assess their eligibility and potential alignment with the EU Taxonomy framework. This process involved:

- Identifying Taxonomy-eligible activities by analyzing the list of activities covered under the regulation;
- Mapping relevant activities to tonies' business operations, evaluating revenue streams, capital expenditures (CapEx), and operating expenditures (OpEx);
- Assessing whether these activities meet the technical screening criteria for substantial contribution, DNSH, and minimum safeguards;
- Disclosing the proportion of turnover, CapEx, and OpEx associated with Taxonomy-eligible and aligned activities.

In implementing the EU Taxonomy requirements, tonies assessed its activities. As part of this process, all activities listed in the Taxonomy were reviewed. Few activities were identified as potentially relevant to tonies, relating to the sale of Preloved Tonieboxes, data services, investments in buildings, and the company fleet. Starting with the Turnover KPI, only one activity (sale of second-hand goods) is reported on. However, for the calculation of the OpEx KPI, tonies determined that these activities are not material, as they account for only a very small proportion of the key performance indicator and are not directly related to the company's core business. For the calculation of the CapEx KPI, no activity was found to be Taxonomy-eligible. In light of these results, there is no risk of double counting in the allocation of the numerator between the three KPI categories. The following disclosures reflect these conclusions.

Turnover

For the financial year 2025, tonies' total turnover, as reported in the company's 2025 Annual Report, amounted to EUR 630.3 million. The company's primary revenue streams – including sales of Tonieboxes, Tonies figurines, Tonieplay articles, Accessories, and Digital products – do not fall under taxonomy-eligible activities.

The only Taxonomy-eligible activity within tonies' operations is the sale of our Preloved Toniebox 1. This involves refurbishing and reselling used Tonieboxes, which aligns with the environmental objective of transitioning to a circular economy. Specifically, this activity falls under category 5.4 (sale of secondhand goods) as outlined in Commission Delegated Regulation (EU) 2023/2486.

However, due to current data limitations, the company is not yet able to confirm full compliance with DNSH requirements. Specifically, tonies lacks sufficient granular data from certain suppliers and service providers involved in the refurbishment process to comprehensively assess DNSH compliance across all six environmental objectives, particularly regarding climate change adaptation, water and marine resources, and pollution prevention and control. Future assessments will aim to refine this analysis, ensuring a more comprehensive evaluation of sustainability criteria.

Proportion of turnover from products or services associated with Taxonomy-eligible and aligned economic activities.

Financial year 2025	**2025**			**Substantial contribution criteria**						**DNSH criteria ("do no significant harm")**									
Economic activity	**Code**	**Turnover**	**Proportion of Turnover 2025**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy – aligned (A.1) or – eligible (A.2) turnover, 2024**	**Category enabling activity**	**Category transitional activity**
		EUR m	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	%	E[5]	T[5]
A. Taxonomy-eligible activities																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0	E	
Of which transitional		0	0%	0%													0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]										
Sale of second-hand goods	CE 5.4[4]	0.6	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.2		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.6	0.1%	0%	0%	0%	0%	0.1%	0%								0.2		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0.6	0.1%	0%	0%	0%	0%	0.1%	0%								0.2		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		629.7	99.9%																
Total (A. + B.)		**630.3**	**100%**																

[1] Abbreviations used: Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

[2] Abbreviations used: Y: Yes; N: No

[3] Abbreviations used: EL: Taxonomy-eligible activity for the relevant objective; N/EL: Taxonomy-non-eligible activity for the relevant objective

[4] Abbreviations used: CE: Circular Economy

[5] Abbreviations used: E: Enabling activity; T: Transitional activity

Note: The shaded area is not to be reported in accordance with Delegated Regulation (EU) 2023/2486.

CapEx

The total CapEx defined by the EU Taxonomy cover additions to tangible and intangible assets during the financial year before depreciation, amortization, and any remeasurements. This also encompasses additions to right-of-use assets, in accordance with applicable accounting standards.

For the financial year 2025, tonies' total CapEx KPI does not comprise any expenditures that qualify as taxonomy-eligible under the EU Taxonomy framework.

Proportion of CapEx from products or services associated with Taxonomy-eligible and aligned economic activities.

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria ("do no significant harm")									
Economic activity	**Code**	**CapEx**	**Proportion of CapEx 2025**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy – aligned (A.1) or – eligible (A.2) CapEx, 2024**	**Category enabling activity**	**Category transitional activity**
		EUR m	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	%	E[4]	T[4]
A. Taxonomy-eligible activities																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0	E	
Of which transitional		0	0%	0%													0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%								0		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		21.1	100%																
Total (A. + B.)		**21.1**	**100%**																

[1] Abbreviations used: Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
[2] Abbreviations used: Y: Yes; N: No
[3] Abbreviations used: EL: Taxonomy-eligible activity for the relevant objective; N/EL: Taxonomy-non-eligible activity for the relevant objective
[4] Abbreviations used: E: Enabling activity; T: Transitional activity

Note: The shaded area is not to be reported in accordance with Delegated Regulation (EU) 2023/2486.

OpEx

The total OpEx defined by the EU Taxonomy include direct non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenditures necessary to ensure the continued and effective functioning of property, plant, and equipment.

For the financial year 2025, only two activities were eligible, notably the company vehicles as part of the environmental objectives climate mitigation and climate adaptation under the activity 6.5 transport by motorbikes, passenger cars and light commercial vehicles (as defined by Commission Delegated Regulation (EU) 2021/2139 and amended by Commission Delegated Regulation (EU) 2022/1214 & (EU) 2023/2485), as well as data operations as part of the environmental objectives climate mitigation and climate adaptation under the activity 8.1 data processing, hosting and related activities (as defined by Commission Delegated Regulation (EU) 2021/2139 and amended by Commission Delegated Regulation (EU) 2022/1214 & (EU) 2023/2485). As these activities do not comprise any material expenditures, no further assessment was conducted on whether they adhere to the DNSH and minimum safeguards criteria. The company's core operations primarily involve the design, marketing, and distribution of audio entertainment products for children, with limited direct non-capitalized costs relating to research and development, building renovation measures, short-term leases, maintenance and repair, or other direct expenditures necessary to ensure the continued and effective functioning of property, plant, and equipment that would qualify as Taxonomy-eligible. Accordingly, in compliance with Delegated Regulation (EU) 2021/2178, the numerator of the OpEx KPI is disclosed as zero (0), while the total value of the OpEx denominator is reported in the accompanying templates.

Proportion of OpEx from products or services associated with Taxonomy-eligible and aligned economic activities.

Financial year 2025	2025			Substantial contribution criteria						DNSH criteria ("do no significant harm")									
Economic activity	Code	OpEx	Proportion of OpEx 2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2024	Category enabling activity	Category transitional activity
		EUR m	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	Y/N[2]	%	E[5]	T[5]
A. Taxonomy-eligible activities																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0	E	
Of which transitional		0	0%	0%													0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]	EL; N/EL[3]										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5[4]	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0		
Data processing, hosting and related activities	CCM 8.1 CCA 8.1[4]	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%								0		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		0.8	100%																
Total (A. + B.)		**0.8**	**100%**																

[1] Abbreviations used: Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
[2] Abbreviations used: Y: Yes; N: No
[3] Abbreviations used: EL: Taxonomy-eligible activity for the relevant objective; N/EL: Taxonomy-non-eligible activity for the relevant objective
[4] Abbreviations used: CCM: Climate Change Mitigation; CCA: Climate Change Adaptation
[5] Abbreviations used: E: Enabling activity; T: Transitional activity

Note: The shaded area is not to be reported in accordance with Delegated Regulation (EU) 2023/2486.

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Row	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Looking ahead

As we continue our sustainability journey, guided by strong values and commitment, we recognize the opportunities for further improvement. In 2026, our focus on ESG initiatives will remain comprehensive, ensuring the effective allocation of time and resources. We are committed to further enhancing our reporting processes, leveraging the data quality improvements made throughout 2025, and refining our approach to non-financial performance metrics.

To achieve these objectives, tonies will continue developing and implementing environmental, social, and governance policies, reinforcing our accountability and commitment to sustainability, always aiming to identify the most relevant topics to our business and stakeholders.

Moving forward, tonies will strive to elevate its ESG commitments, contributing actively to circular economy principles, environmental responsibility, and social concerns.

4. Social

Besides our product, the success of tonies is built on the strength of engaged teams and our corporate culture. In 2025 we were focused on building critical foundations and structures to support our global growth while prioritizing the wellbeing of employees. We began our journey of evolving our culture while maintaining focus on high performance.

At the end of December 2025, the Group employed 634 people. This represents an increase of 13 % compared to 561 employees at the end of 2024.

	2025 (year-end)	2024 (year-end)
Total number of employees (Number of employees on a headcount basis)	**634**	**561**
Total employees		
Male	44 %	44 %
Female	56 %	56 %
Total employees by region		
in Europe	**512**	**462**
outside Europe	122	99
Leadership positions	142	128
Male	54 %	56 %
Female	46 %	44 %

People & Culture: Building the Foundation for Global Growth

At tonies, our progress is driven by the dedication of our global team. In 2025, we focused on institutionalizing our culture through scalable frameworks that support professional development, high performance and wellbeing.

1. Professional Development & The Growth Framework

In 2025 we started developing our Career Growth Framework. This initiative provides a transparent roadmap for professional evolution, ensuring we retain top talent while building the competencies required for a scaling organization.

Furthermore, we embedded our tonies principles as actionable skills within the entire employee lifecycle – from talent acquisition to performance reviews. And to further reinforce these values, we introduced the Peer-Nominated Principles Awards, celebrating employees who exemplify our core beliefs in their daily collaboration.

2. Data-Driven Engagement & Wellbeing

We maintained a rigorous approach to monitoring organizational health through a multi-layered listening strategy:

- Pulse & Annual Surveys: By combining quarterly pulse checks with a comprehensive annual engagement survey, we gathered data-driven insights to proactively address the evolving needs of our workforce.
- Continuous Improvement: These insights allow for targeted interventions that enhance work environment stability and collective wellbeing.

3. High-Performance & Candid Feedback Culture

To sustain a high-performance environment, we continued our bi-annual 360-degree feedback cycles. In 2025, we further invested in this culture by:

- Candid Feedback Workshops: Partnering with external experts, we delivered training focused on constructive dialogue.
- Empowerment: These sessions equipped leaders and teams with the tools to navigate growth through open communication and mutual accountability.

4. Compensation Foundations

In 2025, we continued strengthening the foundations of our compensation approach. This includes further advancing our leveling framework and its internal rollout and compensation principles refinement, to better support a high-performance culture.

Our focus has been on creating better clarity and consistency across markets, while ensuring alignment with our overall business strategy.

5. Equity, Diversity & Inclusion

In 2025, tonies continued to strengthen its commitment to Equity, Diversity & Inclusion (EDI), building on the solid foundations established in previous years. Our focus remained on fostering a culture of belonging, equipping leaders with inclusive skills, and encouraging meaningful allyship across our global teams.

Our Key Achievements in 2025 included:

- Global celebration of Pride Month 2025, centred around the theme Discovering Your Strengths: Meaningful Acts of Allyship
- Educational webinar on Microaggressions, raising awareness of everyday behaviours and their impact
- Pride Stories, amplifying employee voices and lived experiences across the organisation
- Pride social and community-building activities across multiple markets, encouraging local engagement and global connection
- Continued Unconscious Bias workshops delivered in partnership with Unleashed, ensuring Hiring Managers were equipped with practical tools to mitigate bias and ask fair, inclusive interview questions

These initiatives were made possible through the continued collaboration and commitment of our global Inclusion & Diversity Champion Group, who supported the delivery of Pride initiatives, facilitated dialogue, and helped bring EDI conversations into everyday working practices.

6. Employee wellbeing

At tonies, we view the health and resilience of our teams as a fundamental part of our shared success. Throughout 2025, we remained focused on providing a balanced mix of global and local initiatives that address both physical and mental well-being.

- Germany – we emphasized the importance of physical health and community through our participation in the B2Run event in Düsseldorf.
- UK – Throughout the year, we marked key wellbeing moments including Time to Talk Day, World Sleep Day: featuring an expert-led webinar on the science of sleep and Mental Health Awareness Week, centred on the theme of Community. Alongside these initiatives, employees continued to have access to confidential wellbeing support through our Employee Assistance Programme, health insurance benefits, wellbeing resources, and our dedicated Wellbeing Squad.
- US – we introduced an Employee Assistance Program, offering employees confidential expert support, including counseling for emotional wellbeing, assistance with caregiving and financial planning, and guidance on worklife balance and wellness.

Additionally, we globally recognized Mental Health Day in October by dedicating the day to mindfulness and selfcare. Through our ongoing partnership with Calm, the leading meditation and sleep app, we continued to provide all employees, along with up to five of their dependents, complimentary access to this mindfulness resource.

5. Procurement and production

tonies engaged various contract manufacturers to produce goods based on the Group's specific requirements. Tonies figurines were manufactured in Tunisia, China, and Bosnia using the Group's proprietary tools and specifications. Tonieboxes were produced by third-party partners in China and Vietnam, strictly adhering to technical and design standards. Beyond finished goods, tonies also procured semi-finished items and raw materials - such as fabric covers for the Toniebox – which were supplied to other contract manufacturers for subsequent processing steps.

While the global production and supply chain landscape has improved following a period of significant external challenges, stability cannot be assumed given current geopolitical and macroeconomic conditions. Nevertheless, tonies' robust supply chain strategy, underpinned by a global multi-source approach, ensured a secure and steady supply to markets despite temporary disruptions. This resilience was further evidenced by the successful global launch of TB2.

Since 2023, the Company has navigated rising costs for labor, energy, and raw materials; specifically synthetic materials and electronic components. By applying a total cost approach to potential savings and implementing optimizations across the entire supply chain, tonies successfully kept direct material expenditures in line with planning.

tonies continued to refine production processes, prioritizing efficiency, flexibility, and responsiveness. Emphasizing its multi-source strategy, the Group further diversified its supplier base by onboarding an additional Toniebox manufacturer in Vietnam, reducing reliance on sourcing from China. The Company also advanced IT integration across the value chain, focusing on cost base optimization to mitigate risks regarding inflation, price volatility, and duties.

Looking ahead, tonies plans to continue procurement efforts outside of China to ensure a more robust, diverse supplier base. Simultaneously, the Group aims to diversify its supplier base to leverage greater economies of scale and diversify its supply chain. Furthermore, the Company intends to shift more towards sourcing finished goods in the future to reduce complexity and optimize working capital.

6. Research and development

tonies does not conduct basic research but continuously develops its product family in order to meet the requirements of the market and ensure the marketability of the product family for the future. Close contact with the markets and the innovative strength of our employees, associated business partners and contract manufacturers help us to achieve this. An established inhouse development department supports the targeted development of new products based on Tonie box technology as well as the further development of possible applications and potential new target groups.

In 2025, these efforts successfully culminated in the global market introduction of the Toniebox 2 and the new interactive category Tonieplay.

In 2025, tonies capitalized development costs totaling EUR 1.1 million (2024: EUR 1.6 million) of significant projects, primarily stemming from internal development efforts. With our professionalized development teams, we also reduce the dependency on external partners for the future.

7. Marketing

By presenting our Tonieboxes and Tonies as category-defining products, we have created our own distinctive brand identity in the market, which provides us with a high recognition value and creates differentiation from competitor products. We regard the maintenance and constant evolution of our strong brand identity as crucial for both customer acquisition and long-term retention to drive sustainable revenue and profit growth. By focusing on data-driven marketing activations, we provide a superior product experience, ensuring that every “Tonie moment” translates into high brand loyalty and increasing recommendations within our global community.

To keep new and existing little listeners engaged with high-quality audio experiences, we deliver joy through strong licensing partners as well as our own successful series. A major milestone in 2025 was the highly anticipated global launch of the Toniebox 2, the company’s most significant hardware innovation to date. This launch marks our transition from a classic audio player to an interactive entertainment platform, redefining how children grow through independent listening, touch, and play. Alongside this, the introduction of new categories like “Tonieplay” and “Pocket Tonies” successfully extended our product lifecycle to older age groups, significantly enhancing the Customer Lifetime Value. We also achieved record- breaking success with top-tier licenses, most notably the launch of Ms. Rachel in the US, demonstrating our unique ability to monetize “digital-first” global brands in a haptic format. We again participated in the world’s leading toy fairs and the Consumer Electronics Show (CES) in the US, where the feedback on our hardware ecosystem and interactive content was overwhelming.

High reach campaigns and a strong, growing community resulted in an aided brand awareness of over 80% within our target group of parents in the DACH region by the end of 2025. This positioning is exceptionally strong compared to competing products, which show significantly lower awareness levels. This success is driven by our established brand identity, engaged customer base, and the continuous rollout of innovation. In North America, brand awareness is growing rapidly as we reach a critical tipping point. While it still remains lower than in the mature DACH region, this highlights the remaining growth potential in our largest market as we transition from a niche offering to a mainstream category leader.

Throughout all channels, paid and owned, we put a strong focus on retention initiatives to maximize customer lifetime value lifecycle. Measurable communication initiatives provide existing customers with relevant, personalized recommendations. Our intelligent CRM flows and the continuous enhancement of our mytonies App play an increasingly vital role as the digital interface of our ecosystem, integrating the advanced interactive features of the new Toniebox 2 and Tonieplay into the daily customer journey.

Within our multi-channel communication strategy, we continue to expand our reach within the social community. We not only utilize our own social media channels such as Instagram and TikTok but also interact with an engaged network of influencers with a high brand fit. This “social-first” approach allows us to stay close to the needs of modern parents and react quickly to global content trends.

Throughout the year, we also rely on high-impact point-of-sale activations. Seasonal and product-related in-store displays create strong brand experiences at relevant customer touchpoints. Supported by the continuous adoption and expanded listings at major retailers like Target and Walmart, we successfully reached 7,353 points of sale mark in North America in 2025. This retail footprint, combined with innovative shopper activations surrounding the Toniebox 2 launch, has solidified tonies’ position as a dominant force in the global toy and entertainment market.

8. Risks and opportunities report

8.1. Risk Management System (RMS)

As an international Group, tonies is presented with several risks and opportunities. Risks and opportunities are events and developments that have a certain probability of occurring and that could have a material negative or positive financial or non¬financial impact on our target attainment.

The Risk Management System (RMS) helps tonies to achieve key objectives while ensuring and continuously enhancing our performance. It emphasizes the identification, evaluation, and control of tonies' most critical risks and opportunities.

Risks have a direct impact on tonies' capacity to achieve strategic and business objectives. tonies' Management is responsible for determining the level of risk the organization is willing and able to accept. This defines the framework for striving for balanced value creation by implementing strategies that strike an appropriate balance between market opportunities and the associated risks. Effective RMS supports tonies' board and management in optimizing decision making processes, with the objective of enhancing tonies' ability to create, preserve, and realize value. The value of tonies is influenced by decisions made by tonies' Management, ranging from strategic planning to day-to-day operations.

With the strong growth of tonies, the business and structures have become more complex. As a result, the requirements for tonies' RMS have increased. To continue to provide great added value in the future, improvements to the Risk Management System were implemented at the end of 2024 and executed in 2025 with added value mainly by increased transparency.

tonies designs its RMS in reference to the standard "Enterprise Risk Management – Integrated Framework" established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework defines the scope, elements, and evaluation criteria for assessing the effectiveness of tonies RMS. In addition, the design of the RMS is guided by the requirements set forth in the audit standard "IDW PS 981", issued by the Institute of Public Auditors in Germany (IDW). This standard establishes the principles of proper RMS, referring to the COSO framework as a recognized basis.

8.2. Internal control system

The Internal Control System (ICS) helps tonies to achieve important objectives and to sustain as well as to improve performance. The Internal Control System is defined as a process, effected by the supervisory board, management, and other personnel, designed to provide reasonable assurance regarding the achievement of tonies' objectives relating to operations, compliance and reporting with a strong focus on financial reporting.

Key elements of the ICS are the identification of risks at process level that could endanger business objectives and the implementation of different types of controls to mitigate those risks. Risks can occur with varying frequency and to varying degrees. By carrying out controls, we can work together to correct errors before they are harmful to tonies or soon after they occur to correct them. This allows us to work more effectively, enhance our performance, and safeguard the company.

The ICS was implemented as part of the public listing at the end of 2021, which is focused on internal controls over financial reporting and covers other key areas and processes of the business as well. The changing requirements of the fast-growing organization made it necessary to adapt the system at the end of 2024 with a full implementation still ongoing.

The strong growth also causes changing processes, some of which lack standards and up-to-date (process) documentation. This situation is also reflected in the risk “Inefficient processes and standards for scalability”, which is further elaborated in this report. Strategic initiatives, like the change of the ERP system and re-design of end-to-end processes, including the corresponding process documentation, will have to be a joint effort with ICS to support the reduction of relevant process risks. Another measure to improve the maturity level of both RMS and ICS is the implementation of a GRC software that has been decided in 2025 and that will be implemented in the future.

