

# Half-year financial report 2025

1 January to 30 June



yourfamilyentertainment

PUBLIC LIMITED COMPANY

Your Family Entertainment AG is not obliged to publish financial reports in English.

As a service to our investors and the interested public, we regularly provide English versions. These versions are not subject to review and/or audited. In case of doubt, only the German version is valid.

## KEY FIGURES IN €K (HGB)

Profit and loss statement (P&L)	01/01 – 30/06 2025	01/01 – 30/06 2024
Revenue	1,494	1,535
EBITDA* <sup>1</sup>	653	-207
EBIT* <sup>2</sup>	42	-37
Half-year result	399	-458

\*<sup>1</sup> EBITDA (earnings before interest, taxes, depreciation and amortization)

= Net loss/profit for the year

+ Income taxes

+ interest and similar expenses

- Other interests and similar income

+ Depreciation and amortization

- Write-ups

\*<sup>2</sup> EBIT (earnings before interest and taxes)

= EBITDA

+ Write-ups

- Depreciation

Balance sheet	30/06/2025	31/12/2024
Total	21,019	19,417
Film assets	17,937	18,156
Equity	17,121	16,722
Equity ratio in %	82	86

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## 1. ABOUT YOUR FAMILY ENTERTAINMENT AG

Your Family Entertainment AG (YFE), originally spun off from Ravensburger AG and based in Munich, is one of Germany's leading companies in the production and distribution of children's and family programs.

YFE is listed on the Frankfurt Stock Exchange (WKN: A161N1, ISIN: DE000A161N14, ticker symbol: RTV) and is also traded on the Berlin, Düsseldorf, Munich (m:access), and Stuttgart stock exchanges, as well as on XETRA.

YFE owns one of Europe's largest independent program libraries with popular titles such as "Enid Blyton," "Fix & Foxi," and "Cosmo & Wanda – Wenn Elfen helfen" (Cosmo & Wanda – When Elves Help). YFE's content is known for its educational quality, entertainment value, and lack of violence.

YFE operates the multi-award-winning pay-TV channel "Fix & Foxi TV," which is available on four continents, the free-TV channel "RiC TV," and various mobile and digital channels worldwide.

In December 2021, YFE acquired the US Hollywood company Kartoon Studios (NYSE: TOON), formerly Genius Brands International, Inc., as its main shareholder. As of 30 June 2025, Kartoon Studios holds 32.71% of the shares in YFE's share capital (see section "**4.6 Significant events after the balance sheet date of 30 June 2025**").

## 2. THE SHARE

<b>WKN / ISIN</b>	A161N1 / DE000A161N14
<b>Ticker</b>	RTV
<b>Stock</b>	Regulated market in Frankfurt (General Standard); open market in Berlin, Düsseldorf, Munich (m:access) and Stuttgart
<b>Number of shares</b>	15,313,196 (as of 30 June 2025)
<b>Paying agent</b>	Bankhaus Gebr. Martin AG, Schlossplatz 7, 73033 Göppingen, Germany

### 3. CONDENSED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2025 (HGB)

#### 3.1 BALANCE SHEET

<i>ASSETS (in €)</i>	<b>30/06/2025</b>	<b>31/12/2024</b>
<b>A. Non-current assets</b>		
<b>I. Intangible assets</b>		
1. Purchased concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licenses for such rights and assets	24,245.23	27,116.65
2. Film assets and other rights acquired for consideration	17,936,507.71	18,156,066.76
3. Advance payments made	19,700	19,700
	17,980,451.94	18,156,766.76
<b>II. Property, plant and equipment</b>		
Other equipment, operating and office equipment	20,531.36	21,094.00
	18,000,984.30	18,223,977.41
<b>B. Current assets</b>		
<b>I. Receivables and other assets</b>		
1. Trade receivables	699,879.40	306,757.32
2. Other assets	137,495.05	15,246.27
	837,374.45	322,003.54
<b>II. Cash on hand and bank balances</b>	2,078,181.33	820,912.32
	2,915,555.78	
<b>C. Accruals and deferrals</b>	102,161.99	58,602
	<b>21,018,702.07</b>	<b>19,425,495.32</b>