For the design of an effective ICS, tonies refers to the generally recognized framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which defines the scope and elements of an ICS and sets the benchmark for assessing the effectiveness of a company’s ICS. In addition, the design of the ICS is guided by the audit standard “IDW PS 982” of the Institute of Public Auditors in Germany (IDW), which sets out the principles of a proper ICS. It refers to the COSO as a recognized framework concept.

8.3. Major risk categories

During the regular and annual risk assessment process, no risks were identified that could jeopardize the Group as a going concern in the 12-month period after issuing this report. The report summarizes and sets out the most important risks in order to create transparency.

The risks described in this report are currently considered primarily on a qualitative basis and assessed as net risk, taking current risk measures into account but not considering planned measures. Relevant mitigation measures are explained. Accordingly, the risks are presented by Risk Category and in decreasing relevance and impact for the Group.

Overall, tonies’ risk landscape remains considerably stable. tonies’ resilience has improved through the increase in expected EBITDA and positive developments of the underlying risk assumptions. As a result, tonies successfully reduced the number of top risks from eight in H1 2025 to seven as of the issuance of this report.

Strategic external risk

Dependence on critical materials
Driven by the strong AI development, the electronic components market is experiencing a structural change, specifically for memory chips: Suppliers are shifting their capacities from consumer memory market to high-margin AI business. All other market segments that rely on these memory chips are affected. The fundamental mechanisms of supply and demand are noticeable, resulting in significant price increases and potential constraints on supply availability.

As a result of this situation, tonies’ sourcing strategy for essential materials has been revised. tonies is intensifying efforts to secure the required volumes at fixed prices. Notwithstanding these mitigation measures, tonies® capacity to neutralize the impact of broader macroeconomic developments is limited.

These market dynamics directly impact the production of tonies® products. The combination of extended lead times and increased costs poses a significant risk to both product availability and tonies contribution margin. tonies’ budget accounts for these implications based on best estimates; however, future market development and price volatility still remains to be uncertain and therefore will need to be monitored by the company very closely.

Geopolitical risks
As an internationally operating company, tonies is exposed to global macroeconomic and geopolitical developments and the associated risks. The current situation remains challenging.

The measures taken and the necessity to act quickly to manage the dynamics of tariffs have made tonies more resilient. Despite this, there is a remaining global uncertainty regarding existing, future or suspended US tariffs in terms of amount, type and entry into force. Possible countervailing duties, export restrictions and new negotiations on trade agreements could also affect tonies. This uncertainty is a risk to tonies, which could lead to financial volatility or impact the cost projections.

Geopolitical tensions, such as the ongoing competition between the US and China over Taiwan, have the potential to lead to sanctions, which could disrupt global trade and supply chains, particularly in the APAC region.

Armed conflicts and political tensions are present. Ongoing warfare in Ukraine and the Middle East, combined with Iran's internal instability, create a high risk of escalating geopolitical tensions and global economic disruptions. These could impact commodity prices like energy prices, and creating risks for critical trade routes, which could further fuel potential conflicts.

Geopolitical changes may have a substantial impact on tonies' supply chain, potentially resulting in delays in the delivery of raw materials or the shipment of finished goods due to disruptions in supply routes. Such delays could, in turn, affect customer loyalty and put tension on its retailer relationships. Furthermore, the tightening of tariffs and regulations may lead to an overall increase in costs, e.g., through higher expenses for specific products or components. Elevated customs duties, additional taxes, or the imposition of sanctions may necessitate the identification of alternative suppliers or business partners. Moreover, in price sensitive markets, these factors could lead to a decline in demand.

Among other strategies, current measures include closely monitoring the situation with scenario planning, particularly for the US market, which is a key focus for tonies. This enables tonies to respond quickly and effectively when necessary. tonies continues to expand its geographic diversification and multiple lane logistics options to further strengthen and stabilize inbound logistics. Another angle is to improve tonies' warehouse set up and inventory management and thereby to become more reliable within the markets tonies' operates in.

Dependency on suppliers
Supply chain resilience may be challenged by disruptions leading to delivery delays or fluctuations in product quality, which could impact product availability. This exposure is more pronounced in areas where tonies collaborates with a limited number of suppliers and production sites. In the event of a significant incident, the capacity to rapidly onboard alternative production sites or scale up existing ones is constrained by required lead times.

Risk factors contributing to this vulnerability include, but are not limited to, force majeure events (such as natural disasters), geopolitical instability, industrial accidents, labor market volatility, and non-compliance with regulatory standards resulting in operational closures. An additional consideration is the execution risk that smaller supplier networks may struggle to scale operations in line with tonies' growth trajectory and fail to meet agreed-upon capacity expansion milestones.

tonies is steadfastly committed to the optimization of its global supply chain architecture. To proactively mitigate potential disruptions and ensure operational continuity, tonies has implemented a comprehensive resilience strategy centered on the diversification of its supplier base and the geographic distribution of our production sites. In response to the evolving complexity of our product portfolio, we have significantly augmented our internal expertise in Global Procurement. tonies current strategic initiatives are designed to fortify the long-term stability and resilience of the procurement operations: (i) tonies is actively mitigating dependency risks through the systematic onboarding of new suppliers, thereby enhancing its structural capacity to absorb fluctuations in production requirements. (ii) tonies is conducting negotiations to formalize and strengthen contractual terms with both new and existing partners, ensuring adherence to our performance standards and capacity requirements. (iii) Its commitment to quality is reinforced through a robust program of recurring supplier audits, designed to ensure full alignment with operational standards and regulatory obligations. (iv) tonies is operationalizing advanced preventive and crisis management protocols in collaboration with its suppliers. This cooperative approach serves to enhance the efficacy of our supply chain and safeguard against potential supply interruptions.

While there are inherent risks associated with global supply chain logistics such as geopolitical volatility or regional disruptions, the current strategic initiatives are designed to fortify the long-term stability and resilience of tonies procurement operations.

New and existing competition
The level of competition varies across the markets where tonies operates. tonies' competitive position is influenced by the financial resources (funding) of key competitors and their market presence across different channels, which may intensify future competition in some markets. Furthermore, the competitive environment includes products offered at a lower price point compared to the tonies product portfolio. Therefore, it is crucial for tonies to maintain leadership in the category it has pioneered.

Competitor actions are closely monitored and reported both centrally and within individual markets by tonies product and strategy teams. The competitive landscape is regularly assessed, and business decisions are made accordingly. A primary workstream focusses on cost structure to enhance margins and create room for lower prices. Another core set of measures focusses on customers including end customer and distributor as well as retailers. This includes fostering strong customer relationships and maintaining loyalty. The effectiveness of these efforts is reflected in tonies customer retention in existing markets and the robust growth seen in the US. To remain appealing to customers, tonies consistently enhances its product portfolio and ensures it integrates seamlessly with the Toniebox ecosystem. This includes Tonies, Tonieplay, third party products that function like Tonies, audio libraries, and accessories.

Strategic partnerships with renowned licensors further boost customer appeal, increase brand visibility, and generate additional revenue streams.

Financial internal risk

Liquidity
tonies has had a very dynamic growth rate in recent years, which is well above the industry average. We plan to continue our success story and grow further. In addition to growth, the strong seasonal business with the prefinancing requirements for working capital and anticipated cost increases could impact liquidity.

Unforeseen external developments could further strain our capital requirements, particularly unstable macroeconomics that may impact our revenue or cost structure, increasing business bankruptcies across business partners, and any relevant changes of our receivables pattern. Additionally, significant slowdown of business growth or major business disruptions could lead to liquidity shortfalls and increase financing requirements.

To mitigate these risks and enable further company growth an appropriate external financing mix is essential to maintain a resilient financing structure. This includes optimizing tonies' working capital financing programs and the extension of the existing syndicated loan agreement.

Operational internal risk

Inefficient processes and standards for scalability
tonies rapid growth in the past and the expected growth in the future have made it necessary to regularly adapt processes and develop them based on the individual needs of each unit. This was at the expense of a groupwide overall concept, where documentation and automation opportunities are not explored in a structured way. Efficient and aligned processes as well as standards are not fully implemented. This makes tonies susceptible to frictions and inefficiencies (e. g. double work, inconsistencies, slower realization of planned projects).

To reach the desired maturity level of standards and processes to allow further scalability, major company initiatives take place and will continue throughout 2026. tonies redesigns and harmonizes its operating model and key systems used. Major milestones will be the standardization of end-to-end processes and the implementation of a new ERP system. Among the effective measures is that tonies has structured global leadership governance that oversees company priorities and addresses inefficiencies quickly. Additionally, existing working methods are continuously reviewed and optimized.

Scalability of tools and system infrastructure
The tools tonies employs do not always fully meet the current or changing requirements due to company growth and increasing complexity. This bears the risk of data inconsistencies and complex, time consuming and expensive processes. To foster data driven decision making, a further integration of tools with the operating ERP is needed. However, migration of tools to meet the needs of tonies' business can result in challenges (e.g. temporary slowdown of business operations, involvement of many internal or external stakeholders) or even revenue loss.

To cover tonies' existing and future business needs in the best possible way, tonies follows a 'best of breed' strategy, choosing the best solution for each application area and integrate it into our IT infrastructure instead of relying on one manufacturer. tonies involves experts and all relevant stakeholders for successful migration projects. Implementation of a clear global operating model (processes, governance, etc.) for tools and systems infrastructure with a strong mandate for tonies' central IT team across all markets is expected to further reduce our risk exposure.

8.4. Major opportunity categories

In conjunction with the risk profile and as a flipside of the coin, tonies recognizes several material opportunities that are positioned to positively influence its business trajectory. These opportunities encompass strategic pathways for accelerated growth and the potential for further improvements in operating profitability.

The following report provides a detailed overview of the key opportunity categories.

Expansion of product portfolio and product innovation

tonies maintains a continuous commitment to expanding the product portfolio, as shown by the consistent introduction of a diverse range of new figurines. The ever-growing selection, supported by an expanding network of licensing partners, ensures that a greater number of children can engage with their favorite characters through the platform. Notably, international markets are now benefiting from a larger portfolio offering compared to the initial German launch phase.

During 2025, the launch of the new ecosystem around Toniebox 2 and Tonieplay, as well as award-winning new categories like 'My First Tonies' fundamentally changes the economic model by widening the age funnel at both ends, capturing children earlier and retaining them longer.

The introduction of new figurines also allows them to penetrate new target demographics, such as older children, through specially curated content. This content is increasingly sourced from in-house productions, which inherently offer superior profitability margins.

The company also sees a largely untapped opportunity in monetizing its digital ecosystem, transitioning from a purely transactional hardware model to one that includes high-margin digital recurring revenue. By expanding the digital "MyTonies" store, parents can purchase and download new stories directly to existing Tonies, bypassing physical logistics and inventory costs entirely. This digital layer allows the company to react instantly to trends, offering lower price point content for impulse purchases, and potentially test subscription-based models for the most active users.

This expanded ecosystem positions tonies not just as an audio company, but as a comprehensive, screen-free interactive entertainment platform, driving sustainable double-digit growth for the foreseeable future.

The tonies brand

The inherent value and high recognition of tonies brands is a critical determinant of tonies' long-term success. Through a focused combination of public relations, social media engagement, targeted marketing initiatives, and compelling content creation, tonies has cultivated a brand portfolio and identity cherished by both children and parents. The distinctive Content Tonies and their design leads to extremely high brand recognition and possess a high collector value. This combination of physical figurine and proprietary audio content fosters a deep emotional connection and loyalty, evidenced by robust customer commitment and high repurchase rates. The strength of brand recognition and reputation has also facilitated successful collaborations with renowned partners.

The tonies brand will be a primary driver of additional future opportunities. Beyond fostering strong customer loyalty, brand equity is positioned to support the expansion of product and accessories' sales and deepen customers' engagement with the tonies ecosystem.

International expansion

tonies' strategy of international market entry has consistently proven to be a catalyst for robust growth. The US market, for instance, has evolved into tonies' primary revenue driver, reaching this leading position in just five years and now standing as the company's largest market. The other international markets outside the DACH region, particularly the UK and France, continue to demonstrate strong growth dynamics and represent significant future potential. Even the Australia/New Zealand market, being launched mid-2024, has shown a remarkably positive revenue start.

While a sustained focus on these established markets will be paramount for 2026 as well, a wide range of additional countries are actively evaluated and monitored to unlock substantial future global growth.

Multiple sourcing strategy

tonies is formalizing a rigorous, category-led sourcing framework to strengthen our supply chain resilience. At the core of this initiative is the integration of specific Category Strategies with aligned Supplier Strategies, ensuring that our procurement architecture is tailored to the unique profiles and requirements of each material group.

tonies strategic sourcing framework comprises three strategic pillars: (i) tonies is transitioning to a model with procurement teams mapped to distinct categories. This ensures that high-impact areas such as electronic components receive dedicated, specialized sourcing roadmaps rather than generalized treatment. (ii) tonies supplier strategy is now deeply embedded within its category approach; by synchronizing these, the company ensures its supplier relationships are not merely transactional but are architected to support our specific material needs and long-term volume requirements. (iii) Central to this alignment is the formalization of "directed-buy" protocols. By collaborating directly with manufacturing partners on these strategies, tonies maintains greater oversight of its supply base and core component security.

This structured approach transforms tonies procurement from a reactive function into a proactive risk-mitigation tool. By securing critical components through validated, category-aligned supplier partnerships, the organization ensures that its global growth trajectory remains resilient against potential production disruptions.

Ongoing trend towards screen-free children's entertainment

A defining, unique attribute of the tonies ecosystem is its completely screen-free concept, designed for independent operation by young children. Screen-free entertainment is critical for fostering imagination and directly addresses the strong parental desire for developmental activities that simultaneously reduce exposure to passive screen time.

tonies has successfully capitalized on this macro-trend by offering a unique market proposition: the combination of attractive characters with engaging audio content. The continued shift away from screens and towards audio formats that stimulate children's imaginations will persist, further driving growth across all operating markets.

Operational leverage and economies of scale

As the installed base and production volumes reach higher volumes, there is an opportunity to drive significant cost efficiencies throughout the value chain. tonies is now in a stronger position to negotiate more favorable terms with contract manufacturers and raw material suppliers, directly lowering Cost of Goods Sold (COGS).

Additionally, by optimizing the logistics footprint – such as establishing local warehousing hubs in key growth markets – freight costs and working capital requirements related to inventory transit times can be reduced, leading to a structural improvement in operating leverage and profitability metrics.

8.5. Risks and opportunities in summary

At the time of preparing this report, there are no identifiable risks regarding future developments that – individually or in combination – could endanger the continued existence of tonies.

While internal risks are increasingly well addressed, strategic external risks remain a challenge. In particular, 'dependency on critical materials' and 'geopolitical risks' are a challenge for tonies. It has intensified its measures to become more resilient. However, tonies also recognizes that it cannot fully offset against the impact of macroeconomic developments.

The Management Board remains confident that the Group has a solid foundation for future business development and the necessary resources to leverage tonies opportunities.

9. Forecast

9.1. Macroeconomic development

In its winter forecast for the global economy[1], the Kiel Institute for the World Economy (IfW Kiel) assumes that the upturn in the global economy will still take some time to come.

Economic policy uncertainty and structural problems stand in the way of a significant increase in global economic expansion. The economy is being buoyed up by economic forces. Monetary policy is slowing down less and less and is likely to turn to a neutral course in the course of the coming year. The prospects for private consumption have improved, as real wages have not fallen for some time thanks to easing inflation and higher wage increases and have once again exceeded the level seen before the inflationary surge in most countries, often significantly so. However, this is partly at the expense of companies' profit margins, curbs investment and can lead to lower employment. The high level of uncertainty surrounding economic policy in the United States is also currently having a negative impact. In particular, the introduction of high protective tariffs is threatening global economic momentum. The European economy is also suffering from structural problems, which are reflected in extremely low productivity growth.

[1] IfW Kiel - Konjunktur Weltwirtschaft im Winter 2025

The Kiel Institute expects global production to increase by +3.1% in 2025 (2024: 3.2%), which is slightly less than last year (Table 1). Expectations for global trade in goods have also fallen in light of the assumed trade policy measures.

The expansion of the US economy is slowing. Until recently, gross domestic product grew strongly, primarily due to a significant increase in private consumption. The outlook for consumption has improved for the remainder of the forecast period due to the fact that income development in recent years is now significantly better than before and household savings are much higher following the revision. The effects of the considerable changes in the new US administration's economic policy with regard to trade restrictions, reorganization in ministries and administration and curbing migration are still unclear. The Kiel Institute therefore expects lower growth rates in the forecast period.

The economy in the Eurozone remains subdued. Following the fairly strong increase in gross domestic product of 0.4% in the third quarter, economic expansion in the Eurozone is likely to have slowed again towards the end of the year. This is not only due to the absence of the temporary factors that increased overall economic production in the third quarter. Current indicators such as industrial production and business and consumer sentiment are also pointing to a slower pace for the economy. The IfW also expects economic momentum to be weak in the forecast period. Private consumption is likely to remain on an upward trend thanks to rising real wages, and the expected easing of monetary policy will improve financing conditions. However, the ongoing weakness in the manufacturing sector, which is also due to structural factors, the lack of fiscal stimulus and a number of economic policy uncertainties are having a dampening effect. In addition, the difficulties in forming governments in some eurozone countries, including Germany, are an obstacle. Foreign trade will remain a risk in the future in view of announced tariffs and foreign policy risks.

The growth rate of gross domestic product is likely to increase only slightly in the forecast period from 0.8% in 2024 to 0.9% in 2025, with Germany in particular tending to lead the lower end of the range in Europe.

9.2. Outlook for 2026

tonies expects Group revenue growth in 2026 of more than 20% in constant currency compared to last year's figure of EUR 630 million to more than EUR 760 million and revenue growth in North America of more than 30% in constant currency.

The revenue guidance is based on an assumed EUR/USD exchange rate of USD 1.20. This significant further increase in revenue is expected to be primarily attributable to premium IP launches coupled with continued growth across all markets.

tonies also anticipates a further step-up in profitability in 2026 and expects the adjusted EBITDA margin in the 9 to 11 percent range, compared to +8.6% in 2025. The increase will be achieved through a continuous improvement in contribution margin from a range of factors, including faster revenue growth of higher margin products.

Luxembourg, 30 March 2026

tonies SE

Tobias Wann	**Hansjörg Müller**	**Virginia McCormick**	**Christoph Frehsee**
CEO	CFO	CXO	CRO

Corporate Governance and Responsibility Statement of tonies SE

1. Structure and general remarks

tonies SE is a Luxembourg-governed company (the **"Company"**, the **"Group"** or **"tonies"**) registered in the legal form of Societas Europaea (société européenne). Its shares are traded on the regulated market of the Frankfurt Stock Exchange. The Company's corporate governance is determined by applicable Luxembourg law, the Company's articles of association (the **"Articles of Association"**), as well as the rules of procedure of the Company's management board (the **"Management Board"**, and its rules of procedure, the **"Management Board Rules of Procedure"**), the rules of procedure of the supervisory board (the **"Supervisory Board"**, and its rules of procedure, the **"Supervisory Board Rules of Procedure"**) and the terms of reference of the audit committee (the **"Audit Committee"**, and its terms of reference, the **"Charter of the Audit Committee"**).

Structure of the Corporate Governance Regimes applicable to the Company

tonies is subject to the corporate governance regime laid down in the Luxembourg law of 10 August 1915 on commercial companies, as amended. As a company whose shares are listed on a regulated market, the Company is further subject to the law of 24 May 2011 on the exercise of certain shareholder rights in listed companies, as amended. However, the Company is not required to adhere to the Luxembourg corporate governance regime applicable to companies whose shares are traded in Luxembourg. In particular, the Company is not required to adhere to the "X Principles of Corporate Governance" of the Luxembourg Stock Exchange and has opted not to voluntarily apply the Luxembourg corporate governance regime either.

Since the Company is based in Luxembourg, it is not required to comply with the German Corporate Governance Code (Deutscher Corporate Governance Kodex, **"GCGC"**). Solely for purposes of section 5.4.1. of the DAX Equity Index Methodology Guide of STOXX Ltd., tonies SE must declare that it does not deviate from recommendations C.10 (with sole reference to its applicability to the Chair of the Audit Committee), D.8 and D.9 of the GCGC. The Company has therefore issued a declaration that it does not deviate from the aforementioned recommendations.

Even though the GCGC does not apply to the Company, the Company is committed to high standards of corporate governance throughout its organization. Since its shares are listed on a German regulated market within the meaning of Directive 2014/65/EU, as amended (MiFID II), the Company particularly follows the recommendation of the GCGC to the greatest possible extent and to the extent consistent with applicable Luxembourg law and tonies own governance structure. For example, the Audit Committee of the Company's Supervisory Board is chaired by an independent member of the Supervisory Board – Helmut Jeggle – who has specific knowledge and experience in applying accounting principles and who is not the chairperson of the Supervisory Board.

Remuneration Policy

tonies has a Remuneration Policy for the Management Board and the Supervisory Board (the "Remuneration Policy") that was approved by the annual general meeting of shareholders on 29 May 2024 and has been in effect since 1 January 2024. The principles and structure of the Remuneration Policy for the Management Board and Supervisory Board have been drawn up in accordance with the aforementioned Luxembourg law of 24 May 2011. The Remuneration Policy and current Remuneration Report are accessible on our Investor Relations webpage.[1]

[1] https://ir.tonies.com/corporate-governance/

2. Code of Conduct and Compliance

The Company has also issued a corporate code of conduct (the **"Code of Conduct"**), under which all Company employees are required to abide by applicable laws and practice a culture of integrity. The Code of Conduct outlines the Company's core values, which include taking corporate and social responsibility, embracing diversity and focusing on the long-term effects of our actions.

In all business dealings, employees and teams work together with each other and our business partners on the basis of openness, respect and constructive cooperation, thereby fostering a culture and work environment that empowers every employee to do their best work and provides a safe work environment. Relationships with our business partners play an important role in this. Respect for human rights, prohibition of child labor, compliance with standards on labor rights and safe workplace provision are all issues set out in a separate Code of Conduct for Business Partners. The standards contained therein are broadly based on standards of the International Labor Organization (ILO) and are intended to contribute to compliance throughout our supply chain.

Our success is based on our innovations and our unique products and services. Intellectual Property (IP) is one of our biggest assets, and must be protected accordingly. Several of our products are also based on cooperation with license partners. We pay the utmost attention to our contractual relationships and the subsequent implementation in order to uphold those Intellectual Property rights.

This approach ensures the Company's success, which is based on great products and services, happy and loyal customers as well as the Company's reputation.

Given that tonies operates online platforms, it is aware of the particular responsibility it has to data protection and IT security. In order to protect all personal data of its employees, customers, suppliers and business partners, the Company complies with the applicable provisions and requirements under the relevant data protection laws and is particularly committed to basic principles such as purpose limitation, storage limitations and the accountability of the person responsible for processing the data. tonies has implemented appropriate technical and organizational measures to prevent its data from unauthorized access. Employees are required to use Company property only for business purposes and to protect it from loss or damage by treating it properly. Furthermore, the Company attaches great importance to the non-disclosure of confidential information, including technical and financial data or business strategies.

As a global company, we are aware that regulations intended to ensure that no relationships are entered into with sanctioned persons/companies or that financial resources are linked to money laundering practices or serve the financing of terrorism are of particular relevance to us and must be taken into account accordingly.

The Company's compliance system helps us to effectively implement the aforementioned values, principles and rules. Employees are encouraged to be alert, observant and to express concerns if they suspect corporate governance rule violations. They can address their concerns to office managers and/or the Chief Compliance Officer or make an anonymous report of suspected wrongdoing through the Company's internal communication channels via our whistleblowing system, if preferred.

3. Procedures of the Management Board and the Supervisory Board

Management Board Procedures

The Company is managed by the Management Board, which exercises its functions under the supervision of the Supervisory Board. The Management Board is vested with the broadest powers to act in the name of the Company and to take any action necessary or advisable to fulfil the Company's corporate purpose, with the exception of the powers reserved to the Supervisory Board or to the general meeting of shareholders by law or regulation or by the Articles of Association.

The Management Board bears responsibility for managing the Company's business. It is obliged to act in the interest of the Company and to increase the long-term value of the Company. Members of the Management Board are responsible for the Company's strategy and its day-to-day implementation. They work collaboratively and update each other regularly on any significant measures and events within their area of responsibility.

The Management Board develops the Company's strategy under the supervision of the Supervisory Board and ensures its implementation. It also conducts the Company's business with the due care and diligence of a prudent and conscientious manager in accordance with applicable law, the Articles of Association and the Management Board Rules of Procedure. The Management Board, in the best interests of the Company, conducts itself in an atmosphere of collegiality and trust with the other bodies of the Company.

The collaboration and responsibilities of the members of the Management Board are set out in the Management Board Rules of Procedure. The members of the Management Board represent the Company in dealings with third parties. When it comes to the daily management of the Company's affairs, the Management Board may delegate such actions to one or several members of the Management Board, officers or agents. Pursuant to the Articles of Association and the Management Board Rules of Procedure, the Company is bound towards third parties by the joint signature of any two members of the Management Board, or by the individual or joint signature of any persons deputized to sign on behalf of the Management Board, within the limits of such deputation.

The Management Board endeavors to hold at least one meeting in each calendar quarter to discuss the Company progress and development of the business of the Company. Additional meetings are held if necessary. At least every calendar quarter the Management Board provides a written report to the Supervisory Board on the business of the Company and its foreseeable future development. In addition, the Management Board is obliged to promptly inform the Supervisory Board of any events likely to have a material effect on the Company.

Any member of the Management Board who has a financial conflict of interests in connection with a transaction falling within the responsibility of the Management Board is required to disclose it immediately to the Supervisory Board and also to inform the other members of the Management Board. Said member may not take part in the discussions relating to such transactions nor vote on such transactions. Any such conflict of interest must be reported to the next general meeting of shareholders prior to such meeting taking any resolution on any other items. Authorization from the Supervisory Board is also required for transactions where there is a known conflict of interest.

Supervisory Board Procedures

The Supervisory Board is in charge of the permanent supervision and control of the Company's management by the Management Board. It may not interfere with such management. The Supervisory Board has an unlimited right to information regarding all company operations and may inspect any of the Company's documents. It may request that the Management Board provide any information it deems necessary in exercising its functions and may directly or indirectly carry out any verifications it deems pertinent to its duties. A member of the Management Board cannot be a member of the Supervisory Board at the same time.

The Supervisory Board regularly advises the Management Board and oversees its management of the Company. It is involved in all decisions of fundamental importance to the Company. The Supervisory Board conducts its business in accordance with applicable law, the Articles of Association and the Supervisory Board Rules of Procedure. It cooperates closely in an atmosphere of trust with the other corporate bodies of the Company, in particular with the Management Board, and in the best interests of the Company. Pursuant to the Articles of Association and the Supervisory Board Rules of Procedure, the Supervisory Board must have at least three members. The Supervisory Board must comprise what it considers an adequate number of independent members. However, at least one member of the Supervisory Board must be independent. Currently, the Supervisory Board has six members, of which four are independent.

The Supervisory Board has adopted the Supervisory Board Rules of Procedure. The Supervisory Board Rules of Procedure govern the procedures and responsibilities of the Supervisory Board. The Supervisory Board holds at least one meeting in each calendar quarter. Additional meetings are convened if necessary. The Supervisory Board reviews the efficiency of its activities and the activities of its committees at least annually. The outcome of the efficiency evaluations is discussed within the Supervisory Board and all required measures are implemented as soon as possible. The latest efficiency evaluation was carried out in February 2026.

The Supervisory Board is subject to the same rules on conflicts of interest as the Management Board (as described above).

The Supervisory Board Rules of Procedure also lay out procedures and responsibilities for the Company's committees. Currently, the Supervisory Board has one committee, the Audit Committee, whose procedures and responsibilities are governed by the Charter of the Audit Committee.

4. Composition of the Management Board and the Supervisory Board

Composition of the Management Board and respective changes

Pursuant to the Supervisory Board Rules of Procedure, when appointing members to the Management Board, the Supervisory Board takes into account its diversity. The upper age limit for members of the Management Board is 69. The Management Board and the Supervisory Board must also ensure that there is long-term succession planning for the Management Board. As such, the Supervisory Board, together with the Management Board, regularly monitors and discusses the composition of the Management Board (as well as the management levels below).

The following table lists the members of the Management Board for the calendar year 2025:

Name	Nationality	Age	Position	Start of Term	End of Term
Tobias Wann	German	53	CEO	01/01/2024	31/12/2026
Virginia Saino McCormick	United States of America	51	CXO	02/09/2024	01/09/2027
Dr. Jan Middelhoff	German	42	CFO	01/05/2023	01/09/2025
Hansjörg Müller	German	54	CFO	01/09/2025	01/09/2028
Christoph Frehsee	United States of America German	46	CRO	01/07/2025	01/07/2028

Tobias Wann was appointed as a member of the Management Board and CEO and took up his position on 1 January 2024. He has over 20 years of experience in running fast-growing international technology companies.

Jan Middelhoff was appointed as a member of the Management Board and CFO on 1 May 2023. He had joined the Company in May 2020 holding various positions, e.g. MD International and Chief of Staff. In 2025, he informed the CEO and the Supervisory Board that he would be stepping down from his role as CFO at the end of August 2025. However, he has made his expertise available to the company in an advisory capacity and will continue to do so until 31 December 2026 under a consultancy agreement.

After a thorough search for a successor to the CFO position, Hansjörg Müller was appointed member of the Management Board and new CFO, effective 1 September 2025. He has extensive financial and international leadership experience and previously held senior positions at Netflix, Electronic Arts (EA), and Procter & Gamble (P&G).

Virginia Saino McCormick was appointed as member of the Management Board and Chief Experience Officer (CXO) on 2 September 2024. With two decades of industry experience, she has held leadership roles at Zappos.com, Amazon Hub, Hasbro, Mattel Interactive, and Reebok.

Christoph Frehsee was appointed as member of the Management Board and Chief Revenue Officer (CRO) on 1 July 2025. He joined the Company in September 2022 as President and Managing Director of tonies US, Inc. In his new role as CRO, he oversees growth across all markets and channels.

Composition of the Supervisory Board and respective changes

Pursuant to the Supervisory Board Rules of Procedure, each member of the Supervisory Board must have the required knowledge, abilities and expert experience to fulfill his or her duties properly. At least one member of the Supervisory Board must have knowledge in the field of accounting and auditing. Each member of the Supervisory Board must ensure that he or she has sufficient time available to fulfill his or her mandate. The members of the Supervisory Board are responsible for undertaking any training in professional development necessary to carrying out their duties. The Company must adequately support them in this regard.

In the Supervisory Board Rules of Procedure, the Supervisory Board has specified the following goals for its composition and the following profile of skills and expertise for its members:

- The Supervisory Board members in their entirety shall have the required knowledge, abilities and expert experience required to successfully complete their tasks.
- The Supervisory Board members in their entirety must be familiar with the sector in which the Company operates.
- At least one member of the Supervisory Board shall not have any board position, consulting or representation duties with main suppliers, lenders or other business partners of the Company.
- The Supervisory Board members must not hold directorships or similar positions or advisory roles for material competitors of the Company.
- The upper age limit for members of the Supervisory Board is 75.

Pursuant to the Supervisory Board Rules of Procedure, proposals by the Supervisory Board on its composition to the Company's general meeting must aim to meet the required skills and expertise profile above. The following changes were made to the composition of the Supervisory Board in 2025:

- Patric Faßbender was appointed as member of the Supervisory Board with effect as of the date of the Annual General Meeting on 28 May 2025.

The following table shows the members of the Supervisory Board for the 2025 calendar year

Name	Nationality	Age	Profession	Start of Term	End of Term	Other functions in the Company
Christian Bailly	German	44	Managing Partner at Armira	2024	2027	– Chairperson of the Supervisory Board (from 20 August 2024) – Deputy Chairperson of the Audit Committee – Member of the Audit Committee
Helmut Jeggle	German	55	Founder and Managing Partner at Salvia GmbH	2024	2027	– Chairperson of the Audit Committee
Alexander Kudlich	German	46	General Partner at 468 Capital	2024	2027	–
Alexander Schemann	German	49	Founder and Managing Partner at Armira	2024	2027	– Deputy Chairperson of the Supervisory Board (from 20 August 2024) – Member of the Audit Committee
Erika Wykes-Sneyd	US	42	Global Vice President & General Manager at adidas	2024	2027	–
Patric Faßbender	German	55	Co-Founder of tonies SE	2025	2027	– from 28 May 2025

Audit Committee

The Company's Audit Committee oversees accounting and financial reporting, the audits of the standalone and consolidated financial statements (the "Financial Statements"), internal controls and the choice of the Company's independent auditor. The internal terms of reference of the Audit Committee set out the mode of operation as well as the duties and responsibilities.

The powers and responsibilities of the Audit Committee include:
(i) discussing the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies with the Management Board and the Independent Auditor
(ii) reviewing and approving all party-related transactions
(iii) discussing certain correspondence and legal matters
(iv) requesting certain assurances from the Management Board, the Independent Auditor and the Company's internal auditor with regard to foreign subsidiaries and foreign-affiliated entities
(v) discussing risk assessment and risk management with the Management Board
(vi) setting clear hiring policies for employees of the Company's Independent Auditor
(vii) establishing procedures for the receipt, retention and treatment of complaints on accounting, internal accounting controls or auditing matters, and
(viii) providing the Company with any reports required to be included in the Company's periodic or any legally required reports.

The Audit Committee consists exclusively of members of the Supervisory Board and consists of three members. The Supervisory Board has specified the following rules for the composition of the Audit Committee:

- The chairperson of the Audit Committee must have specific knowledge and experience in the practice of accounting and internal control procedures.
- An adequate number of the members of the Audit Committee should be independent of the Company. Members of the Audit Committee as a whole shall be competent in the business sector of the Company. The chairperson of the Audit Committee must be designated by the Supervisory Board and cannot be the chairperson of the Supervisory Board.

The current members of the Audit Committee are Helmut Jeggle (as chairperson), Christian Bailly and Alexander Schemann. This composition follows the abovementioned rules for the Audit Committee. All members of the Audit Committee have specific knowledge and experience in the practice of accounting and internal control procedures and one of them is independent of the Company.

5. Corporate Governance Statement by the Management Board for the period ended 31 December 2025

The Management Board reaffirms its responsibility to ensure proper accounting records disclosing the consolidated financial position of the Group are kept with reasonable accuracy at all times and that there is an appropriate system of internal control in place so that the Group's business operations can be 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 its knowledge, the audited consolidated financial statements for the period ended 31 December 2025, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair overview of the assets, liabilities, financial position and results as of that date and the results for that financial period.

The management's report also includes a fair review of how the Group's operations developed and performed during the period and of the Group's position and any business risks it faced along with other information required by Article 68b 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, 30 March 2026

Tobias Wann
CEO

Hansjörg Müller
CFO

Virginia McCormick
CXO

Christoph Frehsee
CRO

Report of the Reviseur d'Entreprises Agréé

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **tonies SE** (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated 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	**Recognition of revenue**
Description of key audit matter:	The amount of revenue amounting to EUR 630m (note 6 and 20) on the sales of tonies and tonieboxes is dependent on the appropriate assessment of incoterms and return rates. Therefore, we considered the risk that the revenue is not accurate as a significant risk, specifically due to the fact that: ■ Most of the delivery arrangements are handled by an external service provider, hence the timing of recognition is dependent on the availability and accuracy of information received. ■ The sales contracts include certain rights of return which impact the amounts to be recognized as revenue. The determination of the return rates requires management to make use of estimates and assumptions that may affect the reported amounts of revenue. The Group has procedures and processes in place to manage the commercial, technical, and financial aspects of sales contracts. The risk of material misstatement is that accounting for the Group's sale contracts does not accurately reflect the timing of recognition and the right of return assets at the reporting date.
Our response:	Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, included: ■ Evaluation and testing of the design and implementation of the relevant controls over process activities, specifically on controls over cut-off; ■ Reconciliation of sales ledger to the general ledger of the Group; ■ For a sample of invoices, the analysis of the relevant clauses within related contracts as well as incoterms to obtain a full understanding of the specific terms and risks, to conclude on whether revenue for these contracts was appropriately recognized in the correct period; ■ Third party confirmation for large retailers; ■ Post balance-sheet credit notes inspection; ■ Recomputation and analysis of the return rates including inspection of actual returns post balance-sheet date. We assessed the completeness and appropriateness of the disclosures in Note 3.12 "Significant accounting policies", Note 6 "Operating Segment" and Note 20 "Revenue to the Consolidated Financial Statements".

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the consolidated management report from page 36 to 74 and the corporate governance statement from page 76 to 82 but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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

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

Responsibilities of the Management Board and Those Charged with Governance for the Consolidated Financial Statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 N° 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 consolidated financial statements.

As part of an audit in accordance with the EU Regulation N° 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evience 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.

- Conclude on the appropriateness of Management Board use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with 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 consolidated 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" by the General Meeting of the Management Board on 28 May 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

The consolidated management report on pages 36 to 74 is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is presented on pages 76 to 82. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as of 31 December 2025 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Financial statements prepared in valid xHTML format;
- The XBRL markup of the Consolidated Financial Statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as of 31 December 2025, 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 the EU Regulation No 537/2014 were not provided and that we remained independent of the Company Group in conducting the audit.

Luxembourg, 9 April 2026

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

Houssem DOM
Réviseur d'entreprises agréé

Consolidated Financial Statements

Consolidated Statement of Financial Position

in kEUR	Notes	31.12.2025	31.12.2024
Assets			
Property, plant and equipment	7	7,306	5,726
Right of use assets	7	5,069	4,326
Intangible assets (excl. Goodwill)	8	99,488	103,870
Goodwill	8	162,236	162,236
Deferred tax assets	27	8,034	11,240
Non-current assets		**282,133**	**287,398**
Inventories	10	151,837	89,083
Return asset		1,691	1,078
Trade receivables	11	100,463	76,942
Other assets (short term)	11	13,309	16,585
Cash	12	87,849	87,410
Current assets		**355,149**	**271,098**
Total assets		**637,282**	**558,496**
Equity			
Share capital	13	2,030	2,030
Share Premium	13	610,237	607,032
Other Reserves		25,657	31,838
Treasury Shares		–244	–250
Retained earnings		–294,258	–307,341
Profit (Loss)		13,114	13,083
Equity attributable to owners of the company		**356,536**	**346,392**
Non-controlling interests			
Total equity		**356,536**	**346,392**
Liabilities			
Loans and borrowings	15	8,747	15,546
Lease liabilities	15	4,451	3,744
Share-based payment liabilities	22	1,796	1,309
Deferred tax liabilities	27	21,902	25,336
Non-current liabilities		**36,896**	**45,935**
Income Tax liabilities		2,181	4,243
Loans and borrowings	15	22,705	173
Lease liabilities	15	919	899
Share-based payment liabilities	22	2,367	2,637
Trade payables	16	110,574	75,520
Other liabilities	16	70,552	59,137
Warrant liabilities	17	18,168	10,332
Provisions	18	16,384	13,228
Current liabilities		**243,850**	**166,169**
Total liabilities		**280,746**	**212,104**
Total equity and liabilities		**637,282**	**558,496**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

in kEUR	Notes	2025	2024
Continuing Operations			
Revenue	20	**630,346**	**480,547**
Changes in inventories		65,347	21,721
Cost of materials	21	– 299,774	– 203,886
Gross profit		**395,919**	**298,382**
Licensing costs	21	– 69,394	– 54,869
Gross profit after licensing costs		**326,525**	**243,513**
Own work capitalized		1,115	1,594
Other income	24	5,187	14,943
Personnel expenses	23	– 70,719	– 53,734
Other expenses	25	– 213,803	– 172,855
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**48,305**	**33,461**
Depreciation and amortisation	7/8	– 20,462	– 20,758
Earnings before interest and taxes (EBIT)		**27,843**	**12,703**
Finance income	26	347	642
Finance costs	26	– 11,843	– 8,295
Earnings before tax (EBT)		**16,347**	**5,050**
Income taxes	27	– 3,233	8,033
Profit (Loss) for the period		**13,114**	**13,083**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation to functional currency		– 9,476	4,171
Total comprehensive income for the period		**3,638**	**17,254**
Profit attributable to:			
Owners of the Company		13,114	13,083
Non–controlling interests		0	0
Total comprehensive income attributable to:			
Owners of the Company		3,638	17,254
Non–controlling interests		0	0
Earnings (loss) per share (in EUR)			
Avg. no. of shares (basic)	28	114,267,954	113,791,778
Avg. no. of shares (diluted)	28	130,667,954	130,191,778
Basic	28	0.11	0.11
Diluted	28	0.10	0.10