<i>LIABILITIES (in €)</i>	30/06/2025	31/12/2024
<b>A. Equity</b>		
<b>I. Subscribed capital</b>	15,313,196.00	15,313,196.00
less the par value of of treasury shares	-11,500.00	-11,500.00
<b>Issued capital</b>	15,301,696.00	15,301,696.00
<b>II. Capital reserve</b>	9,271,248.68	9,271,248.68
<b>III. Retained earnings</b>	-18,207.06	-18,207.06
<b>IV. Balance sheet loss</b>	-7,832,293.58	-6,038,570.27
<b>V. Net profit for the half-year/ Net loss for the year</b>	399,052.28	-1,793,723.31
	17,121,496.32	16,722,444.04
<b>B. Provisions</b>		
1. Provisions for pensions and similar obligations	279,752.88	292,518.00
2. Other provisions	287,957.91	522,779.93
	567,710.79	815,297.93
<b>C. Liabilities</b>		
1. Bonds	2,411,877.50	10,575.00
2. Liabilities to banks	2,514.99	0.00
3. Liabilities from deliveries and services	769,950.57	518,935.80
4. Liabilities to companies with which there is a participating interest	0.00	1,300,000.00
5. Other liabilities	81,193.19	52,443.36
	3,265,536.25	1,881,954.16
<b>D. Accruals and deferrals</b>	63,958.71	5,799.19
	21,018,702.07	19,425,495.32

### 3.2 INCOME STATEMENT (P&L)

(figures in €)

	01/01 - 30/06/2025	01/01 - 30/06/2024
1. Revenue	1,493,685.65	1,534,714.79
2. Other operating income	963,930.89	421,677.51
	<u>2,457,616.54</u>	<u>1,956,392.30</u>
3. Cost of materials		
a) Cost for licenses, commissions and materials	55,315.92	78,464.82
b) Cost for purchased services	413,512.45	387,279.62
	<u>468,828.37</u>	<u>465,744.44</u>
	<u>1,988,788.17</u>	<u>1,490,647.86</u>
4. Personnel expenses		
a) Wages and salaries	450,850.17	603,238.83
b) Social security contributions and expenses for pension and support	65,125.95	70,468.63
	<u>515,976.12</u>	<u>673,707.46</u>
5. Amortization of intangible assets and property, plant, and equipment	228,797.01	563,279.13
6. Other operating expenses	819,276.70	624,190.62
7. Other interest and similar income	2,088.41	21,726.77
8. Interest and similar expenses	24,672.48	104,633.01
9. Earnings after taxes	<u>402,154</u>	<u>-453,235.59</u>
10. Other taxes	3,101.99	4,687.51
11. Earnings after taxes (half-year result)	<u>399,052.28</u>	<u>-458,123.10</u>

## 4. NOTES

### 4.1 GENERAL INFORMATION

The interim financial statements for the period from 1 January 2025 to 30 June 2025 of Your Family Entertainment Aktiengesellschaft (YFE), (Munich Local Court, HRB 164922), have been prepared on the basis of the accounting and valuation methods in accordance with Sections 242 et seq. 264 et seq. of the German Commercial Code (HGB) and in accordance with the relevant provisions of the German Stock Corporation Act (AktG).

YFE has its registered office in Munich, Türkenstraße 87, Germany.

The provisions for large corporations apply, as the corporation is capital market-oriented within the meaning of Section 264 d HGB.

There was no change in the presentation format compared with the previous year.

### 4.2 INFORMATION ON ACCOUNTING AND VALUATION METHODS

The accounting and valuation methods used in these interim financial statements for the period 1 January 2025 to 30 June 2025 are the same as those used in the last annual financial statements for 2024.

As the accounting and valuation methodology for film assets has changed compared with the previous year, we refer to section **"4.2 Change in accounting and valuation methodology"** in this regard.

In the opinion of the Management Board of YFE, these interim financial statements reflect all business transactions that are necessary for the presentation of the net asset value, financial position, and results of operations for the periods ending 30 June 2025 and 2024.

The present interim financial statements do not contain all the information and disclosures required for the preparation of annual financial statements. Therefore, the interim financial statements should be read in conjunction with the 2024 annual financial statements.

The interim financial statements have been prepared on a Going-Concern basis. We refer to the comments in section **"5. Interim Management Report for the first half of 2025."**

The income statement is structured according to the total cost method.



Revenue is recognized in accordance with the respective license agreement, in particular in accordance with the following points:

- a license agreement signed by both parties is in place;
- the contractual obligations regarding the delivery/provision of the material have been fulfilled;
- the licensing period has begun;
- the contractual remuneration can be determined, e.g. also through periodic reports from the video-on-demand (VoD) platforms.

Whether the rights are only used by the licensee at a later date is not relevant for the timing of revenue recognition.

For revenues that depend on subscribers or sales, the guaranteed revenues are recognized upon conclusion of the contract or at the beginning of the respective license period. In the case of revenues that are exclusively sales-dependent, the revenues are recognized when the sales are made to the licensee, after confirmation has been received by Your Family Entertainment AG.

Revenue in the "Productions" segment is recognized upon completion and acceptance.

#### 4.3 CHANGE IN ACCOUNTING AND VALUATION METHODS

Film assets acquired for consideration and other rights are recognized at amortized cost. Scheduled (utilization-related) amortization of film assets is recognized in relation to the total planned utilization of the individual film rights. In addition, straight-line amortization is recognized on, for example, separately capitalized language versions.

As part of the review of the procedure for determining the fair value of individual film rights and due to the stronger focus on the TV broadcasting business, it was decided in financial year 2016 to change the procedure for determining the fair value of individual film rights. Since then, the company's business segments and plans have evolved. In addition, a number of other parameters, including peer group data, are included in the valuation, which may also influence the amount of the valuation. Therefore, fluctuations due to write-ups and write-downs in the balance sheet recognition of film assets and, accordingly, in the income statement cannot be ruled out in the future.

In accordance with the method used, individual film rights are valued based on the direct cash flow forecast method. The starting point here is the financial surplus for each film right, which is isolated accordingly. The specific cash flows are determined for each individual film right on the basis of the various areas of license revenues, television revenues (separated into pay TV and free TV), exploitation revenues, merchandising revenues, and other revenues. The economic useful life or remaining useful

life is taken into account separately for each individual film right in the underlying planning period for the cash flows. The future cash flows determined in this way are discounted using a risk-adjusted capitalization rate to determine the corresponding present value as of the valuation date.

The capitalization rate or the weighted average cost of capital (WACC) of the company is calculated primarily on the basis of the corresponding parameters of a group of listed peer companies (peer group) derived from capital market data, which are used to determine the cost of equity, the cost of debt, and the capital structure. In accordance with the Capital Asset Pricing Model (CAPM), the asset-specific cost of equity consists of a risk-free base interest rate and a market risk premium.

The corresponding fair values (license values) are determined on the basis of the method used to determine the value of each film right. This license value is compared with a term-dependent cut-off value and the higher of the two values, provided that no individual adjustment is made in accordance with the principle of individual valuation, is compared with the respective book value of each film right as part of the impairment test.

If the fair value is lower than the book value of the individual film right on the measurement date, an unscheduled write-down is made.

Similarly, if the fair value on the measurement date is higher than the book value but lower than the amortized cost of the respective film right, a write-up is made if an impairment no longer exists or has decreased. This means that an increase in value or a reduction in the impairment of an asset is only recognized to the extent that it does not exceed the carrying amount that would have resulted, taking into account the effects of amortization, if no impairment had been recognized in previous years (amortized cost). Write-ups on film assets only relate to film rights that were previously impaired by extraordinary write-downs.

Until the 2024 financial statements, valuation gains on film rights with unlimited license periods were (initially) recognized in full as write-ups. Since, according to the provisions of the German Commercial Code (HGB), the amortized cost represents the upper limit for assets (Section 253 (1) sentence 1 and (3) HGB), the valuation gains were offset by amortization based on the expected useful life.

Starting with the 2024 annual financial statements, the valuation and accounting method for film rights was changed so that these valuation gains on film rights with unlimited license terms are no longer recognized. As a result of this change, the comparability of the earnings positions as of 30 June 2025, with the same period of the previous year is limited.

#### **4.4 SUBSCRIBED CAPITAL**

As of the balance sheet date, the share capital is divided into 15,313,196 no-par value shares with a proportionate share in the share capital of € 1.00. As of 30 June 2025, the share capital thus amounted to € 15,313,196.00. The shares are registered and fully paid up.

#### **4.5 CONTINGENT LIABILITIES**

The interim overdraft facility with UniCredit Bank existing until 31 May 2025, with a credit line of €k 300 (4.8 % interest plus credit commission) was not extended. The liability from the overdraft facility was covered by a guarantee from F&M Film und Medien Beteiligungs GmbH.