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

IFRS Consolidated Statement of Cash Flows in kEUR	Notes	2025	2024
Profit (loss) for the period		**13,114**	**13,083**
Depreciation and amortization	7/8	20,462	20,758
Finance (income) expenses	26	11,496	7,653
Tax expense (income)	27	3,233	– 8,033
EBITDA		**48,305**	**33,461**
Decrease (increase) in trade receivables	11	– 29,144	– 27,872
Decrease (increase) in inventories	10	– 68,409	– 13,014
Increase (decrease) in trade payables	16	40,473	36,614
Decrease (increase) in net working capital		**– 57,080**	**– 4,272**
Decrease (increase) in other assets	11	3,495	7,480
Increase (decrease) in other provisions	18	3,415	– 5,597
Increase (decrease) in other liabilities	16	6,601	16,765
Increase (decrease) in share-based payment liabilities	22	379	– 2,870
Increase (decrease) in share-based remuneration reserves	22	3,295	1,788
Loss from asset disposal	7/8	1,390	498
Cash flow from operating activities before income taxes		**9,800**	**47,253**
Income tax paid		– 3,927	– 89
Cash Flow from operating activities		**5,874**	**47,164**
Acquisition of property, plant and equipment	7	– 6,246	– 3,568
Acquisition of intangible assets	8	– 11,561	– 11,011
Development expenses capitalized	8	– 1,115	– 1,594
Proceeds from government grants	7/8	753	1,540
Interest received		347	527
Cash flow from investing activities		**– 17,823**	**– 14,106**
Proceeds from placement of treasury shares		3,211	2,033
Proceeds from borrowings		22,533	0
Repayments of borrowings	15	– 7,580	– 7,500
Interest paid		– 1,357	– 2,595
Payment of lease liabilities	15	– 1,153	– 1,045
Cash flow from financing activities		**15,654**	**– 9,107**
Net increase (decrease) in cash		**3,705**	**23,951**
Change in cash resulting from exchange rate differences		– 3,267	4,171
Net cash at the beginning of the period		87,410	59,288
Net cash at the end of the period		87,849	87,410

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

IFRS Statement of Changes in Equity in kEUR	Notes	Share capital	Share premium	Translation reserve	Transaction cost reserve	Share-based remuneration reserve	Retained earnings	Treasury Shares	Profit (Loss)	Non-controlling interest	Total equity
Balance as of 1.1.2025		**2,030**	**607,032**	**282**	**−1,871**	**33,427**	**−307,341**	**−250**	**13,083**	**0**	**346,392**
Allocation results prior year		0	0	0	0	0	13,083	0	−13,083	0	0
Total comprehensive Income											
Profit (loss) for the period		0	0	0	0	0	0	0	13,114	0	13,114
Other comprehensive income		0	0	−9,476	0	0	0	0	0	0	−9,476
Total comprehensive income		**0**	**0**	**−9,476**	**0**	**0**	**0**	**0**	**13,114**	**0**	**3,638**
Contributions and distributions											
Equity-settled share-based payment	13/22	0	0	0	0	3,295	0	0	0	0	3,295
Total contributions and distributions		**0**	**0**	**0**	**0**	**3,295**	**0**	0	**0**	**0**	**3,295**
Total transactions with owners of the Company		**0**	**0**	**0**	**0**	**3,295**	**0**	0	**0**	**0**	**3,295**
Placement of Treasury Shares	13		3,205	0	0	0	0	6	0	0	3,211
Balance as of 31.12.2025		**2,030**	**610,237**	**−9,194**	**−1,871**	**36,722**	**−294,258**	**−244**	**13,114**	**0**	**356,536**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

IFRS Statement of Changes in Equity in kEUR	Notes	Share capital	Share premium	Translation reserve	Transaction cost reserve	Share-based remuneration reserve	Retained earnings	Treasury Shares	Profit (Loss)	Non-controlling interest	Total equity
Balance as of 1.1.2024		**2,030**	**607,166**	**– 3,889**	**– 1,871**	**29,484**	**– 295,796**	**0**	**– 11,807**	**0**	**325,317**
Allocation results prior year		0	0	0	0	0	– 11,807	0	11,807	0	0
Total comprehensive Income											
Profit (loss) for the period		0	0	0	0	0	0	0	13,083	0	13,083
Other comprehensive income		0	0	4,171	0	0	0	0	0	0	4,171
Reallocation Treasury Shares	13	0	0	0	0	0	262	– 262	0	0	0
Total comprehensive income		**0**	**0**	**4,171**	**0**	**0**	**262**	**– 262**	**13,083**	**0**	**17,254**
Contributions and distributions											
Equity-settled share-based payment	13/22	0	– 2,155	0	0	3,943	0	0	0	0	1,788
Total contributions and distributions		**0**	**– 2,155**	**0**	**0**	**3,943**	**0**	0	**0**	**0**	**1,788**
Total transactions with owners of the Company		**0**	**– 2,155**	**0**	**0**	**3,943**	**0**	0	**0**	**0**	**1,788**
Placement of Treasury Shares	13	0	2,021	0	0	0	0	12	0	0	2,033
Balance as of 31.12.2024		**2,030**	**607,032**	**282**	**– 1,871**	**33,427**	**– 307,341**	**– 250**	**13,083**	**0**	**346,392**

Notes to the Consolidated Financial Statements

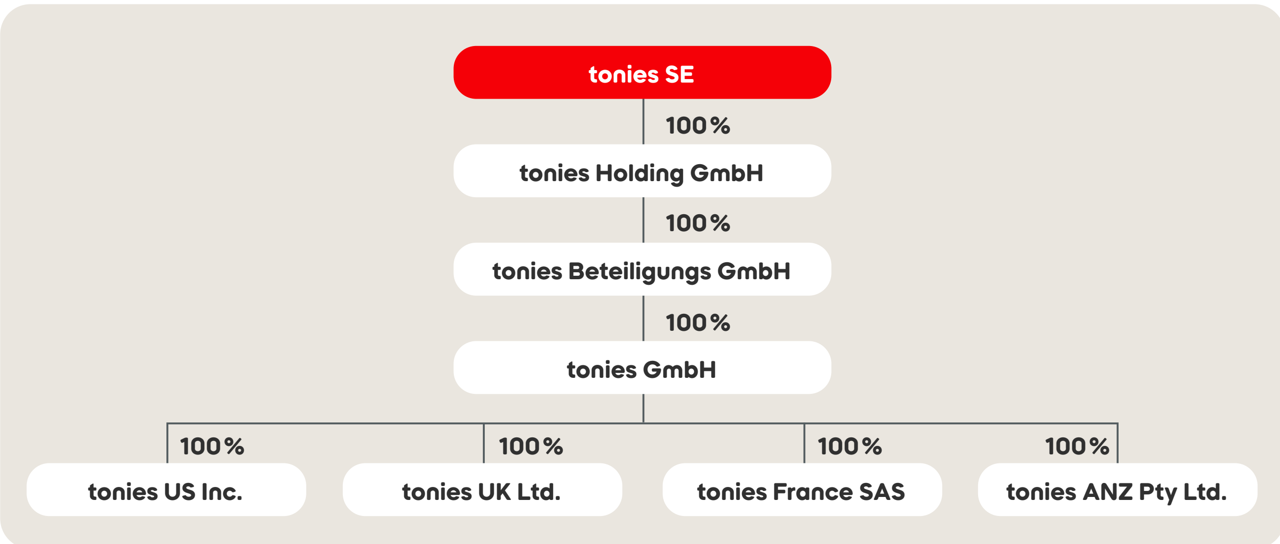
1. General information

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 is a Societas Europaea, formed on 18 March 2021 under the laws of Luxembourg. The Company was formed as a special purpose acquisition company to engage in a merger or acquisition with an unidentified company or companies or other entity or person. The Company was formed for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area or in the United Kingdom or Switzerland in the technology or technology-enabled sector with a focus on the subsectors marketplaces, direct-to-consumer, and soft ware & artificial intelligence through a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction.

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 31 December 2025, the Group structure of tonies SE is as follows:



tonies through its indirect subsidiary tonies GmbH is the producer of the innovative audio system "Tonies", consisting of speaker boxes 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. In 2025, tonies introduced Toniebox 2 and Tonieplay: The next generation of interactive audio entertainment redefining how children grow through independent listening, touch and play.

2. Basis of preparation

2.1. Statement of compliance

The consolidated financial statements of tonies have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as endorsed by the European Union as of 31 December 2025. The term IFRS also includes all valid International Accounting Standards (IAS) as well as the interpretations of the IFRS Interpretations Committee and Standing Interpretations Committee (IFRIC and SIC).

The financial statements were authorised by the management board on 30 March 2026.

The assets and liabilities in the consolidated statement of financial position were classified in accordance with IAS 1 as current/non-current with the criteria defined by IAS 1.54 et seqq.

tonies has decided to prepare a consolidated statement of profit or loss and other comprehensive income using the nature of expense method.

tonies has elected to present consolidated comprehensive income using a "onestatement" approach. The consolidated statement of financial position complies with the classification requirements of IAS 1 "Presentation of Financial Statements". When presenting items of other comprehensive income, items reclassified to profit or loss are presented separately from items that are never reclassified. Assets and liabilities are classified by maturity. tonies presents consolidated cash flows from operating activities using the indirect method. Individual items of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position are combined in order to improve the clarity of presentation. These items are explained in the notes to the consolidated financial statements.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. As amounts are disclosed in thousands of euros, standard commercial rounding may result in rounding differences. In some cases, such rounded amounts and percentages may not correspond 100% to the stated sums when added together and subtotals in tables may differ slightly from nonrounded figures.

2.2. Going concern

The consolidated financial statements were prepared on a going concern basis according to IAS 1.25.

2.3. Measurement basis

The consolidated financial statements have been prepared on a historical cost basis. This does generally not apply to derivative financial instruments and liabilities for cash- and equity-settled share-based payments, as they are recognised at fair value as of the balance sheet date. A corresponding explanation is provided in the context of the respective accounting policies.

2.4. Functional currency and presentation currency

These consolidated financial statements are presented in euro, which is tonies' presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.5. Current/non-current classification

An asset is classified as current if it is expected to be realised or consumed within tonies' normal operating cycle of one year. All other assets are classified as non-current.

A liability is classified as current if it is expected to be settled within tonies' normal operating cycle of one year. All other liabilities are classified as non-current.

3. Significant accounting policies

tonies has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

3.1. Consolidation

3.1.1. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.2. Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intragroup transactions, are eliminated.

3.2. Foreign currency

3.2.1. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group companies at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate prevailing at the date when the fair value was determined. Nonmonetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at prevailing the date of the transaction. Foreign currency differences are recognised in profit or loss and presented within other income or other expenses.

3.2.2. Foreign currency operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rate prevailing at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rate prevailing at the date of the transaction.

Throughout the year month end and monthly average rates are used for the translation of balance sheet or profit and loss statements from foreign subsidiaries, respectively. Foreign currency differences are recognised in Other Comprehensive Income (OCI) and accumulated in the translation reserve.

3.3. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to tonies. All other expenditure for property, plant and equipment is recognised immediately as an expense. Government or other grants received are deducted from the acquisition cost if not related to income.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Right-of-Use Assets	2 – 10 years
Land and building	Up to 10 years
Technical equipment and Machinery	3 – 10 years
Tooling	3 – 5 years
Other operating and office equipment	3 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. This specifically applied to tooling assets.

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. The gain or loss arising from the sale or retirement of a property, plant and equipment is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in profit or loss under other income or other expenses.

3.4. Intangible assets

3.4.1. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

When the amount of aggregate consideration transferred is in excess of the fair value of the net assets acquired a goodwill is recognised. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.4.2. Research and development costs

Self-developed assets are capitalized in accordance with the requirements of IAS 38. Capitalization includes hours spent on dedicated projects considering relevant remuneration and applicable surpluses.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Government or other grants received are deducted from the acquisition cost if not related to income.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

3.4.3 Other intangible assets

Other intangible assets, including patents and trademark, customer relationships, software and order backlog that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred. Government or other grants received are deducted from the acquisition cost if not related to income.

An intangible asset shall be derecognised on disposal or when no further economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the income statement when the asset is derecognised. This is recognised under other income or other expenses.

3.4.4. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Brand	15 years
Technology	15 years
Customer relationship	10 – 15 years
Patents, licenses and similar rights and values	3 – 7 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The new Toniebox 2 investment has been determined with a useful life of 7 years.

Goodwill is not systematically amortised over a period. It is subject to impairment testing at least annually. The annual impairment tests are performed as of 31 December every year. Refer to note 3.7.2 for more details.

3.5. Leases

At inception of a contract, tonies assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. tonies solely acts as a lessee.

At commencement or on modification of a contract that contains a lease component, tonies allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

tonies recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to tonies by the end of the lease term or the cost of the right-of-use asset reflects that tonies will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, tonies' incremental borrowing rate. Generally, tonies uses its incremental borrowing rate as the discount rate.

tonies determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including insubstance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that tonies is reasonably certain to exercise, lease payments in an optional renewal period if tonies is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless tonies is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in tonies' estimate of the amount expected to be payable under a residual value guarantee, if tonies changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised insubstance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, tonies assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- tonies has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- tonies has the right to direct the use of the asset. tonies has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used throughout the period of use. When all the decisions about how and for what purpose the asset is used are predetermined, tonies has the right to direct the use of the asset if either:
  - tonies has the right to operate the asset; or
  - tonies designed the asset in a way that predetermines how and for what purpose it will be used. tonies presents its leases under “right-of-use assets” in the statement of financial position.

tonies has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and shortterm leases, including IT equipment. tonies recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term.

3.6. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the simple weighted average price. In the case of manufactured inventories, cost includes an appropriate share of production overhead based on normal operating capacity. Impairment due to limited marketability of items is taken into account by means of write-downs.

The change in unfinished and finished goods is presented in the line change in inventory within the income statement. Raw material and trading goods are not included in the change in inventory line.

3.7. Impairment

3.7.1. Non-derivative financial assets financial instruments

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses (ECLs), the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forwardlooking information and macro-economic factors.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i. e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that tonies expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for cash at bank and trade receivables are deducted from the gross carrying amount of the corresponding assets.

Write-off

The gross carrying amount of a financial asset is written off when tonies has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.7.2. Non-financial assets

At each reporting date, tonies reviews the carrying amounts of its nonfinancial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment and on adhoc basis in case of triggering events.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cashgenerating units (CGU). A CGU according to IAS 36.80 shall not be larger that an operating segment according to IFRS 8. Goodwill is allocated to CGUs which are equal to the segments reported in tonies group.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Maximum amounts to reduce the carrying amount of an asset according to IAS 36.105 are being considered.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8. Cash

Cash is determined as petty cash and cash at banks. Cash at bank includes payment providers with banking licenses in the respective geographical regions, if the respective amounts are available at the companies' discretion on a short notice.

Funds held at service providers and retail platforms without banking licenses are not included in cash but in other assets as these funds cannot be transferred in any case without limitations on a short notice. Short-term bank liabilities are not included in cash for presentation nor in cash and cash equivalents for the cash flow statement.

3.9. Share capital

3.9.1. Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

3.9.2. Repurchase and reissuance of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in deduction of share capital. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

3.10. Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognised if tonies has a present obligation to a third party based on a past event, an outflow of resources to settle the obligation is probable and the amount of the obligation can be reliably estimated. Provisions are discounted if the effect is material.

Provisions where the outflow of resources is likely to occur within the next year are classified as current, and all other provisions as non-current.

If material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

3.11. Financial instruments

3.11.1. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. Financial assets and financial liabilities are initially recognised when tonies becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.11.2. Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition to eliminate or significantly reduce an accounting mismatch that would otherwise arise. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, except for the "own credit risk" portion of the fair value adjustment that is recorded in OCI except if doing so would create or enlarge an accounting mismatch. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.11.3. Derecognition financial assets

tonies derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which tonies neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

tonies derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. tonies also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any noncash assets transferred or liabilities assumed) is recognised in profit or loss.

3.11.4. Derivative financial instruments

The Group holds derivative financial instruments to economically hedge part of its foreign currency risk exposure as well as its interest rate risk arising from the variable interest part of a syndicated loan. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Compound financial instruments issued by the Group comprises convertible bonds denominated in EUR that can be converted to share capital at the option of the holder.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

3.12. Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties at one point of time. tonies recognises revenue when it transfers control over a good to a customer. Potential returns are deducted from revenue resulting in a return liability and a related return asset.

Further information on the nature and timing of the settlement of performance obligations arising from contracts with customers, including significant terms and conditions of payment, and the related revenue recognition principles are described in note 20.

3.13. Share-based payments

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of the awards that meet the related service and non-market performance conditions at the vesting date. For share based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognised in profit or loss.

3.14. Finance income and finance costs

Finance cost of tonies includes interest expense from loans and borrowings as well as interest expenses from leasing and from factoring. For details in relation to the factoring program we refer to note 11. Interest expense is recognised in the statement of profit or loss in the period in which it is incurred using the effective interest method.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not creditimpaired) or to the amortised cost of the liability. However, for financial assets that have become creditimpaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.15. Income taxes

Income tax expense comprises current and deferred taxes. It is recognised in profit or loss except to the extent that it relates to a business combination, or items are recognised directly in equity or in OCI.

3.15.1. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

3.15.2. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right of use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognizing deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which tonies expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria of IAS 12.74 are met.

3.16. New and amended IFRS

A number of new and revised standards and amendments to existing standards have been issued by the reporting date and come into force in annual periods beginning on or after 1 January 2025. They are also available for early adoption. However, tonies has not applied early adoption of any of the new or amended standards in preparing these consolidated financial statements. On the basis of a detailed analysis of the following standards we concluded that these standards do not have any material impact on tonies consolidated financial statements:

- Amendments to IAS 21 – Lack of exchangeability

The following table lists the recent changes to IFRS that are required to be applied for an annual period beginning after the effective dates. The amended standards and interpretations are not expected to have a significant impact on tonies' consolidated financial statements. Potential impacts of the future IFRS 18 implementation are currently being evaluated carefully, currently we are expecting an impact on the allocation of FX effects and intercompany interest and third party financing cost.

Standard	Title of standard or amendments	Effective date
IAS 8.28		
Amendments to IAS 21	Lack of Exchangeability	1.1.2025
IAS 8.30, EU Endorsement until date of authorization		
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1.1.2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1.1.2026
Annual Improvements to IFRS – Volume 11	Annual Improvements to IFRS – Volume 11	1.1.2026
IAS 8.30, EU Endorsement in progress		
IFRS 18	Presentation and Disclosure in Financial Statements	1.1.2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1.1.2027
Amendments to IAS 21	The Effects of changes in foreign exchange rates: Translation to a hyperinflationary presentation currency	1.1.2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	pending

4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

When measuring the fair value of an asset or a liability, tonies uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

These consolidated financial statements include the following significant items whose carrying amounts depend substantially on judgements and the underlying assumptions and estimates:

Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 9 – Lease term: whether the Group is reasonably certain to exercise extension options.
- Note 27 – Deferred Taxes: Recoverability of deferred tax assets from tax losses carried forward.

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties as at 31 December 2025 that have a significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 7 and 8 – Intangible and tangible assets: key assumptions about underlying useful lives and future utilization of the assets value.
- Note 8.2 – Goodwill: key assumption about the recoverable amounts of the CGU and the underlying budget.
- Note 8.2 – Impairment test of intangible assets: key assumption about useful lives and underlying recoverable amounts.
- Note 18 – Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources, in particular for licence provisions.
- Note 19.1.1 – Classification and measurement warrants: key assumptions about the classification of warrants as either equity or derivatives as well as the continuous remeasurement of the fair value based on a Black-Scholes Option Pricing model.
- Note 27 – Assumption of utilization of tax losses carried forward and the resulting set up of deferred tax assets

5. List of subsidiaries

The Company's shareholdings – unchanged to prior year – comprise:

Name	Registered seat	Share
tonies Holding GmbH	Düsseldorf, Germany	100 %
tonies Beteiligungs GmbH	Düsseldorf, Germany	100 %
tonies GmbH	Düsseldorf, Germany	100 %
tonies UK Ltd.	Bishops Stortford, UK	100 %
tonies US, Inc.	Palo Alto/California, US	100 %
tonies France SAS	Paris, France	100 %
tonies ANZ Pty Ltd.	Sydney, Australia	100 %

6. Operating segments

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, France, Australia and New Zealand as core markets with local teams as well as non-core markets including Hong Kong and several countries served by the European web store (e.g. Belgium, Luxembourg, the Netherlands, Portugal and Spain). In August 2024, the business was successfully launched in the new sales region Australia and New Zealand. In France, the UK and Australia, there are independent distribution companies that are used to develop the corresponding markets, while the UK company also serves the Irish market and the Australian company also serves the New Zealand market. 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. There are no material transactions between the operating segments. In connection with the globalization of labor markets, employees for central functions have been hired internationally since 2024. The employees are employed by the respective local Group company, but provide their services to other operating segments or the Corporate Headquarters. The services are offset against each other at arm's length conditions, the according internal revenue is presented in the line Revenue (int) in the table below.

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 chief operating decision-maker and is therefore not disclosed.

A managing director is responsible for each segment. The executive board, which has consisted of four members since 1 July 2025, is the chief operating decision-maker that regularly reviews the results of the operating segments and makes decisions about 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, we refer to the separate section of the annual report "Alternative Performance Measures"), which are reported regularly in internal management reporting. Other key figures are not reported regularly.

Functional areas of the Group, such as the traditional headquarters functions of accounting, tax, legal, treasury, strategic planning and IT, are combined as the non-operating business segment "Corporate Headquarters" and reported separately. Other product-related 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. These services provided are invoiced or allocated to the operating segments on the same terms as those negotiated with third parties. This "Corporate Headquarters" information is presented for reconciliation purposes, the "Corporate Headquarters" are not presenting an operating segment according to IFRS 8.5.