As of 30 June 2025, there is still a total liability framework of €k 129 with UniCredit Bank Austria. The liability framework relates to a bank guarantee of €k 120 with an indefinite term for Österreichische Rundfunksender GmbH & Co. KG for the provision of capacity for the YFE/RIC program on the ORS transponder, as well as the uplink to Astra in accordance with the agreement dated 27/29 June 2006. Co. KG for the provision of capacity for the YFE/RIC program on the ORS transponder and the uplink to Astra in accordance with the agreement dated 27/29 June 2012. In addition, a bank guarantee of approximately €k 9 was assumed from ARRI AG in connection with the leased property "Türkenstraße 87, 80799 Munich."

A credit line of €k 750 is currently available from Deutsche Bank AG, Munich, Germany, which has been granted until further notice and can be terminated with three months' notice. As of 30 June 2025, approximately €k 3 of this amount had been utilized.

#### **4.6 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE OF 30 JUNE 2025**

With effect from 28 July 2025, Mr. Christoph Karl, Germany, acquired 9.79 % of the shares held by Kartoon Studios, with the result that, as of this date, he directly holds 27.04 % of the share capital of YFE in accordance with Section 33 of the German Securities Trading Act (WpHG), and Kartoon Studios holds 32.07 %.

Mr. Christoph Karl thus has a blocking minority that enables him to prevent certain resolutions that can "only" be passed with a qualified majority of the voting rights. The notification was submitted by the shareholder to the company register on 31 July 2025 in accordance with Section 40 (1) of the German Stock Corporation Act (AktG).

#### **4.7 AUDIT AND REVIEW OF THE HALF-YEAR FINANCIAL REPORT 2025**

The present interim financial statements for the period from 1 January 2025 to 30 June 2025 have neither been audited in accordance with Section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

## 5. INTERIM MANAGEMENT REPORT FOR THE FIRST HALF OF 2025

### 5.1 REPORT ON THE EARNINGS, FINANCIAL POSITION, AND ASSETS

#### 5.1.1 Business development

The Management Board manages the company primarily based on regular monthly reports. The key indicators used for corporate management primarily include revenue, EBITDA, and the liquidity situation.

Additions and write-offs can significantly influence a company's financial results without reflecting its operating performance. To offset the influence of these factors, the Management Board focuses on EBITDA, among other things, when managing the company. This enables a focused assessment of operating performance without distortion from non-operating expenses such as interest, taxes, depreciation, and amortization. In addition, the liquidity-status is crucial for assessing the company's financial situation. The resulting financial planning is indispensable for making investment decisions.

As of 30 June 2025, business performance was significantly below expectations in terms of revenue. Therefore, the Management Board of YFE considers business performance in the first half of 2025 to be unfavorable.

#### 5.1.2 Revenue development

As of 30 June 2025, **revenue** amounted to €k 1,494, slightly below the previous year's level (€k 1,535 as of 30 June 2024) by €k 41 (approx. -2.7 %).

The Management Board of YFE had expected revenue to increase by at least 15.0 % in financial year 2025 compared to the previous year, based on more systematic monetization of content in digital distribution channels and the development of new distribution channels, particularly in foreign markets.

In principle, fluctuations in revenue development may occur at YFE due to project business and/or so-called "package" deals.

In the opinion of the YFE Management Board, the clear failure to meet targets is attributable, on the one hand, to unfavorable macroeconomic and industry-specific conditions. On the other hand, the measures underlying the expected increase in revenue have not (yet) been implemented.

The Management Board and Supervisory Board of YFE are aware of the decline in sales, particularly in recent financial years. For this reason, the "EUR 3.5 million" project was launched following the Supervisory Board meeting on 24 June 2025.

The aim of the "EUR 3.5 million" project is to increase the revenue level "sustainably." As part of the project, the film assets available as of 30 June 2025 were analyzed with regard to their future exploitation possibilities. As a result, the Management Board of YFE determined on that a "revaluation" of the existing film assets – in particular with regard to their future exploitation possibilities – is to be carried out. See section "**5.2.5 Forecast report**" for more information.

### 5.1.3 Earnings development

As of 30 June 2025, the company reported a **surplus** of €k 399 (30 June 2024: deficit of €k 485). This development is primarily attributable to other operating income that does not affect liquidity.

**Other operating income** amounted to €k 964 as of 30 June 2025 (30 June 2024: €k 422) and is primarily attributable to the derecognition of liabilities to companies in which an investment is held (€k 946). This other operating income relates to the waiver of claims declared by the shareholder "Kartoon Studios" with effect from 27 April 2025, against YFE. As part of the waiver of claims, the shareholder declared that YFE's shareholder loan debt of €k 1,300 owed to it up to that point was extinguished in return for payment of €k 354. Accordingly, the difference was recognized in income in the first half of 2025.

**The cost of materials** increased only slightly to €k 469 as of 30 June 2025, compared to €k 466 in the same period of the previous year. The cost of materials ratio increased from 30.3% in the previous year to 31.4 % as of 30 June 2025.

**Personnel expenses** amounted to €k 516 as of 30 June 2025 (30 June 2024: €k 673). The personnel expense ratio decreased to 34.5 % as of 30 June 2025 (30 June 2024: 43.9 %). The decrease in personnel expenses is primarily attributable to the departure of the former member of the Management Board, Mr. Bernd Wendeln, Munich, Germany (Chief Operating Officer "COO").

He left the Management Board and the company with effect from 30 September 2024. In addition, an authorized signatory (Chief Financial Officer, CFO) and an employee in accounting left the company at the beginning of 2025.

**Other operating expenses** increased to €k 819 compared to the same period of the previous year (30 June 2024: €k 624).

Overall, the increase in other operating expenses is closely related to the employee turnover described above and the compensation paid for this is mainly attributable to the hiring of temporary workers and interim staff.

**EBITDA** amounted to €k 654 as of 30 June 2025 (€k -207 as of 30 June 2024). The EBITDA margin improved from -13.5 % in the previous year to 43.8 % as of 30 June 2025.

The Management Board of YFE points out that EBITDA adjusted for non-cash other operating income from the waiver of receivables by the shareholder "Kartoon Studios" amounted to T€ -292 as of 30 June 2025 and the adjusted EBITDA margin was - 19.6 %.

The Management Board of YFE had originally anticipated an improvement in operating earnings of €k +250 for 2025 compared with the previous year. The improvement in earnings was to be achieved through additional contribution margins from new revenue streams and cost reductions that had been initiated.

Total **amortization of intangible assets and property, plant, and equipment** as of 30 June 2025, amounted to €k -229 (30 June 2024: €k 563) and is thus significantly below the previous year's level.

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**Write-downs due to disposal** amounted to €k -171 as of 30 June 2025 (30 June 2024: €k -343). In addition, **unscheduled write-downs** of €k -49 (30 June 2024: €k -163) were recognized as of 30 June 2025.

No **write-ups** (30 June 2024: €k 400) were recognized by the end of the first half of 2025. In the previous year, write-ups were recognized and reported under "Other operating income" in the income statement. Due to the change in the accounting and valuation method for film rights, comparability with the same period of the previous year is limited (see section "**4.2 Change in accounting and valuation method**").

Operating earnings before interest and taxes (**EBIT**) amounted to €k +425 (30 June 2024: €k -370). The EBIT margin at the end of the first half of the year was 28.4 % (30 June 2024: -24.1 %).

The Management Board of YFE points out that EBIT adjusted for non-cash other operating income from the waiver of receivables by the shareholder "Kartoon Studios" amounted to €k -521 as of 30 June 2025, and the adjusted EBIT margin was -34.9 %.

The **financial result** is significantly influenced by **interest and similar expenses**.

Interest and similar expenses amounted to €k 25 as of 30 June 2025 (30 June 2024: €k 105) and relate in particular to the 2025/2028 convertible bond issued on 31 March 2025 (maturity date 22 April 2028, interest rate 5.0 % p.a.; see section "**5.2.1.1 Risks in connection with the net assets, financial position and results of operations**").

The decrease in interest and similar expenses compared to the previous year is mainly due to the repayment of the loan debt as a result of the waiver of claims by the shareholder "Kartoon Studios."

**Other taxes** include only foreign withholding taxes.

### 5.1.5 Financial position and net assets

**Intangible assets** (mainly film assets acquired for consideration and other rights) decreased to €k 17,937 as of 30 June 2025 (31 December 2024: €k 18,672). The decrease in film assets as of 30 June 2025 is due to both utilization-related and unscheduled write-downs.