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
1.1.2025 – 31.12.2025							
Revenue (ext)	213,824	275,729	140,793	630,346	0	0	630,346
Revenue (int)	0	5,423	2,772	8,195	–8,195	0	0
Revenue total	**213,824**	**281,152**	**143,565**	**638,541**	**–8,195**	**0**	**630,346**
Licensing Costs	–31,612	–28,005	–12,931	–72,547	3,153	0	–69,394
EBITDA	**52,538**	**25,701**	**5,294**	**83,532**	**–30,781**	**–4,446**	**48,305**
Contribution margin	**38.2%**	**30.9%**	**30.0%**	**33.2%**			**37.0%**
1.1.2024 – 31.12.2024							
Revenue (ext)	184,274	210,351	85,922	480,547	0	0	480,547
Revenue (int)	0	2,174	1,371	3,545	–3,545	0	0
Revenue total	**184,274**	**212,525**	**87,293**	**484,092**	**–3,545**	**0**	**480,547**
Licensing Costs	–27,643	–23,389	–9,042	–60,074	5,206	0	–54,869
EBITDA	**42,558**	**5,343**	**2,226**	**50,127**	**–10,094**	**–6,573**	**33,461**
Contribution margin	**38.3%**	**30.0%**	**29.6%**	**33.1%**			**34.5%**

The "Reconciliation" column includes IFRS adjustments because the segment results are based on the respective local GAAP. In addition, special items are recognized here where management believes adjustments should be made due to their extraordinary and non-operational nature and which are therefore not allocated to any operating segment.

In 2024, the "Reconciliation" column for "Other items" contains a total of kEUR 11,535. Of this, kEUR 9,514 is attributable to a credit note issued by the Corporate Headquarters of tonies GmbH to tonies US, Inc. (NA segment) and tonies UK Ltd. (Segment RoW) on the basis of excessive fees charged in previous periods. Since this is a special item of a one-time nature, management has decided to disclose it in the "Reconciliation" column. An additional amount of kEUR 2,021 results from the different treatment of the placement of treasury shares under IFRS. In 2025 the "Other items" mainly include the IFRS adoption for the treatment of treasury shares.

The following table provides a further breakdown of the “Reconciliation” column:

in kEUR	2025	2024
IFRS 2 (share based payments)	– 2,083	6,847
IFRS 16 (Leasing)	1,212	– 1,885
Income/expenses related to prior periods	– 397	0
Other items	– 3,179	– 11,535
Total	**– 4,446**	**– 6,573**

6.1. Geographic information

The geographic information analyses the Group’s revenue with external customers and non-current 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.

Revenue breakdown by country in kEUR	2025	2024
Germany	198,482	172,279
United States (US)	289,613	209,291
United Kingdom (UK)	71,913	53,706
France	49,648	25,248
All other foreign countries	20,690	20,024
Total	**630,346**	**480,547**

The following table shows the Group’s non-current assets without reallocated goodwill broken down to segments. In presenting the geographic information, segment assets were based on the location of the assets. Allocated goodwill is not included in that overview.

Non-current asset breakdown by country in kEUR	31.12.2025	31.12.2024
Germany	274,239	275,788
United States (US)	3,793	11,147
United Kingdom (UK)	95	132
France	3,736	330
Australia	270	1
Total	**282,133**	**287,398**

For the Group’s revenue by product type and primary geographical markets please refer to note 20.

6.2. Major customer

Gross revenue from one customer of the Group represented approximately kEUR 89,574 (14 %) (2024: Gross revenue from one customer kEUR 72,139; 15 %) of the Group’s total Gross revenue. The customer belongs to the operating segment NA.

7. Property, plant and equipment and right-of-use

Property, plant and equipment (including right of use) can be broken down to the following items:

in kEUR	Right-of-use-asset	Land and building	Technical equipment and machinery	Tools	Other operating and office equipment	Assets under construction	Total
Cost							
Balance as of 1.1.2025	**7,211**	**1,420**	**3,327**	**7,441**	**5,648**	**387**	**25,434**
Additions	2,064	24	1,960	1,320	2,589	361	8,318
Reclassifications	0	0	57	0	215	– 272	0
Disposals	– 358	– 12	– 720	– 1,461	– 1,803	0	– 4,354
FX translation	0	– 8	0	0	– 152	0	– 160
Other	0	0	– 1	0	0	0	– 1
Balance as of 31.12.2025	**8,917**	**1,424**	**4,623**	**7,300**	**6,497**	**476**	**29,237**
Depreciation							
Balance as of 1.1.2025	**2,885**	**732**	**2,886**	**5,481**	**3,397**	**0**	**15,381**
Additions	963	251	332	1,303	2,277	0	5,126
Reclassifications	0	0	0	0	0	0	0
Disposals	0	– 12	– 327	– 1,460	– 1,763	0	– 3,562
FX translation	0	– 7	0	0	– 76	0	– 83
Balance as of 31.12.2025	**3,848**	**964**	**2,891**	**5,324**	**3,835**	**0**	**16,862**
Carrying amount as of 31.12.2025	**5,069**	**460**	**1,732**	**1,976**	**2,662**	**476**	**12,375**

in kEUR	Right-of-use-asset	Land and building	Technical equipment and machinery	Tools	Other operating and office equipment	Assets under construction	Total
Cost							
Balance as of 1.1.2024	**7,370**	**1,092**	**3,777**	**6,458**	**4,508**	**70**	**23,275**
Additions	384	91	173	1,018	1,529	373	3,568
Reclassifications	0	154	– 154	28	0	– 28	0
Disposals	– 543	0	0	– 63	– 81	0	– 687
FX translation	0	7	0	0	82	0	89
Other	0	76	– 469	0	– 390	– 28	– 811
Balance as of 31.12.2024	**7,211**	**1,420**	**3,327**	**7,441**	**5,648**	**387**	**25,434**
Depreciation							
Balance as of 1.1.2024	**2,014**	**349**	**2,213**	**3,945**	**2,750**	**28**	**11,299**
Additions	871	248	982	1,599	1,189	0	4,889
Reclassifications	0	133	– 66	0	– 67	0	0
Disposals	0	0	0	– 63	– 73	0	– 136
FX translation	0	9	0	0	25	0	34
Other	0	– 6	– 243	0	– 427	– 28	– 704
Balance as of 31.12.2024	**2,885**	**732**	**2,886**	**5,481**	**3,397**	**0**	**15,382**
Carrying amount as of 31.12.2024	**4,326**	**684**	**441**	**1,960**	**2,254**	**387**	**10,052**

8. Intangible assets and goodwill

8.1. Reconciliation of carrying amount and amortization

Intangible assets can be broken down to the following items as follows:

in kEUR	Brand	Tech-nology	Customer relation-ship	Order backlog	Acquired patents, licenses and similar rights values	Self-developed assets	Self-developed assets in development	Intangible assets in development	Total
Cost									
Balance as of 1.1.2025	**34,738**	**90,688**	**4,819**	**669**	**37,491**	**155**	**1,861**	**7,103**	**177,524**
Additions	0	0	0	0	9,908	0	2,769	0	12,677
Reclassifications	0	0	0	0	– 3,888	12,815	– 2,510	– 6,417	0
Disposals	0	0	0	0	– 1,561	0	0	– 253	– 1,814
FX	0	0	0	0	– 46	0	0	0	– 46
Other	0	0	0	0	0	0	– 753	0	– 753
Balance as of 31.12.2025	**34,738**	**90,688**	**4,819**	**669**	**41,904**	**12,970**	**1,367**	**433**	**187,588**
Amortization									
Balance as of 1.1.2025	**12,159**	**31,741**	**2,303**	**669**	**26,743**	**39**	**0**	**0**	**73,654**
Amortization	2,316	6,046	440	0	6,394	141	0	0	15,337
Reclassification	0	0	0	0	– 379	379	0	0	0
Disposals	0	0	0	0	– 855	0	0	0	– 855
FX	0	0	0	0	– 36	0	0	0	– 36
Balance as of 31.12.2025	**14,475**	**37,787**	**2,743**	**669**	**31,867**	**559**	**0**	**0**	**88,100**
Carrying amount as of 31.12.2025	**20,263**	**52,901**	**2,076**	**0**	**10,037**	**12,411**	**1,367**	**433**	**99,488**

in kEUR	Brand	Tech-nology	Customer relation-ship	Order backlog	Acquired patents, licenses and similar rights values	Self-created assets	Self-created assets in development	Intangible assets in development	Total
Cost									
Balance as of 1.1.2024	**34,738**	**90,688**	**4,819**	**669**	**30,753**	**0**	**1,416**	**3,260**	**166,343**
Additions	0	0	0	0	6,695		1,594	4,316	12,605
Reclassifications	0	0	0	0	711	155	– 155	– 711	0
Disposals	0	0	0	0	– 20	**0**	0	0	– 20
FX	0	0	0	0	24	0	0	0	24
Other	0	0	0	0	– 672	0	– 994	238	– 1,428
Balance as of 31.12.2024	**34,738**	**90,688**	**4,819**	**669**	**37,491**	**155**	**1,861**	**7,103**	**177,524**
Amortization									
Balance as of 1.1.2024	**9,843**	**25,695**	**1,865**	**669**	**19,703**	**0**	**0**	**0**	**57,775**
Amortization	2,316	6,046	438	0	7,030	39	0	0	15,869
Reclassification	0	0	0	0	0	**0**	0	0	0
Disposals	0	0	0	0	– 2	0	0	0	– 2
FX	0	0	0	0	12	0	0	0	12
Balance as of 31.12.2024	**12,159**	**31,741**	**2,303**	**669**	**26,743**	**39**	**0**	**0**	**73,654**
Carrying amount as of 31.12.2024	**22,579**	**58,947**	**2,516**	**0**	**10,748**	**116**	**1,861**	**7,103**	**103,870**

The brand and the capitalised purchased technology bundle (different core technologies) represent the majority of the intangible assets as well as the total assets. Both assets have an expected useful life of 15 years and are amortised on a straightline basis.

tonies fulfills the requirements of IAS 38 for the capitalization of selfdeveloped assets. Capitalization includes hours spent on dedicated projects considering relevant remuneration and applicable surpluses. Capitalization incudes hours spent on dedicated projects considering relevant remuneration and applicable surpluses, amounting to kEUR 1,115 in 2025 (2024: 1,594).

The additions in 2025 mainly relate to product developments.

Furthermore, research and development expenditure in total of kEUR 2,718 (2024: kEUR 1,920) was recognized in profit and loss. This comprises mainly market research and expenses for the development of self developed assets, which did not meet the requirements of IAS 38.

In 2025, tonies received government grants amounting to kEUR 789 related to two development projects. The subsidies are unconditional and deducted from the capitalized cost with kEUR 753. The grants are amortized over the useful life of the related assets and recognized in the income statement as reduced amortization. An additional amount of kEUR 36 has been directly recognized as income as this amount was not directly allocated to the relevant assets.

As the government grants are awarded for additions accounted for in prior years, the reduction is included in “Other”.

Customer relationship assets generating future revenues are divided between the B2B and the B2C business with a useful life of 15 years and 10, 25 years respectively.

8.2. Goodwill and impairment test

Since 2023, tonies changed its operational management and reporting structure and identified three separate CGUs that correspond to the reported segments. As a result, the carrying amount of goodwill was allocated to the operating segments on the basis of relative fair values. These CGU’s have not changed in 2025.

The following table shows the allocation and development of goodwill, which arose exclusively in the euro zone, to the CGUs:

in kEUR	DACH	NA	RoW	Total
Carrying Amounts				
Carrying amount as of 1.1.2024	**23,594**	**132,536**	**6,106**	**162,236**
Additions/disposals recognised from business combinations	0	0	0	0
Carrying amount as of 31.12.2024	**23,594**	**132,536**	**6,106**	**162,236**
Reallocation	0	0	0	0
Additions/disposals	0	0	0	0
Carrying amount as of 31.12.2025	**23,594**	**132,536**	**6,106**	**162,236**

All CGUs were tested for impairment. The test did not reveal any need for impairment. There were no other triggering events in the reporting period.

No impairment was recognized in the reporting periods. Goodwill is tested for impairment annually and on an ad hoc basis if there are triggering events.

For the impairment test, the recoverable amounts of the CGUs are compared with their carrying amounts (including goodwill). The recoverable amounts of the CGUs are determined by calculating the value in use using the discounted cash flow method. This was based on the management's consolidated mid term planning for the years 2026 to 2030, from which the aftertax cash flows were used. For the years thereafter, assumptions were made to arrive at a terminal revenue growth rate of between 0.5% and 2.0%. The latter growth rate is used for the RoW segment, as this reflects the future international expansion of tonies.

The planning assumptions are based on stable development after a period of five years in the markets already developed. EBITDA is therefore also planned to remain stable in these markets, while slightly rising EBITDA margins are assumed for the growth-segment RoW for year 6 and 7 before also turning to the terminal growth rate.

Impairment-test input variables in 2025 in % for the detail planning period	**DACH**	**NA**	**RoW**
Discount rate	8.58%	9.39%	9.24%
Terminal value growth rate	0.50%	1.00%	2.00%
Revenue growth rate	7.10%	22.92%	25.38%
EBIT growth rate	11.37%	64.49%	89.49%

Impairment-test input variables in 2024 in % for the detail planning period	**DACH**	**NA**	**RoW**
Discount rate	9.75%	9.90%	10.00%
Terminal value growth rate	0.50%	1.00%	2.00%
Revenue growth rate	2.78%	31.34%	22.67%
EBIT growth rate	8.59%	138.31%	319.68%

The discount rates are posttax figure estimated on the basis of the historical average weighted cost of capital for the industry.

The sensitivity analysis performed on the key assumptions including revenue, EBITDA and discount allowed us to conclude that no reasonable change in the model would lead to an impairment of the goodwill.

9. Leases

tonies leases several office properties, the major ones are in Düsseldorf, in Schwäbisch Gmünd, in London/UK and in Paris/France, as well as several vehicles. The lease maturity runs up to ten years depending on the individual lease terms.

tonies does not have the option to purchase the assets at the end of the contract term. For the movements in right of use assets refer to the table below.

Some property leases contain an extension option exercisable by tonies before the end of the non-cancellable contract period. The extension option is considered in the lease liabilities as far as reasonably certain. Where practicable, tonies seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by entities of tonies and not by the lessors. Tonies assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. Tonies reassesses whether it is reasonably certain to exercise the options if there is a significant event or there are significant changes in circumstance within its control.

The Group has entered into new contracts for office spaces and vehicles during 2025 in the normal course of business. These relate to renewal of vehicle leases and to adjust office spaces to the company growth in France and Australia.

Moreover, tonies leases further office properties and vehicles with contract terms of up to one year or unlimited contracts with option to terminate in due time. As these leases are of short-term nature, tonies has elected not to recognise the right-of-use assets and lease liabilities for these leases.

Information about leases for which tonies is a lessee is presented below:

Leases in kEUR	Land and buildings	Vehicles	Total
Right-of-use assets			
2025			
Balance as of 1.1.2025	4,086	240	4,326
Depreciation charge for the year	– 719	– 236	– 955
Additions to right-of-use assets	1,882	172	2,054
Disposals of right-of-use assets	– 356	0	– 356
Balance as of 31.12.2025	**4,893**	**176**	**5,069**
2024			
Balance as of 1.1.2024	5,279	77	5,356
Depreciation charge for the year	– 756	– 115	– 871
Additions to right-of-use assets	106	278	384
Disposals of right-of-use assets	– 543	0	– 543
Balance as of 31.12.2024	**4,086**	**240**	**4,326**

When measuring lease liabilities, tonies discounted lease payments using a risk-free rate plus a credit spread individual for each contract. For the calculation of the risk-free rates, the spot rate for a European AAA bond is selected for each lease. The selected term of the spot rate is corresponding to the half of the term of the lease contract. This is due to the fact that the AAA rated bonds are bullet payments with full amortisation and the rental payments are monthly payments. The use of half the term instead of the entire term of the lease thus serves as a maturity adjustment.

To determine the credit risk premium, the credit spreads of each loan of tonies were first determined. As at 31 December 2025 the total lease liability amounts to kEUR 5,370 (2024: kEUR 4,643).

To calculate the credit spreads, the spot rates (risk-free rates) as at 31 December 2025 are used. The selected term of the spot rate is corresponding to the half of the term of the loan contract. Next the spot rate was subtracted from the borrowing rate of the loan agreement to obtain the respective credit spreads. Subsequently, the spreads were weighted on the basis of the loan volumes. Finally, the discount rate for each lease liability was the risk-free rate plus the credit spread as at 31 December 2025 based on the current syndicated loan agreement.

Leases in kEUR	2025	2024
Amounts recognised in profit or loss		
1. Interest on lease liabilities	240	248
2. Expenses relating to short-term leases	555	1,046
Amounts recognised in the statement of cash flows		
Total cash outflow of leases	1,153	1,046

10. Inventories

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

Inventories in kEUR	31.12.2025	31.12.2024
1. Finished goods	150,064	83,126
2. Raw materials	1,578	4,171
3. Work in progress	195	1,786
Total	**151,837**	**89,083**

The obsolescence valuation of inventory to net realizable value recognised in expenses amounted to kEUR –9,768 in 2025 (2024: kEUR –4,663). The carrying amount of inventories carried at fair value less cost to sell amounts to kEUR 18,507 (2024: kEUR 9,430).

As of 31 December 2025, inventories of tonies GmbH in the amount of kEUR 28,463 are assigned as collateral for liabilities to banks. The security comprises the assignment of ownership of the warehouse with changing stock of finished goods.

11. Trade receivables and other assets

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

Trade receivables in kEUR	31.12.2025	31.12.2024
Financial assets		
Trade receivables	100,463	76,942
Total	**100,463**	**76,942**

Other assets in kEUR	31.12.2025	31.12.2024
Other financial assets		
Receivables from employees	92	19
Receivables from marketplaces	5,361	8,022
Deposits	255	187
Other receivables financial	1,837	2,878
Sum of other financial assets	**7,545**	**11,106**
Other non-financial assets		
Receivables resulting from input taxes and VAT	0	2
Deferred expenses and accrued income	5,511	5,477
Prepayments	253	0
Sum of other non-financial assets	**5,764**	**5,479**
Total	**13,309**	**16,585**

For details on the expected credit losses, we refer to note 19.2.1.

The Group participates for the major subsidiaries tonies GmbH and tonies US Inc. in factoring programs under which it receives early payment of its invoices from a bank by factoring its receivables from B2B customers. Under the arrangements, a bank agrees to pay amounts outstanding from a qualifying customer in respect of invoices owed to the Group and receives settlement from the customer at a later date. The principal purpose of this program is to facilitate efficient payment processing and improve the Group's liquidity by enabling payments from customers before their due date.

As of the reporting date, the carrying amount of trade receivables subject to factoring arrangements amounted to kEUR 53,618. The Group derecognizes the original outstanding receivables from its customers in accordance with IFRS 9.

The payments from the banks for these receivables are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i. e. payments for the sale of goods.

As of 31 December 2025, non-factored trade receivables of tonies GmbH amounting to kEUR 5,885 (2024: kEUR 9,057) are assigned as collateral for liabilities to banks. The security comprises the global assignment of all trade receivables insofar as these have not already been purchased under existing factoring programmes.

12. Cash

Cash comprises cash and cash at the bank. As of 31 December 2025, tonies had cash with a carrying amount of kEUR 87,849 (2024: 87,410 kEUR). As the amount of cash is below EUR 500 no amount is presented.

Cash in kEUR	**31.12.2025**	**31.12.2024**
1. Cash	0	0
2. Cash at bank	87,849	87,410
thereof restricted	143	741
Total	**87,849**	**87,410**

For details on the expected credit losses, we refer to note 19.2.1.

Restricted cash is related to the deposits of payment providers with banking licences.

13. Equity

The changes in the various components of equity from 1 January 2024 through 31 December 2025 are shown in tonies' consolidated statement of changes in equity.

13.1. Share capital

The accounting acquirer of tonies SE, tonies Holding GmbH has 100,000 subscribed shares in 2021 with a par value of each share of EUR 1.

As described in Note 3.1.2, the share capital of the accounting acquirer is carried forward and then adjusted to reflect the par value of the outstanding share capital of the legal acquirer tonies SE. These adjustments are described below.

tonies' initial share capital of kEUR 120 remained the same from its formation until 31 March 2021, consisting of 12,000,000 sponsor shares, issued for EUR 0.01 each. Subsequently, on 15 April 2021, the Company's extraordinary general shareholders' meeting resolved on the conversion of the existing 12,000,000 sponsor shares into 7,500,000 sponsor shares at a par value of EUR 0.016.

The Company's share capital was raised from the initial share capital of kEUR 120 to kEUR 600 in connection with a private placement and listing of 30,000,000 shares by a resolution of the Management Board dated 29 April 2021. The respective shares were issued at a share price of EUR 10.00 each.