Cash **on hand and bank balances** amounted to €k 2,078 as of 30 June 2025 (€k 821 as of 31 December 2024).

**Equity** amounted to €k 17,121 as of 30 June 2025 (31 December 2024: €k 16,722). The **equity ratio** was 82 %, slightly below the ratio on the last balance sheet date (31 December 2024: 88 %).

As of 30 June 2025, **total assets** increased by €k 1,593 to €k 21,019 compared to 31 December 2024 (€k 19,425). The increase in total assets is attributable to the issue of the **2025/2028 convertible bond** on 31 March 2025. (See section "**5.2.1.1 Risks in connection with the net assets, financial position and results of operations**").



As a result, **cash on hand and bank balances on the assets side** increased by €k 1,258 as of 30 June 2025, compared to 31 December 2024. On the **liabilities side**, the item "Bonds" increased by €k 2,401 as of 30 June 2025, compared to 31 December 2024. This was offset by the repayment of the shareholder loan to Kartoon Studios, resulting in a decrease of €k -1,300 in the item "**Liabilities to companies with which the company has a participating interest.**"

### 5.1.6 Investments

The company did not make any significant **investments** up to 30 June 2025. The company invested €k 5 (30 June 2024: €k 10) in property, plant, and equipment, primarily in operating and office equipment.

## 5.2 RISK, OPPORTUNITY, AND FORECAST REPORT

### 5.2.1 Risk report

Based on a qualitative and quantitative assessment, the company has divided the risks listed below into several categories and listed the two most significant risks within each category first, taking into account the probability of their occurrence and the expected extent of their negative impact on the company and its shares. However, it should be noted that such an assessment by the company is based on assumptions that may prove to be inaccurate in retrospect. The order in which the risk factors are listed after the first two risk factors in each category is not intended to reflect the relative probability or potential impact of their occurrence. The order of the categories does not represent an assessment of the materiality of the risk factors within that category compared to risk factors in another category.

The following risks are also taken into account in the company's considerations and risk management system. The aim is to avoid these risks or counteract them with appropriate measures.



### **5.2.1.1 Risks related to the net assets, financial position, and results of operations**

#### ***Risks arising from access to external financing (equity and debt capital)***

YFE has taken out a loan to finance its business activities. As of 30 June 2025, YFE has a loan agreement (overdraft facility) with Deutsche Bank AG, Munich, Germany, for a loan facility of up to €k 750.

In the first half of 2025, the Management Board worked intensively on refinancing the company:

- On 14/20 January 2025, the Management Board and Supervisory Board of the company, based on the authorization granted by the Annual General Meeting on 28 June 2022 ("Authorized Capital 2022"), to increase the company's share capital of EUR 15,313,196.00 by up to EUR 1,423,464.00 to up to EUR 16,736,660.00 by issuing up to 1,423,464 new registered no-par value shares against cash contributions, including the conditions for the issue of shares specified in the resolution and the exclusion of subscription rights (see also Section 4 (3) sentence 4 lit. b of the Articles of Association/Section 186 (3) sentence 4 AktG). (3) sentence 4 lit. b of the Articles of Association/Section 186 (3) sentence 4 AktG). The investor, Spirit of the Game, a Series of Ascent Productions LP, had notarized the corresponding subscription certificate. The capital increase was to have been completed by the end of April 2025 at the latest. However, the investor did not fulfill its obligation to pay in the equity capital. Therefore, on 29 April 2025, the Management Board and Supervisory Board resolved to terminate the capital-increase without capital contribution.
- On 31 March 2025, the company's Management Board, with the approval of the Supervisory Board on the same day, resolved to issue a convertible bond bearing interest at 5.0 % p.a. with a total nominal amount of up to EUR 3,828,297.50, divided into up to 1,531,319 sub-units of equal and fully paid-up bearer bonds with a nominal value of EUR 2.50 each (the "Sub-Units") (Contingent Capital 2022). The term of the convertible bond begins on 23 April 2025 and ends at the end of 22 April 2028. As part of the issuance of the convertible bond, a volume of €k 2,401, corresponding to 960,521 convertible bonds, was placed and subscribed. The issue costs amounted to €k 35. The total issue volume has been paid into the company's accounts.
- Waiver of shareholder loan: The shareholder "Kartoon Studios, Inc." declared on 27 April 2025, that the shareholder loan debt in the amount of €k 1,300 would be extinguished upon payment of €k 354 (or USDk 400). After payment of the amount at the end of April 2025, the debt was extinguished. The remaining difference after payment was recognized in income.