Prior to the acquisition of tonies Holding GmbH, the Company had issued 30,000,000 public shares and 7,500,000 sponsor shares at a par value of EUR 0.016 per share. Thus, tonies' share capital amounted to kEUR 600 and was divided into:

1) 30,000,000 redeemable class A shares, each with a par value of EUR 0.016 per share, and
2) 7,500,000 class B shares, each with a par value of EUR 0.016 per share.

In connection with the acquisition of tonies Holding GmbH, the Company redeemed/issued with a par value of EUR 0.016:

1) 5,885 public shares were redeemed by tonies' shareholders and directly issued as part of the new public shares to tonies Holding GmbH's and tonies Beteiligungs GmbH's legacy shareholders. The redemption resulted in a decrease of tonies' share capital of EUR 94.

2) 50,431,586 new public shares as consideration for the acquisition of all shares held by Höllenhunde GmbH in tonies Beteiligungs GmbH and the acquisition of all shares in tonies Holding GmbH from the shareholders of tonies Holding GmbH. This acquisition was made from a capital increase in the amount of kEUR 807 against a contribution in kind, resolved on by the Company's Management Board on 24 November 2021 and approved by the Company's Supervisory Board on the same day. The respective shares were issued at a share price of EUR 10.00 each. For the consideration shares, more than 10% of the respective share capital has been paid for with assets other than cash.

3) 10,500,000 new public shares under the subscription agreements in connection with the business combination entered into by the Company with investors in a private investment in public equity (PIPE) transaction against payment of EUR 10.00 per share, resolved on by the Management Board on 24 November 2021, and approved by the Supervisory Board on the same day. The Company's share capital was increased by kEUR 168 in conjunction with the issuance of the PIPE shares.

4) 16,400,000 new public shares to the Company's subsidiary, tonies I Issuance GmbH & Co. KG, to be used to grant public shares in case of the exercise of any of the 10,000,000 public warrants and 6,400,000 sponsor warrants. The Company's share capital was raised by kEUR 262 in conjunction with the issuance of the warrant shares by a resolution of the Management Board dated 24 November 2021, with the consent of the Supervisory Board of the same day.
   a) The 10,000,000 issued class A warrants ("public warrants") are traded on the open market of the Frankfurt Stock Exchange. The public warrants were originally issued together with the public shares, with one third public warrant and one public share as one unit to institutional investors in a private placement with EUR 10.00 per unit and total proceeds of kEUR 300,000. The public warrants and public shares are separately traded on the Frankfurt Stock Exchange since 30 April 2021.
   b) tonies has issued 6,400,000 class B warrants ("sponsor warrants") to its sponsors and other private shareholders before the IPO with EUR 1.50 per warrant. Each tonies warrant entitles the holder to exercise one tonies warrant for one public share with an exercise price of EUR 11.50.

5) 16,000 new public shares to the Chairperson of the Supervisory Board Anna Dimitrova at EUR 11.74 each. The Company's share capital was raised by EUR 256 in conjunction with the issuance of these shares.

In the course of the capital reorganization, the historical share capital of tonies Holding GmbH, amounting to kEUR 100, is consolidated with the equity interests in tonies Holding GmbH.

Hence, the share capital of the Company under its Articles of Association amounted to kEUR 1,837 and 114,841,701 shares are outstanding including:

- 107,341,701 public shares; and
- 7,500,000 sponsor shares.

In December 2021, tonies reacquired the 16,400,000 warrant shares (10,000,000 public warrants and 6,400,000 sponsor warrants) from its subsidiary at par value of EUR 0.016, reducing its share capital to kEUR 1,575 and presenting these shares as treasury shares within share capital.

For any matter submitted to a vote of the shareholders, except as required by Luxembourg law, holders of public shares and holders of sponsor shares will vote together as a single class, with each share entitling the holder to one vote. All public shares carry full dividend rights from the date of their issuance.

Through the issuance of 77,347,586 new public shares in connection with the closing of the business combination, the dividend rights and voting rights of each existing holder of public shares were diluted by approximately 72%.

During a capital increase in November 2022 tonies has successfully placed 12,000,000 new class A shares of the Company with institutional investors, including certain existing shareholders of the Company who had committed to participate in the placement, at a placement price of EUR 5.00 per class A share.

As a result, the Company's share capital increased by 10.4%, from EUR 1,837,561.38 to EUR 2,029,561.38, through the partial utilization of its authorized capital (the "Capital Increase"). Shareholders' preferential subscription rights were excluded in accordance with the articles of association of the Company. The new class A shares will have full dividend rights for the financial year 2022. The Company has received gross proceeds from the capital increase of kEUR 60,000.

No changes in share capital occurred in 2024 and 2025.

13.2. Share premium

On 31 December 2021 the share premium amounted to kEUR 548,791. Included within the share premium is an effect of kEUR 348,685 resulting from the capital reorganization as well as kEUR 2,155 resulting from equity-settled share-based payment arrangements. The detailed individual effects are presented in the following.

The accounting acquirer tonies Holding GmbH has a share premium of kEUR 368,610 in 2021, including a capital contribution of kEUR 170,658 from tonies SE and the repayment of a shareholder loan by dissolution of capital reserves in the amount of kEUR 5,249.

The share premium of the accounting acquirer is carried forward and adjusted for the share premium of the legal acquirer. These adjustments are described in the following.

On 15 April 2021, the sponsors contributed an amount of kEUR 1,080 to the equity of tonies without issuance of shares. The initial private placement of tonies of 30,000,000 shares, completed on 29 April 2021, resulted in an increase in share premium in the amount of kEUR 299,420.

In connection with the acquisition of tonies Holding GmbH, the issue of new public shares resulted in the following contributions to the share premium:

1) 5,885 public shares were redeemed by tonies' shareholders and directly issued as part of the new public shares to tonies Holding GmbH's and tonies Beteiligungs GmbH's legacy shareholders. The redemption resulted in a decrease of tonies' share premium of kEUR 59.

2) an increase in share premium of kEUR 503,509 for the acquisition of all shares held by Höllenhunde GmbH in tonies Beteiligungs GmbH and the acquisition of all shares in tonies Holding GmbH.

3) an increase in share premium of kEUR 104,832 for new public shares under the subscription agreements in connection with the business combination entered into by the Company with investors in a private investment in public equity (PIPE) transaction.

4) kEUR 188 for the issue of new public shares to Anna Dimitrova.

The acquisition of tonies Holding GmbH in November 2021 is accounted for as a capital reorganization in accordance with IFRS 2. Therefore, an expense was recognized, as a listing fee, for the difference of the fair value of the shares deemed to have been issued by the tonies Holding GmbH, the accounting acquirer, and the fair value of the identifiable net assets of tonies', the accounting acquiree. The fair value of the shares deemed to have been issued was calculated based on tonies' share price on 26 November 2021 of EUR 11.70. The recognition of a listing fee expense resulted in an increase of tonies' share premium amounting to kEUR 209,248. The Pro Forma financials in tonies' prospectus included an estimation of kEUR 122,634 as listing fee. The difference results mainly from the fair value of the shares deemed to have been issued being calculated based on tonies' share price on 11 November 2021 of EUR 10.57 as well as the effect of the adjustment of warrants to fair value.

tonies' accumulated loss for the period 29 March 2021 until 26 November 2021, which is the period before the acquisition of tonies Holding GmbH, was reclassified to share premium, resulting in a decrease of share premium in the amount of kEUR 71,667. The Pro Forma financials in tonies' prospectus included an estimation of kEUR 22,917 as accumulated loss for the period before the acquisition, including incurred losses of kEUR 11,421 and estimated transaction costs of kEUR 11,496. The difference results mainly from additional expenses from the valuation of the warrant shares.

Due to the nature of the capital reorganization, the equity interests in tonies Holding GmbH and tonies Beteiligungs GmbH, amounting to kEUR 889,817, were consolidated with share premium.

As tonies SE purchased the NCI in tonies Beteiligungs GmbH, amounting to kEUR 21,293, in the course of the acquisition in November 2021, these NCI were consolidated with share premium.

From the capital increase 2022 mentioned above the share premium increased by kEUR 58,374 to kEUR 607,166. During 2024 an amount of kEUR 2,155 has been reallocated from share premium to share-based remuneration reserve from an equity settled program in 2021 for a more transparent presentation within equity.

Through the placement of treasury shares, tonies SE increased its share premium by kEUR 3,205 (2024: kEUR 2,021). The share premium amounts to kEUR 610,237 as of 31 December 2025.

13.3. Other reserves

Other reserves include the following:

1) Translation reserves for exchange differences in translation to presentation currency amounting to kEUR 785 in 2025 (2024: kEUR 3,265). For more information on currency exchange refer to note 3.2. Furthermore, in 2025 kEUR 8,408 are attributable to exchange differences arising on monetary items that are part of a tonies' net investment in foreign operations (2024: kEUR 3,546).

2) Transaction cost reserve amounting to kEUR – 1,871 from the capitalization of transaction costs at tonies Holding GmbH (kEUR – 203) and tonies SE (kEUR – 1,668) during the 2021 capital reorganization. As a result of the issuance of new public shares (10,500,000 to PIPE investors and 16,000 to the Chairperson of the Supervisory Board), tonies incurred costs in the amount of kEUR 22,457. According to IAS 32, these costs were evaluated with regard to their deductibility from equity (so called incremental costs). As a result, kEUR 2,518 of these costs were recognised as a reduction in equity within the transaction cost reserve (tonies Holding GmbH: kEUR 295, tonies SE: kEUR 2,223). The corresponding deferred tax effect of kEUR 647 was also recognized in the transaction cost reserve (tonies Holding GmbH: kEUR 92, tonies SE: kEUR 554).

3) A stock option program granted in November 2021 has been classified as an equity-settled share-based payment plan in accordance with IFRS 2 and expired in 2023. Another stock option program was granted in January 2024. In 2025 kEUR 3,295 (2024: kEUR 1,788) have been vested. For further information, please refer to note 22.

14. Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

Within the scope of capital management, the company's business objective, in addition to ensuring the going concern of the Company, is to increase the value of the company in the long term.

The Group's equity ratio decreased from 62.0 % to 56.0 %. The equity itself increased compared to prior year, but so did the total balance sheet.

As at year end, the Group had unused credit facilities in the amount of kEUR 77,467 (2024: kEUR 22,421) out of a total line of credit of kEUR 100,000 (2024: kEUR 30,000). The Group was able to meet its financial obligations at all times during the reporting year and thereafter. Group management is in constant discussion with its banks to ensure stable credit lines also in future to always maintain sufficient liquidity. For further information on waivers during the reporting period, refer to note 15.

15. Loans and borrowings

Loans and borrowings can be broken down as follows:

Loans and borrowings in kEUR	31.12.2025	31.12.2024
Non-current liabilities		
Non-current portion of the bond	8,747	8,046
Non-current portion of secured bank loans	0	7,500
Current liabilities		
Current portion of secured bank loans	22,533	79
Other	172	94
Total	**31,452**	**15,719**

On 28 June 2022, tonies SE as Issuer entered into a Subscription Agreement relating to the tonies SE up to kEUR 30,000 Convertible Bonds due 2027, convertible into class A shares in dematerialised form of tonies SE. The bond is split into three tranches of kEUR 10,000 each. The closing date for the mandatory issue size of kEUR 10,000 is the 1 July 2022 and the additional two upsize options of kEUR 10,000 each can be drawn starting from 1 July 2022 but not later than 15 December 2022. None of the additional upsize options were drawn before 15 December 2022 and therefore are not available any more.

During the initial recognition the total cash received was split into an equity (kEUR 3,276) and a liability component (kEUR 6,724) as of 1 July 2022. Valuation of the components have been performed in accordance with binomial lattice model. As at 31 December 2025 the liability component amounts to kEUR 8,747 at amortized costs. The bond liability involves a nominal interest of 5% p.a.

On 25 September 2023, the existing individual bank loans of kEUR 26,000 were replaced by a syndicated loan. This new loan, signed with four financial institutions, had a total volume of kEUR 30,000, included an option for an additional kEUR 10,000, and is set to mature on 25 September 2026.

An amendment to the syndicated loan agreement was executed on 28 March 2025. This amendment significantly increased the available loan facilities from kEUR 30,000 to kEUR 60,000, and an additional temporary increase of the available loan facilities by kEUR 25,000 until 31 December 2025 as well as an further increase option of up to kEUR 50,000 until the maturity of the syndicated loan agreement was signed. Furthermore, tonies US, Inc. was added as a guarantor to the contract, and a fifth financial institution joined the syndicated loan agreement.

On 14 August 2025, the Group performed an increase of the available loan facilities under the syndicated loan agreement from kEUR 60,000 to kEUR 75,000 by executing an increase option resulting in a total available syndicated loan facility amount of kEUR 100,000 as of 31 December 2025.

As at 31 December 2025 an amount of kEUR 22,533 (2024: kEUR 7,579) plus accrued interest has been utilized out of a kEUR 100,000 total available amount including temporary increase (2024: kEUR 30,000).

For Information about tonies' exposure to interest rate, foreign currency and liquidity risks please refer to note 19.2.

15.1. Terms and repayment schedule

Loans and borrowings	Original currency	Matures in	Interest type*	Effective interest rate in %	Nominal value kEUR	Carrying amount kEUR
31.12.2025						
Bond	EUR	1.7.2027	fix	14.92	10,000	8,747
Secured bank loans	EUR	25.9.2026	fix/variable	4.09	22,533	22,533
Other loans and borrowings	EUR	n/a	variable	3.92	172	172
Total					**32,705**	**31,452**
31.12.2024						
Bond	EUR	1.7.2027	fix	14.92	10,000	8,046
Secured bank loans	EUR	25.9.2026	fix	7.02	7,579	7,579
Other loans and borrowings	EUR	n/a	fix	7.02	94	94
Total					**17,673**	**15,719**

Regarding the assignment of inventories as collateral for liabilities to banks refer to note 10.

15.2. Loan covenant

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

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

- Minimum EBITDA
- Minimum Equity
- Minimum Current ratio : Minimum coverage of short term liabilities through assets

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 guarantor coverage related to revenue was not reached at 31 December 2023. Therefore, the Group applied for a waiver valid until 31 March 2025, which was signed with the banks on 14 August 2024. With the signature of an amendment to the syndicated loan agreement on 28 March 2025 tonies US, Inc. were included as guarantor in the contract and the guarantor coverage related to the revenue share by borrowers and other guarantors was finally adjusted.

Failure to comply with a financial covenant constitutes a material reason for terminating the loan and alternatively entitled to demand the provision or strengthening of collateral. This might lead to the immediate repayment of the outstanding amount. No further covenant breaches were identified at the time of reporting and we do not currently expect any breaches in the future.

* 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 fixed but are reviewed by the banks on a regular basis. Secured bank loan: Conditions are fixed for a specific tranche for a limited period of time (usually at least two months).

15.3. Reconciliation of movements of liabilities to cash flows arising from financing activities

The following table provides a reconciliation between the opening and closing balances in the consolidated statement of financial position. The changes from financing cash flows loans and borrowings and lease liabilities are presented separately.

Loans and borrowings & Lease liabilities (Reconciliation of movements) in kEUR	Bank loans	Lease liabilities	Total
Balance as of 1.1.2025	**15,719**	**4,643**	**20,362**
Changes from financing cash flows			
Proceeds from loans and borrowings	22,533	0	22,533
Repayment of borrowings	–7,580	0	–7,580
Payments of lease liabilities	0	–1,153	–1,153
Interest paid	–1,357	0	–1,357
Total changes from financing cash flows	**13,596**	**–1,153**	**12,443**
Liability-related			
New lease liabilities	0	2,054	2,054
Interest expense	2,137	240	2,377
Other	0	–414	–414
Total liability-related other changes	**2,137**	**1,880**	**4,017**
Balance as of 31.12.2025	**31,452**	**5,370**	**36,822**

Loans and borrowings & Lease liabilities (Reconciliation of movements) in kEUR	Bank loans	Lease liabilities	Total
Balance as of 1.1.2024	**22,989**	**5,614**	**28,603**
Changes from financing cash flows			
Proceeds from loans and borrowings	0	0	0
Repayment of borrowings	–7,500	0	–7,500
Payments of lease liabilities	0	–1,045	–1,045
Interest paid	–1,523	0	–1,523
Total changes from financing cash flows	**–9,023**	**–1,045**	**–10,068**
Liability-related			
New lease liabilities	0	384	384
Interest expense	1,753	248	2,001
Other	0	–558	–558
Total liability-related other changes	**1,753**	**74**	**1,827**
Balance as of 31.12.2024	**15,719**	**4,643**	**20,362**

16. Trade payables and other liabilities

The trade payables break down as follows:

Trade payables in kEUR	31.12.2025	31.12.2024
1. Trade payables	94,410	60,737
2. Trade accrued expenses	12,640	12,479
3. Return liability	3,524	2,304
Sum of Trade payables	**110,574**	**75,520**

Other liabilities as end of reporting year consist of:

Other liabilities in kEUR	31.12.2025	31.12.2024
Other financial liabilities		
1. Liabilities for licenses	34,382	27,934
2. Accrued expenses	10,524	10,902
3. Payables to employees	2,369	358
4. Derivative financial liabilities	40	148
Sum of other financial liabilities	**47,315**	**39,342**
Other non-financial liabilities		
1. Payroll tax and social security contributions	6,029	3,777
2. Liabilities resulting from input taxes and VAT	10,575	9,009
3. Liabilities from wages and salaries	54	25
4. Other liabilities non-financial	6,579	6,984
Sum of other non-financial liabilities	**23,237**	**19,795**
Total	**70,552**	**59,137**

Accrued expenses mainly consist of advertisement subsidies, personnel expenses and outstanding invoices for individual requirements from license contracts. Other liabilities non-financial relate to a variety of items, the largest of which are withholding taxes and prepayments, as well as provisions for audit and consulting fees.

For information about tonies' exposure to currency and liquidity risks please refer to note 19.2.

In addition there are off-balance sheet bank guarantees in the amount of kEUR 4,119.

17. Warrant liabilities

Derivatives in kEUR	31.12.2025	31.12.2024
Warrants	18,168	10,332
Sum of Warrant liabilities	**18,168**	**10,332**

Regarding the valuation of the warrants we refer to note 19.1.1.

18. Other Provisions

Other provisions in kEUR	Warranties	Licenses	Legal	Other	Total
Balance as of 1.1.2025	**1,760**	**7,497**	**744**	**3,227**	**13,228**
Added	2,069	9,930	970	0	12,968
Utilised	1,760	3,320	400	1,214	6,693
Release	0	919	200	2,001	3,120
Balance as of 31.12.2025	**2,069**	**13,188**	**1,114**	**13**	**16,384**
Date of maturity					
Current	2,069	13,189	1,114	13	16,384
Non-current	0	0	0	0	0
Total other provisions	**2,069**	**13,189**	**1,114**	**13**	**16,384**

Other provisions in kEUR	Warranties	Licenses	Legal	Other	Total
Balance as of 1.1.2024	**1,514**	**9,672**	**1,694**	**5,944**	**18,824**
Added	1,760	6,015	8	0	7,783
Utilised	1,514	3,812	0	2,717	8,043
Release	0	1,319	958	0	2,277
Reclassification	0	3,059	0	0	3,059
Balance as of 31.12.2024	**1,760**	**7,497**	**744**	**3,227**	**13,228**
Date of maturity					
Current	**1,760**	**7,497**	**744**	**3,227**	**13,228**
Non-current	0	0	0	0	0
Total other provisions	**1,760**	**7,497**	**744**	**3,227**	**13,228**

Other provisions for warranties are recognized on the basis of historical warranty data for products or services sold, whereby possible outcomes are weighted with the associated probabilities. There were no major warranty cases outside of the statutory provisions in the reporting period than mentioned in this chapter. Legal provisions have been set up for a number of mostly IP and claims-related instances.

The provisions for licences were recognised to cover the fees for the performance right organizations and collecting societies and similar organizations. The sales figures of the previous business year and the fees expected or contractually agreed were used to determine the license provision. In 2024, part of the provision was reclassified to other liabilities, as there was sufficient certainty regarding the amount and timing of payments.

The other provisions include a provision for retention obligations.

Major uncertainties relate to the actual warranty expenses incurred and related outflow of resources whether in cash or exchange material. The same applies to a specific guarantee claim in the other provisions, which was finally resolved in 2025. 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.

19. Financial instruments and risk management

19.1. Financial instruments

The following table provides the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value. The fair values (MTM) 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 amortised costs	Other financial liabilities	Total	Fair Value
Balance as of 31.12.2025						
1. Trade and other receivables	11	0	113,772	0	113,772	113,772
2. Cash	12	0	87,849	0	87,849	87,849
Financial assets not measured at fair value		**0**	**201,621**	**0**	**201,621**	**201,621**
1. Bond	15	0	0	8,747	8,747	9,534
2. Secured bank loans	15	0	0	22,533	22,533	22,533
3. Other loans and borrowings		0	0	172	172	172
4. Trade and other payables	16	0	0	181,126	181,126	181,126
Financial liabilities not measured at fair value		**0**	**0**	**212,578**	**212,578**	**213,365**
1. Warrants (Level 2)	17	18,168	0	0	18,168	18,168
2. Derivative financial liabilities (Level 2)		40	0	0	40	40
Financial liabilities measured at fair value		**18,208**	**0**	**0**	**18,208**	**18,208**

Financial instruments in kEUR	Note	Mandatorily at FVTPL – others	Financial assets at amortised costs	Other financial liabilities	Total	Fair Value
Balance as of 31.12.2024						
1. Trade and other receivables	11	0	93,527	0	93,527	93,527
2. Cash	12	0	87,410	0	87,410	87,410
Financial assets not measured at fair value		**0**	**180,937**	**0**	**180,937**	**180,937**
1. Bond	15	0	0	8,046	8,046	9,293
2. Secured bank loans	15	0	0	7,594	7,594	7,594
3. Other loans and borrowings		0	0	80	80	80
4. Trade and other payables	16	0	0	134,657	134,657	134,657
Financial liabilities not measured at fair value		**0**	**0**	**150,377**	**150,376**	**151,623**
1. Warrants (Level 2)	17	10,332	0	0	10,332	10,332
2. Derivative financial liabilities (Level 2)		148	0	0	148	148
Financial liabilities measured at fair value		**10,480**	**0**	**0**	**10,480**	**10,480**

In accordance with IFRS 7.29, the Group does not disclose the fair values of financial instruments if the carrying amounts of financial assets or liabilities are a reasonable approximation of the fair values.

The fair value or forward exchange contracts used for economic hedging is determined based on FX rates and yield curves built from observable market parameters – and where applicable – on Black Scholes or local volatility models calibrated to available volatility quotes.

If reclassifications to other levels of the measurement hierarchy are necessary, they are made at the end of the fiscal year in which the event that requires the reclassification occurs. There were no reclassifications for all periods.

Financial liabilities in kEUR	31.12.2025	31.12.2024
1. Derivative financial liabilities	40	148
Sum of financial liabilities	**40**	**148**

19.1.1. Warrant Fair Value

Public warrants

On 29 April 2021, the Company had issued 10,000,000 public warrants (or "Class A warrants") together with the Class A shares (together, as "Unit") for an aggregate price of EUR 10 per Unit, each unit comprising one Class A share and one third of a Public Warrant. The nominal subscription price per Public warrant was EUR 0.01. Hence total proceeds in relation to the issue of the Public warrants amount to EUR 100,000. Public warrants has ISIN code LU2333564099. Each Public warrants entitles its holder to subscribe for one Class A share, with a stated exercise price of EUR 11.50, subject to customary antidilution adjustments. Holders of Public warrants can exercise the warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price.

On the issue date, the fair value of Public warrants was estimated at EUR 9,100,000 (EUR 0.91 per warrant) using Monte Carlo valuation model, resulting in the recognition of a dayone loss of EUR 9,000,000.

The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), riskfree rates of German government bonds and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

As at 31 December 2025, the fair value of Public warrants was estimated at EUR 11,000,000 (EUR 1.10 per warrant) using Monte Carlo Simulation approach (level 3). As at 31 December 2024, the fair value of Public warrants was estimated at EUR 6,300,000 (EUR 0.63 per warrant).

Public warrants may only be exercised for a whole number of Class A shares. Public warrants will become exercisable 30 days after the completion of a Business Combination. Public warrants expire five years from the date of the consummation of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem Public warrants upon at least 30 days' notice at a redemption price of EUR 0.01 per Public 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 Combi nation 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 Public warrants may exercise them after the redemption notice is given.

Sponsor warrants

On 16 April 2021, the Sponsor and CoSponsors have subscribed for an aggregate of 5,500,000 Sponsor warrants at a price of EUR 1.5 per warrant (the "Sponsor Capital At Risk") and the aggregate price of EUR 8,250,000. The Sponsor agreed to set off EUR 45,500 of the shareholder loan against the subscription price of the Sponsor warrants. The proceeds from the Sponsor warrants were used to finance the Company's working capital requirements, Private Placement and listing expenses (except for fixed deferred listing commission which shall be paid from the escrow account), and due diligence cost in connection with the Business Combination.

On the same date, the Sponsor and CoSponsors have additionally subscribed for 900,000 Sponsor warrants (together with the 5,500,000 Sponsor warrants representing the Sponsor Capital At Risk at a price of EUR 1.50 per warrant and for an aggregate price of EUR 1,350,000 (the "Additional Sponsor Subscription"). The proceeds from this Additional Sponsor Subscription is used to cover the negative interest, if any, on the cash that was 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 CoSponsors may:

i) elect to either request repayment of the remaining cash portion under the Additional Sponsor Subscription by redemption of the corresponding number of Sponsor 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 Sponsor warrants subscribed under the Additional Sponsor Subscription.

Sponsor warrants are identical to the Public warrants underlying the Units sold in the Private Placement, except that the Sponsor warrants are not redeemable and may always be exercised on a cashless basis while held by the Sponsor and the CoSponsors or their Permitted Transferees (defined in the prospectus). Sponsor warrants are not part of the Private Placement and are not listed on a stock exchange.

On the issue date, the fair value of Sponsor warrants was estimated at EUR 8,448,000 (EUR 1.32 per warrant) using Black Scholes option pricing model, resulting in the recognition of a dayone gain of EUR 1,152,000.

As at 31 December 2025, the fair value of the 6,400,000 Sponsor warrants was estimated at EUR 7,168,000 (EUR 1.12 per warrant) using BlackScholes option pricing model (level 3). As at 31 December 2024, the fair value of the 6,400,000 Sponsor warrants was estimated at EUR 4,032,000 (EUR 0.63 per warrant).

The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), riskfree rates of German government bonds and volatility of the warrants by reference to Germany TECDAX index.

If reclassifications to other levels of the measurement hierarchy are necessary, they are made at the end of the fiscal year in which the event that requires the reclassification occurs. There were no reclassifications for all periods.

19.2. Financial risk management

tonies' managing directors have overall responsibility for the establishment and oversight of tonies' risk management framework. The managing directors are also responsible for developing and monitoring its risk management policies.

tonies' risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and internal controls and to monitor risks and adherence to limits. tonies, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The company is currently adjusting internal risk management and internal controls processes to be compliant with the requirements of a public company and to adjust it to the group's continuing growth. This involves a detailed documentation of processes, controls implemented and related management testing. Where necessary, processes are adjusted and additionally controls are implemented. This process was completed in 2025 for the German operating entity while the strong growing foreign subsidiaries are still in progress due to constant process changes as a result of the growth. However, management has implemented detective internal controls to be able to ensure complete and accurate financial information.

tonies' main financial liabilities generally include trade payables and loans and borrowings consisting of secured and unsecured bank loans as well as lease liabilities. The primary purpose of these financial liabilities is to finance the Group's operations and provide guarantees to support its operations. Furthermore, the Group has other payables and cash directly related to its business activities. The Group is mainly exposed to liquidity risk as well as low credit and market risk.

19.2.1. Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum credit exposure is represented by the carrying amounts of financial assets deducted by the Company's insurances for specific assets. The Company monitors its risk regularly.

Expected credit loss assessment for counterparties
The Company allocates each exposure to a credit risk based on data that is determined to be predictive of the risk of loss. The maximum credit risk is presented in the following table:

Maximum credit risk of financial assets in kEUR	31.12.2025	31.12.2024
Trade receivables (not factored, not insured)	36,574	18,833
Other financial assets	7,545	8,575
Cash	87,849	87,410

Other financial assets mainly reflect deposits and receivables from payment providers for which the risk of default is low. No material impairment losses for other financial assets were therefore identified for any of the reported periods.

Cash mainly consists of bank balances. The corresponding creditworthiness is also monitored regularly. Due to the good credit rating of the banks, the cash has a very low risk of default. No impairment losses were therefore identified for any of the reported periods.

For trade receivables, the Company applies the socalled "simplified approach" and recognises the expected credit losses over the entire remaining term already upon addition. Under the simplified approach, the Company determines the expected credit losses by category of the trade receivables, taking into account historical default rates on the basis of historical default data from the last financial year and taking into account forwardlooking macroeconomic indicators.

The Company differentiates between receivables from businesses and receivables from individual customers. For the latter, no expected credit losses were recognised. For receivables from businesses the Company has taken out an insurance for multiple customers. Therefore, not all receivables from businesses are taken into account for the maximum credit risk exposure.

A bad debt provision is recognised on an individual basis under the simplified approach if one or more events with an adverse effect on the debtor's credit rating have occurred. These events are, among others, payment delays, an impending insolvency or concessions by the debtor due to payment difficulties. Trade receivables are written off directly when their recoverability is no longer reasonably expected. This is the case, for example, when the debtor is determined to be insolvent.

Expected credit loss on trade receivables relate only to contracts with customers and have developed as follows:

in kEUR	Expected credit loss
Balance as of 1.1.2025	**321**
Net remeasurement	308
Balance as of 31.12.2025	**629**
Balance as of 1.1.2024	**133**
Net remeasurement	188
Balance as of 31.12.2024	**321**

Credit risk	Weighted-average loss rate in %	Gross carrying amount in kEUR	Loss allowance in kEUR	Net carrying amount in kEUR
31.12.2025				
Current (not past due)	0.10%	30,589	60	30,529
1–30 days past due	0.12%	2,906	93	2,813
31–60 days past due	0.21%	1,016	2	1,014
61–90 days past due	0.36%	1,602	179	1,423
More than 90 days past due	0.37%	461	295	166
Total		**36,574**	**629**	**35,945**
31.12.2024				
Current (not past due)	0.07%	16,791	11	16,780
1–30 days past due	0.07%	905	1	904
31–60 days past due	0.10%	478	0	478
61–90 days past due	0.14%	105	0	105
More than 90 days past due	0.27%	554	309	245
Total		**18,833**	**321**	**18,512**

19.2.2. Liquidity Risk

Liquidity risk is the risk that tonies will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

tonies aims to maintain the level of its cash at an amount in excess of expected cash outflows on financial liabilities.

Exposure to liquidity risk
The following table shows the remaining contractual maturities of tonies' financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

Liquidity risk in kEUR	Carrying amount	Total	< 1 years	1–5 years	More than 5 years	Interest rate
31.12.2025						
Convertible bond	8,747	11,000	500	10,500	0	5.00%
Lease liabilities	5,370	5,370	1,020	3,222	1,128	
Loans and borrowings	22,705	22,705	22,705	0	0	4.09%
Trade and other payables	181,126	181,126	181,126	0	0	
Warrants	18,168	18,168	18,168	0	0	
Total	**236,116**	**238,369**	**223,519**	**13,722**	**1,128**	
31.12.2024						
Convertible bond	8,046	11,500	500	11,000	0	5.00%
Lease liabilities	4,643	5,263	858	3,071	1,334	
Loans and borrowings	7,673	7,673	173	7,500	0	7.02%
Trade and other payables	134,657	134,657	134,657	0	0	
Warrants	10,332	10,332	10,332	0	0	
Total	**165,352**	**169,425**	**146,520**	**21,571**	**1,334**	

tonies is exposed to liquidity risks, if the financial covenants for the secured and unsecured bank loans are not met. Besides the convertible at the level of tonies SE tonies has extended the syndicated loan during 2025.

tonies has also implemented a daily cash reporting to ensure a current view over the short term liquidity compared to planned cash outflows.

The interest payments for the secured bank loans in the table above reflects the interest rate at the reporting date. The interest rate may change if the market interest rates change as well as a specific leverage ratio will not be maintained.

19.2.3. Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect tonies' income or the value of its holdings of financial instruments. The financial instruments affected by market risk essentially comprise of financial liabilities.

Interest rate risk

In general, interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. With regard to tonies, certain recognised loans and borrowings have interest rates based on variable parameters.

The following table shows the fixed-interest or non-interest-bearing liabilities and the variable interest-bearing liabilities:

Carrying amounts of financial liabilities bearing interest in kEUR	1.1.2025 – 31.12.2025		1.1.2024 – 31.12.2024	
	Fixed-interest or non-interest-bearing	Variable interest rate	Fixed-interest or non-interest-bearing	Variable interest rate
Loans and borrowings	8,919	0	8,126	0
Secured bank loans	10,000	12,533	0	7,579

The sensitivity to interest rates is as follows for the secured bank loans:

Effects on profit before tax in kEUR	Loans and borrowings (+100 BP)	Loans and borrowings (–100 BP)
31.12.2025	–314	314
31.12.2024	–340	337

Currency risk

tonies is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which loans and borrowings and trade payables are denominated and the respective functional currency of tonies. The functional currency of tonies is Euro. Revenues are partly denominated in USD and GBP, while most of revenue is still generated in EUR with constantly increasing USD revenues from the US entity. Procurement is partly denominated in USD for key suppliers (e.g. for boxes and Tonies) and some IT services utilised.

In the financial year 2025, forward exchange contracts amounting to kUSD 14,690 (2024: kUSD 0) were used by the Group to secure against currency risks from purchases in USD.

The following significant exchange rates have been applied:

	Average rate		Exchange rate as of	
	2025	2024	31.12.2025	31.12.2024
1 EUR/USD	1.1709	1.0824	1.1750	1.0389
1 EUR/GBP	0.8750	0.8466	0.8726	0.8292
1 EUR/AUD	1.7634	1.6529	1.7581	1.6772

The sensitivity to currencies is as follows for the balance sheet items:

Effects on profit before tax	AUD net exposure (+10%)	AUD net exposure (–10%)	USD net exposure (+10%)	USD net exposure (–10%)	GBP net exposure (+10%)	GBP net exposure (–10%)
31.12.2025	–159	160	1,198	–1,198	2,888	–2,888
31.12.2024	0	0	4,650	–4,650	2,896	–2,896

Other market risks
tonies is not significantly exposed to other market risks.

20. Revenue

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

Revenue from contracts with customers in kEUR	2025	2024
DACH	**213,825**	**184,274**
Starterset	41,867	41,219
Tonies	161,475	133,767
Other (e.g. Accessories and mytonies)	10,482	9,288
NA	**275,728**	**210,351**
Starterset	72,084	65,119
Tonies	196,834	139,425
Other (e.g. Accessories and mytonies)	6,810	5,807
RoW	**140,793**	**85,922**
Starterset	47,269	30,826
Tonies	88,842	52,272
Other (e.g. Accessories and mytonies)	4,682	2,823
Total	**630,346**	**480,547**

20.1. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with a customer. tonies recognises revenue when it transfers control over a good to a customer. Relevant return options are considered where applicable and material.

As of 31 December 2025, potential product returns have been estimated based on the experience in the past resulting in a revenue reduction of kEUR 3,524 (2024: kEUR 2,304) and the recognition of a return liability of kEUR 3,524 (2024: kEUR 2,304) (see Note 16). A corresponding right of return asset of kEUR 1,691 (2024: kEUR 1,078) has been set up resulting in a reduction of costs of materials and licensing costs.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Type of product	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under IFRS 15
Startersets, Tonies and Accessories	B2B: Since tonies mainly uses the incoterm DDP, customers obtain control of the product when they receive it. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 – 90 days. B2C: customers obtain control of the product when they receive it. Invoices are directly payable depending on customers choice of payment method.	Revenue is recognised when the customer receives the product. Marketing subsidies and customer bonuses as well as any discounts are deducted from revenue.
mytonies	Invoices are generated and revenue is recognised at the point in time of the download of items from the platform. Invoices are usually payable immediately as credit cards, Paypal or direct transfers are being used.	Revenue is recognised when the download is performed.

20.2. Returns, refunds and similar obligations

Tonies has a general return policy with return period differing between the markets as a result of customer structure, sales channels and legal requirements.

Returns are accounted for under the guidance of IFRS 15.55 and IFRS 15.B20–27. Returns are monitored for the established markets. For other markets this monitoring is currently established but does not yet provide reliable data that can be used in the accounting for returns. Expectation on the reusability of returned products are being considered at a market level that also differs from actual and legal requirements. A liability for returns as well as a return asset are recognized in the financial statements. Revenue and cost of sales are adjusted accordingly (IFRS 15.B21). The liability is being set up in the amount to be returned to the customer including shipping cost. The return asset is calculated for the right to recover products from customers on settling the refund liability. Licensing cost that can be recovered are included in the calculation.

20.3. Warranties

For warranties, the general country specific rights are applicable. In case a customer claims tonies for a defect product, tonies will pay the delivery cost for resending the initial item and provide a new item in exchange at its cost. If the product is in fact defect also cost of quality check (outsourced to an external partner) and proper waste disposal of batteries and electronic parts need to be taken over by tonies.

Therefore, the obligation to deliver a new product in exchange is the main cost driver within warranty; quality check (partly internal personnel cost, partly external providers engaged) and delivery cost including fees charged by our logistics partner for waste disposal are also included in the warranty calculation.

The legal requirements of the warranty and the length of the warranty coverage period are a strong indicator that the warranty does not qualify as a performance obligation under IFRS 15. Warranty rights of customers are included in the initial sales price and cannot be purchased or extended separately. Therefore, tonies warranties are viewed as assurance type warranties and in accordance with IFRS 15.B30 tonies accounts for its warranties in accordance with IAS 37.

21. Cost of materials and licensing costs

Cost of materials and licensing costs can be broken down as follows:

Cost of materials and licensing costs in kEUR	2025	2024
1. Raw materials and consumables used	296,479	202,590
2. Purchased services	3,295	1,296
3. Licensing costs	69,394	54,869
Total	**369,168**	**258,755**

The costs for purchased services mainly consist of quality control services.

The licensing costs comprise expenses for various licenses and concessions. The increase compared to 2024 is mainly related to increased revenues.

The total licensing costs consist of two main categories:

Category 1 are direct licensing costs for licensors for the use of the tonies figurines as well as music, and content licensed from third-party licensors. The licenses are usually paid per unit sold. No rights or licenses are acquired.

Category 2 are direct license costs for collecting societies such as GEMA, ZPÜ, Suisa and others. These collecting societies charge license fees for the reproduction and distribution of music and other content. The licenses are usually paid per unit sold. No rights or licenses are acquired.

Consequently, tonies has not acquired any licenses or rights through the above-mentioned license payments and therefore does not capitalize any license costs. License payments are a significant part of the company's liabilities in connection with the production and sale of tonies and tonieboxes to customers.

22. Share-based payments

22.1. Virtual Stock Programme 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 shares based on a future potential profit 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. These components are treated as time based options.

As of 31 December 2025, the scheme involves 3 (2024: 11) employees of the C and D management level. 1,289 shares vested in 2025 (2024: 36,822 shares).

The fair value has been calculated using the share prices as at year end date 2025 as the share prices are the best estimate for the future payments. The plan resulted in a payout of kEUR 971 in 2025 (2024: kEUR 2,455). Total liability from this plan as at 31 December 2025 is kEUR 496 (31.12.2024: kEUR 1,491).

22.2. Virtual Stock Programme 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 shares. The scheme is entirely cash-settled with an option of equity settlement. During 2024 this programme was extended to employees of tonies GmbH, tonies UK Ltd. and tonies France 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 31 December 2025, the scheme involves 40 management employees (2024: 37 employees). During 2025 a total of 196,804 shares were vested while kEUR 1,144 were exercised. During 2024 a total of 162,526 shares were vested while kEUR 1,195 were exercised.

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.

The fair value has been calculated using the share prices and at the year end date 2025 as the share prices are the best estimate for the future payments. Total liability from this plan as at 31 December 2025 is kEUR 3,666 (2024: kEUR 2,454).

22.3. Equity Stock Option Plan 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 equity settled and the granted share options vest quarterly over 4 years. Two employees have 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. Strike prices are set between EUR 6.00 and EUR 21.50.

As of 31 December 2025, the scheme involves 4.124 million options with different strike prices granted to 12 (2024: 5) top management employees. In 2025 a total of kEUR 3,295 (2024: kEUR 1,788) was recognized as personnel expenses for these employees. Risk free rates between 2.30 and 2.50% and share prices between EUR 5.30 and 7.47 have been considered in the calculation. Volatility rates between 41.37 and 43.15% have been considered each between grant date and initial stock listing in April 2021. The fair values per option are in a range of EUR 0.57 – 3.52 and have been calculated using a Black-Scholes model as of grant date. For the valuation we have assumed an exercise of 7 years to reflect fluctuation and early exercise compared to the maximum term of 10 years. Total fair value is kEUR 5,083 as at 31 December 2025 (2024: kEUR 1,788). No Dividends have been assumed. No exercises have been performed in 2025.

22.4 Summary of share-based payment plans

The compiled schedules for all programs are as follows:

Development of the number of shares/options	Cash settled plans	Equity settled plan
Cumulated granted shares as at 1 January 2024	**1,035,207**	**0**
Vesting	222,693	1,442,794
Forfeiture	– 95,713	0
Exercise	– 641,620	0
Cumulated granted shares as at 31 December 2024	**520,567**	**1,442,794**
Vesting	199,468	1,397,087
Forfeiture	0	0
Exercise	– 321,319	0
Cumulated granted shares as at 31 December 2025	**398,716**	**2,839,881**

In total tonies Group accounted for a personnel expense for the share-based payments of kEUR 5,760 for 2025 (2024: kEUR 2,670).