- In addition, YFE was granted interim overdraft financing by UniCredit Bank, Austria, until 31 May 2025, with an additional overdraft facility of €k 300 (4.8 % interest plus loan commission). The liability arising from the line is covered by a guarantee from F&M Film und Medien Beteiligungs GmbH. This was not extended after 31 May 2025.

Your Family Entertainment AG will continue to rely on capital measures in the future to finance the development of its digital platform business and other projects aimed at overcoming the current earnings weakness and improving processes, as well as to finance the acquisition of rights and investments. The company's ability to obtain external financing on economically reasonable terms in the future, if necessary, depends in part on prevailing capital market conditions, in particular interest rates, the conditions imposed on the business and operating results, and the availability of (additional) valuable collateral if necessary. If the necessary funds are not available on acceptable terms or are not available at all, for example because the lenders are unable to provide the additional collateral requested and the company's own funds are not available to the extent required, this would impair the company's ability to make future investments and thus also to respond to market and competitive challenges. This could have a significant negative impact on the Company's net assets, financial position, and results of operations.

#### ***Risks arising from the need to write off film assets***

YFE has a large number of usage and exploitation rights (film assets). Depending on the exploitation of the film rights, these rights are regularly subject to valuation, which may result in a write-down. Specifically, periodic pro rata write-downs based on exploitation are made in relation to the proportionate revenues realized in the financial year in relation to the total planned exploitation of the film rights, including the revenues realized in the financial year.

Furthermore, an impairment test is performed on each balance sheet date. Such write-downs have a direct impact on income. There is therefore a risk that write-downs will have a significant negative impact on YFE's net assets and earnings.

#### ***Risks from exchange rate fluctuations***

Some of the company's current and future activities outside the European Monetary Union are conducted by YFE itself or by its distribution partners in currencies other than the euro. The exchange rates applicable to these transactions are subject to fluctuations that are unforeseeable and may prevent the company from generating stable income.

There is a risk that losses resulting from such currency fluctuations cannot always be ruled out by appropriate hedging transactions. Unfavorable exchange rate fluctuations or costs for exchange rate hedging transactions could therefore have a negative impact on the Company's business activities and thus on its net assets, financial position, and results of operations.

### ***Risks from bad debts***

Efforts are made to counteract bad debts through contractual agreements on advance payment and/or through hedging via contract performance guarantees from major European banks. Receivables are subject to regular review as part of the determination of individual impairment allowances. There is a risk that bad debts cannot always be ruled out or hedged by appropriate measures and thus have a negative impact on the Company's business activities and, consequently, on its net assets, financial position, and results of operations. The counterparty and payment risk has increased as a result of the transformation in the television industry and the reduced propensity to consume among private and commercial players due to the economic situation.

In the international environment, country-specific risks relating to regulation in the media landscape, foreign exchange management, and tax policy also play a role.

### **5.2.1.2 Risks related to business activities**

#### ***Risk arising from the dependence on the term of licenses and their non-renewal, as well as the possibility of acquiring new licenses***

Approximately two-thirds of YFE's film rights catalog, which currently comprises around 150 titles, consists of licenses from third parties, while only around one-third of the titles are produced in-house or co-produced. Unlike most self-produced or co-produced titles, the Company does not hold licenses from third parties for an unlimited period, but generally for a period of between 5 and 20 years. If the company is interested in re-licensing these titles for a subsequent period after the respective license period has expired, it is dependent on the rights holders "re-licensing" the expired licenses, i.e., extending them, as YFE would otherwise no longer be able to exploit these titles. Furthermore, the company is dependent on the availability of the necessary financial resources in the event of a desired extension. If "relicensing" is no longer possible in many cases or, in YFE's view, is not possible under reasonable economic conditions, or if the financial resources for this are not available, the company would lose a significant part of its film rights catalog and thus its basis of business.