23. Personnel expenses

Personnel expenses include the following items:

Personnel expenses in kEUR	2025	2024
1. Wages and salaries	55,357	43,562
2. Social security contributions	9,602	7,503
3. Cash-settled share-based payments	2,465	882
4. Equity-settled share-based payments	3,295	1,788
Total	**70,719**	**53,734**

In 2025 additional employees were hired in order to support further growth, therefore have an increasing effect on the personnel expenses.

The total share based payment expenses increased compared to 2024, partly due to share price increases in the second half of 2025 and partly due to renewal of management stock option programmes. For further information on details and the effects from share based payments refer to note 22.

The average number of active employees increased from 523 in 2024 to 604 in 2025.

24. Other income

Other income includes the following:

Other income in kEUR	2025	2024
1. Income related to other periods	0	413
2. FX gains	5,043	10,924
3. Other income	144	3,606
Total	**5,187**	**14,943**

Due to current currency developments in 2025, currency gains have decreased. Main effects related to the USD-EUR FX rate development.

25. Other expenses

Other expenses include the following:

Other expenses in kEUR	2025	2024
1. Logistic and sales dependent costs	93,337	77,687
2. Marketing	56,324	41,451
3. IT costs	16,878	11,787
4. Legal, audit and consulting fees	17,043	7,316
5. Administration costs	9,807	7,372
6. Storage fees	3,505	3,476
7. Variable fees, contributions and insurance	2,209	2,007
8. Nonperiod expenses	0	77
9. Warranties	310	246
10. FX losses	5,330	8,203
11. Miscellaneous other operating expenses	9,060	13,233
Total	**213,803**	**172,855**

Other expenses have increased in 2025 compared to the prior period, mainly driven by the successful international expansion resulting in increased operating expenses such as logistics and sales dependent costs or marketing expenses in relation to the product launch of Toniebox 2 in the second half of 2025. Miscellaneous other expenses cover a wide range of expenses with larger items related to third party workers, rent and bank fees.

Due to current currency developments in 2025, currency losses have decreased.

26. Financial income and finance cost

Financial results are broken down as follows:

in kEUR	2025	2024
Finance income		
1. Remeasurement to fair value of warrant shares	0	0
2. Finance income from forward exchange contracts	0	471
3. Other interest income	347	171
Total	**347**	**642**
Finance cost in kEUR		
1. Interest expense of current accounts	1,869	2,122
2. Interest expense of factoring	1,070	805
3. Interest expense of leasing	241	248
4. Remeasurement of fair value of warrant shares	7,836	4,500
5. Adjustment of convertible bond liability to effective interest rate	701	613
6. Other finance cost	126	7
Total	**11,843**	**8,295**

All finance income and cost results from financial assets and liabilities not measured at FVTPL.

Interest from loans
For information about tonies' exposure to interest rates please refer to note 19.2.3.

27. Income taxes

27.1. Amounts recognised in profit or loss

Income tax in kEUR	2025	2024
Current year tax expense	– 3,877	– 1,463
Current tax prior year from tax loss carry back	0	0
Changes in estimates related to prior years	– 668	– 584
Total current year tax expense	**– 4,545**	**– 2,046**
Deferred tax income	1,313	10,079
Thereof origination and reversal of temporary differences	1,895	0
Thereof tax loss carry forwards	– 582	0
Tax income on continuing operations (expense)	**– 3,233**	**8,033**

IFRIC 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. In this context, the Group assumed that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. Furthermore, the Group considered whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing. As a result, the Group does not see any material impact for the consolidated financial statements.

27.2. Reconciliation of effective tax

The reconciliation of effective tax is as follows:

Reconciliation of effective tax in kEUR	2025	2024
Earnings before tax from continuing operations	16,347	5,050
Expected tax using the company's tax rate (23.87%; PY: 24.94%)	–3,902	–1,259
Current year tax losses for which no deferred tax asset is recognised (tax losses all companies except tonies GmbH)	–3,632	–2,912
Non-recorded DTA of IFRS 2 adjustments	–1,026	1,565
Non-deductible expenses/Trade tax adjustments	–1,545	–692
Tax free income	246	0
Tax rate difference Germany and foreign taxes	–730	–125
Recognition of deferred taxes from previous years (losses and temporary differences)	5,559	12,106
Taxes relating to other periods	–468	–665
Tax rate changes	2,443	0
Other	–178	15
Effective tax income	–3,233	8,033
Profit (loss) for the period	**13,114**	**13,083**

The individual entities' tax rates range from 25% to 31.14%.

In July 2025, a change in tax rate was enacted by the legislation in Germany. The reform provides for a gradual reduction of the corporate tax rate from current 15% to 10% beginning in 2028. The effects of the tax rate change have been reflected in the remeasurement of deferred tax assets and liabilities. The adjustment of the applicable tax rate resulted in a deferred tax income of kEUR 2,443 which has been recognized in the period's profit or loss.

27.3. Movement in deferred tax balances

Deferred tax assets and liabilities in kEUR	31.12.2025	Recognised in profit or loss	Recognised directly in equity	1.1.2025
1. Trade receivables	–45	285	0	–330
2. Inventories	1,753	765	0	988
3. Leasing	113	26	0	87
4. Loss contracts from forwards	0	–46	0	46
5. Tax loss carryforwards / interest carryforwards	6,707	–582	–645	7,934
6. Prepaid expenses	–349	–25	50	–374
7. Intangible Assets	–25,240	1,419	0	–26,659
8. Property, plant and equipment	–44	53	0	–97
9. Reserves and other accruals	3,089	–652	–490	4,231
10. Others	148	70	0	78
Deferred tax assets (prior to netting)	**11,809**	**–420**	**–1,135**	**13,364**
Deferred tax liabilities (prior to netting)	**–25,678**	**1,733**	**50**	**–27,460**
Total (net presentation of DTA)	**8,034**	**–2,121**	**–1,085**	**11,240**
Total (net presentation of DTL)	**–21,902**	**3,434**	**0**	**–25,336**

Deferred tax assets and liabilities in kEUR	31.12.2024	Recognised in profit or loss	Recognised directly in equity	1.1.2024
1. Trade receivables	– 330	– 289	0	– 41
2. Inventories	988	– 407	0	1,395
3. Leasing	87	– 1,104	0	1,191
4. Loss contracts from forwards	46	– 606	0	652
5. Tax loss carryforwards / interest carryforwards	7,934	6,243	82	1,609
6. Prepaid expenses	– 374	– 374	0	0
7. Intangible Assets	– 26,659	2,373	0	– 29,032
8. Property, plant and equipment	– 97	– 97	0	0
9. Reserves and other accruals	4,231	4,231	0	0
10. Others	78	109	0	– 31
Deferred tax assets (prior to netting)	**13,364**	**8,435**	**82**	**4,847**
Deferred tax liabilities (prior to netting)	**– 27,460**	**1,644**	**0**	**– 29,104**
Total (net presentation of DTA)	**11,240**	**11,158**	**82**	**0**
Total (net presentation of DTL)	**– 25,336**	**– 1,079**	**0**	**– 24,257**

The lease payments are deductible upon payment for tax purposes. In accounting for the deferred tax relating to the lease, both the lease asset and liability are considered separately. The net tax effect from leasing comprises deferred tax assets of kEUR 1,586 (31.12.2024: kEUR 1,275) and deferred tax liabilities of kEUR 1,473 (31.12.2024: kEUR 1,188). Deferred taxes on taxable temporary differences and deductible temporary differences are recognised separately. Subsequent changes to taxable and temporary differences are recognized in the calculation of deferred taxes.

Deferred tax assets and deferred tax liabilities may only be netted if they relate to the same tax authority. The deferred taxes in 2025 belong to entities tonies GmbH, tonies UK Limited, tonies US Inc., tonies France SAS and tonies ANZ Pty Ltd. were netted on entity level accordingly. The gross and net effects from deferred tax assets and liabilities are detailed in the table above.

The Group has recognised deferred tax assets on tax loss carryforwards and temporary differences amounting to kEUR 6,393 (31.12.2024: kEUR 0) which relate to subsidiaries in France and UK that have been loss-making for some time. The deferred tax assets have been recognised as they do not expire and may be used to offset taxable profits in future periods. Their recognition is based on an assessment of the probability of the reversal of the underlying temporary differences and the availability of sufficient future taxable income.

27.4. Unrecognised deferred tax assets and liabilities

Deferred tax assets for tax loss carryforwards and interest carryforwards have been recognised for tonies GmbH, tonies UK Limited, tonies US Inc and tonies France SAS. For all other entities, the effect of tax losses amounting to kEUR 40,702 (31.12.2024: kEUR 62,869) and interest carryforwards amounting to kEUR 4,474 (31.12.2024: kEUR 4,436) have not been recognised. Tax loss carryforwards existing within the Group have no expiration date, except for USA (federal limited to 10 years) and Luxembourg (limited to 17 years). However, the amount of tax loss carry-forwards that can be utilized in one financial year can be restricted to a certain amount.

The temporary differences associated with investments in the Group's subsidiaries for which a deferred tax liability has not been recognised in the periods presented, aggregate to kEUR 15,399 (31.12.2024: kEUR 13,608). The Group has determined that the undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

Unrecognised deferred tax assets in kEUR	2025	2024
Tax loss carryforwards	40,702	62,869
Interest carryforwards	4,474	4,436

27.5. BEPS 2.0 Pillar Two

On 23 May 2023, the International Accounting Standards Board (the Board) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax lax that implements Qualified Domestic Minimum Top-up Taxes. The Group has adopted these amendments. However, they are not yet applicable for the current reporting year as the consolidated revenue is currently below the threshold of EUR 750 million.

28. 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.

As of 31 December 2024 and 31 December 2025 the warrant shares were included in the diluted weighted average number of shares.

The result attributable to the shareholders of tonies SE (basic and diluted) amounts to kEUR 13,114 (2024: kEUR 13,083). The weighted average number of interests in circulation (basic) amounts to 114,267,954 (2024: 113,791,778). The weighted average number of shares (diluted) amounts to 130,667,954 (2024: 130,191,778).

The following table provides the overview over the attributable result to the shareholders of tonies SE (basic and diluted) and the weighted average number of interests in circulation (basic and diluted).

Profit attributable to ordinary shareholders (basic) in kEUR	2025	2024
Profit (loss) for the year, attributable to the owners of the Company	13,114	13,083
Dividends on nonredeemable preference shares	0	0
Profit (loss) attributable to ordinary shareholder	**13,114**	**13,083**

Weighted average number of ordinary shares (basic) in # shares	2025	2024
Issued ordinary shares at 1 January	114,081,454	113,439,834
Effect of share options exercised (ESOP)		0
Effect of share options exercised (Cash settled programs)	319,293	641,620
Weighted average number of ordinary shares at 31 December	**114,267,954**	**113,791,778**

EPS	2025	2024
Earnings attributable to shareholders in kEUR	13,114	13,083
Average number of shares outstanding (basic)	114,267,954	113,791,778
Average number of shares outstanding (diluted)	130,667,954	130,191,778
Basic earnings in EUR per share	0.11	0.11
Diluted earnings in EUR per share	0.10	0.10

29. Related parties

29.1. Parent and ultimate controlling party

Since November 2021 tonies SE, Luxembourg, is the ultimate controlling party of the group, tonies is included in the consolidated financial statements of tonies SE.

The shareholders of tonies SE as at 31 December 2025 are the following entities, none of which is a controlling party from its shareholding:

Armira	27.5%
Santo Ella CoInvest GmbH & Co. KG	5.5%
TFG Asset Management UK	5.1%
Treasury Shares	9.8%
Public Float	52.1%

tonies is currently not included in any consolidated financial statements at a level of its shareholders. None of the limited partners have a shareholding of more than 25%. The shareholdings of Armira shown in the table above only represent a group of separate investment entities, which individually do have a shareholding in tonies of significantly below 25% each.

29.2. Transactions with key management personnel

29.2.1. Key management personnel compensation

Key management personnel compensation comprised the following:

Key management personnel compensation in kEUR	2025	2024
Shortterm employee benefits	2,537	1,035
Equitysettled sharebased payments (vesting during period)	1,846	985
Cashsettled sharebased payments (vesting during period)	0	45
Total	**4,383**	**2,065**

Compensation of the Group's key management personnel includes salaries and non-cash benefits. For details we refer to the remuneration report 2025.

As of 1 July 2025, Christoph Frehsee has been appointed as managing director and Chief Revenue Officer (CRO) of tonies SE and all group entities. As of 1 September 2025, Hansjörg Müller has been appointed as managing director and Chief Financial Officer (CFO) of tonies SE and all group entities, replacing Dr. Jan Middelhoff, who left the company as of 31 December 2025. As a result, the remuneration of the aforementioned managing directors is included in the above table only for the period as managing director during 2025.

29.2.2. Supervisory board

The current members of the Supervisory Board receive a fixed basic remuneration for each month amounting to kEUR 5. The Chairperson of the Supervisory Board receives a fixed basic remuneration of kEUR 10, the Deputy Chairperson as well as the Chairperson of the Audit Committee receive a fixed basic remuneration of kEUR 7.5 per month.

During the financial year, the Supervisory Board was composed of the following members:

- Christian Bailly: Chairperson of the Supervisory Board, Member of the Audit Committee
- Helmut Jeggle: Member of the Supervisory Board, Chairperson of the Audit Committee
- Alexander Kudlich: Member of the Supervisory Board
- Alexander Schemann: Deputy Chairperson of the Supervisory Board, Member of the Audit Committee
- Erika Wykes Sneyd: Member of the Supervisory Board
- Patric Fassbender: Member of the Supervisory Board (From 28 May 2025)

Supervisory board compensation in kEUR	2025	2024
Compensation	426	446
Total	**426**	**446**

29.2.3. 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	2025			2024		
	Transaction volume			Transaction volume		
	Interest expenses	Sales of goods and services	Purchases of goods and services	Interest expenses	Sales of goods and services	Purchases of goods and services
Transaction with milou GmbH (previously Höllenhunde GmbH)	0	0	175	0	0	690
Transactions with PIXIPOP	0	0	852	0	0	623
Transactions with Armira Beteiligungen GmbH & Co KG	0	0	0	0	0	47
Transactions with Elinor Partners	0	0	0	0	0	5
Total	**0**	**0**	**1,027**	**0**	**0**	**1,365**

Related parties in kEUR	2025		2024	
	Amounts outstanding		Amounts outstanding	
	Receivables	Payables	Receivables	Payables
Transaction with milou GmbH (previously Höllenhunde GmbH)	0	0	0	0
Transactions with PIXIPOP	0	0	0	2
Transactions with Armira Beteiligungen GmbH & Co KG	0	0	0	0
Total	**0**	**0**	**0**	**2**

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

30. Audit service fees

The total fees charged for services provided by the auditor Forvis Mazars Luxembourg in the Group amounted to:

Audit fees in kEUR	2025	2024
Statutory audit services	262	209
Other attestation services	226	124
Total	**488**	**333**

31. Events after the reporting period

We have identified the following non-adjusting events after the reporting period:

- On 20 February 2026, the U.S. Supreme Court issued its decision in two appeals concerning tariffs US-President Trump had imposed under the International Emergency Economic Powers Act (IEEPA). The Court held that IEEPA does not give the President authority to impose tariffs. This might lead to future refunds of tariffs paid.
- Since the reporting date, the international geopolitical environment has deteriorated due to the escalation of the conflict involving the Islamic Republic of Iran, the state of Israel and the United States of America on 28 February 2026. At this stage, the Management Board of tonies has not identified any significant direct exposure (customers, suppliers, assets or financing) to Iran.
- Due to the high demand of memory components we saw price increases in Q1 of 2026 which might impose further actions in 2026 to maintain our current purchasing plans.
- A prolongation and increase of the existing factoring program with tonies GmbH was signed on 19 March 2026 to increase the available facility from kEUR 20,000 to kEUR 30,000 as of 1 July 2026 and to extend the maturity of the program by one year.

The aforementioned events or conditions do not have any impact on the 2025 financial statements. The Management Board of tonies is closely monitoring developments and assessing the potential impacts on its operations, financial performance, cash flows, as well as on the carrying amounts of its assets and the extent of its liabilities and commitments and will decide on further steps that might be necessary. Based on the information available as at the date of authorization of these financial statements, and subject to the future evolution of the aforementioned events, the consolidated financial statements have been prepared on a going concern basis.

We have not identified any other subsequent events after the end of the 2025 fiscal year that could have a significant impact on tonies future results of operations, financial position, and net assets.

Düsseldorf, 30 March 2026

Management

Tobias Wann
CEO

Hansjörg Müller
CFO

Virginia McCormick
CXO

Christoph Frehsee
CRO


tonies
LALALUNOS

Alternative performance measures

The Management Board of tonies SE uses Revenue, Contribution margin, EBITDA margin and adjusted EBITDA margin as key performance indicators to measure operating performance of the business and the segments and as a basis for strategic planning. These KPIs provide useful information to investors and others in understanding and evaluating the results of operations and these are useful measures for period-to-period comparisons of tonies business performance.

Since Q1.2025, tonies also reports revenue growth on a constant currency basis using average exchange rates from the prior year period. This additional performance measure reflects the growing impact of currency fluctuations, especially the US Dollar, on results due to the companies' successful international expansion and will provide a clearer view of the underlying business performance.

All additional alternative performance measures provide additional and supporting information but are not part of the performance assessment system itself.

Alternative performance measures used in tonies' internal and external reporting as of 31 December 2025 are defined in the table below.

APM	Definition	Reconciliation to Financial Statements as of 31 December 2025 in kEUR
EBITDA	Earnings before interest, taxes, depreciation and amortization – is a measure of a company's profitability of the operating business only	**Group P&L:** EBITDA 48,305
EBITDA margin	EBITDA as a percentage of revenue with third parties – a profitability ratio that measures how much in earnings a company is generating from operating business only	**Group P&L:** EBITDA/Revenue 48,305/630,346 = 7.7%
Adjusted EBITDA	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 2025 only adjustments for expenses of share-based payments have been made	**Group P&L:** EBITDA + Expenses share-based payments 48,305 + 5,760 = 54,065
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of revenue with third parties – a profitability ratio that measures how much in earnings a company is generating from operating business only excluding expenses incurred where management believes adjustments should be made due to extraordinary and non-operational character In 2025 only adjustments for expenses of share-based payments have been made	**Group P&L:** Adjusted EBITDA/Revenue 54,065/630,346 = 8.6%
Gross profit	Revenue with third parties less cost of material and changes in inventories – measure for product/channel/category performance after costs of goods	**Group P&L:** Gross Profit 395,919
Gross margin	Gross profit as a percentage of revenue	**Group P&L:** Gross Profit/Revenue 395,919/630,346 = 62.8%
Gross Profit after licensing costs	Gross profit less costs for licenses for products sold – measure for product / channel / category performance after costs of goods and licensing costs	**Group P&L:** Gross Profit after Licenses 326,525
Gross margin after licensing costs	Gross profit after licensing costs as percentage of revenue	**Group P&L:** Gross Profit after Licenses/Revenue 326,525/630,346 = 51.8%

Contribution profit	Gross profit after licensing costs less various revenue-related costs that are together aggregated as fulfilment costs (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	**Management Report:** Gross Profit after Licenses ./. Logistic costs ./. Sales dependent costs 326,525 ./. 57,314 ./. 36,023 = 233,188
Contribution margin	Contribution profit as a percentage of revenue with third parties	**Management Report:** Contribution profit/Revenue 233,188/630,346 = 37.0 %
Net Working capital	Trade receivables plus inventories less Trade payables as shown in balance sheet – gives insights in operating liquidity available for business	**Balance Sheet:** Trade receivables + Inventory ./. Trade payables 100,463 + 151,837 ./. 110,574 = 141,726
Free Cash Flow	Total of operating and investing cash flows - the money a company has left over after paying its operating expenses (OpEx) and capital expenditures (CapEx). The more free cash flow a company has, the more it can allocate to dividends, paying down debt, and growth opportunities	**Statement of Cash flows:** Operating cash flow + Investing cash flow 5,874 + (–)17,823 = – 11,949
Revenue growth in constant currency	Revenue increase in percent comparing the revenue of the Group of the previous period and the revenue of the current period, translated with the historic foreign currency rates of the previous period	**Management Report** Revenue growth in constant currency = 35,7 %

Other Information

- Financial Calendar 2026
- Imprint

Financial Calendar 2026

13.5.2026
Publication of quarterly statement for Q1 2026

27.5.2026
Annual General Meeting 2026

18.6.2026
tonies SE – Capital Markets Day

20.8.2026
Publication of half-year report for H1 2026

12.11.2026
Publication of quarterly statement for Q3 2026

Imprint

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