In addition to the possibility of extending existing licenses, YFE is also dependent on constantly acquiring new licenses for new programs and marketing them to replace expired and non-renewed licenses and to expand its film rights catalog. If the company is unable to replace expired licenses or acquire new licenses, this could adversely affect the scope of the available film rights catalog and thus the basis of the business. The realization of any of these risks could have a significant adverse effect on YFE's net assets, financial position, and results of operations.

#### ***Dependence on current management and other key personnel***

A key component of YFE's future success is the expertise, long-standing contacts, and industry experience of the two members of the Management Board and other key personnel. If members of the Management Board and/or personnel in key positions are no longer available, particularly as important functions within the company are

currently only filled by one employee due to the size of the company, YFE will have to find qualified and experienced replacements. There is therefore a risk that business operations would be significantly impaired if members of the Management Board and/or personnel in key positions were no longer available and the company was unable to find qualified personnel to continue these tasks in their current form within a reasonable period. Such a negative impact on business activities could have a significant adverse effect on YFE's net assets, financial position, and results of operations.

#### ***Risks arising from dependence on major customers***

YFE generates approximately one-third of its revenue with its most important major customers. It is therefore dependent on these major customers. The loss of contractual relationships with one or more major customers (e.g., due to termination, failure to renew contracts, or insolvency) would have a negative impact on YFE's business activities. If, in such a case, YFE is unable to compensate for the loss of revenue by acquiring new customers of a comparable size at short notice, this could have a negative impact on YFE's business activities and competitive position.

#### ***Risks associated with program production***

The production of programs—both in-house and co-productions—is generally very cost-intensive. Delays and/or unplanned cost increases may arise in the production of such programs. In addition, changes in consumer behavior, particularly in the event of production delays, may make it considerably more difficult to sell the product at a later date.

There is therefore a risk that delays and/or unplanned cost increases in the production of programs will have a negative impact on revenue and earnings contributions and thus significantly impair YFE's net assets, financial position, and results of operations.

#### ***Risks arising from changes in consumer behavior***

YFE's film rights catalog mainly comprises animated and live-action programs for children and families. With its products and services, the company competes with other leisure activities, such as children's sports activities, for the time children spend watching television. Changes in children's leisure habits in favor of leisure activities other than television may lead to a decline in demand for YFE's programs and services.

In addition, YFE must meet the quality requirements and constantly changing demands of its end customers. Programs will only be successful on the market if they reflect and satisfy viewers' expectations. An important prerequisite for this is continuous market monitoring. Market trends and changing consumer preferences must be identified at an early stage and successfully implemented. YFE may not be able to do this, for example because it is unable to conduct sufficient market research due to its limited staffing levels. As a result, YFE's programs could become unattractive to customers and therefore difficult to sell on the market. A change in the consumer behavior of end users could lead to a change in the purchasing policy of rights holders, particularly due to a change in the programming of broadcasters to meet consumer preferences.

The film and television market relevant to YFE continues to be characterized by a process of consolidation and concentration, both among producers and among buyers. These developments may have an impact on the demand for programs. In particular, the target group of TV broadcasters and TV broadcasting groups are much more likely than in the past to calculate the contribution margin for the programs they broadcast. In combination with the increasing multiple exploitation of individual productions in the industry and the introduction of proprietary platforms for the exploitation of in-house productions, this leads to a more efficient use of in-house program resources and thus to reduced new investments. In addition, external factors such as current consumer and leisure behavior and fundamental changes in the advertising market influence the programming and purchasing policies of broadcasters. The occurrence of one or more of the above risks could lead to a decline in demand from rights users for YFE's programs and services and thus have a significant negative impact on the Company's net assets, financial position, and results of operations.

### **Cyber attacks**

YFE assumes that global cyber-attacks will continue to increase in the future. Based on the procedures implemented, the Management Board currently considers IT risks to be unlikely. Expenses for restoring files and delays in deliveries to customers could have a short-term impact on the company's situation if such an attack were successful. Precautions have been taken to minimize these expenses.

### **5.2.2 Risk management**

General and operational risks are continuously recorded, assessed, and identified, and appropriate measures are defined to minimize risk. We consider risk management to be a central responsibility of the Management Board, senior management, and all employees.

YFE's risk management is divided into four main steps:

1. Risk identification
2. Risk assessment
3. Risk control
4. Risk monitoring

Appropriate instruments commensurate with the size of the company have been developed for each of these steps, covering time horizons ranging from less than one year to several years, depending on the respective content.

A key instrument of the company's risk management is the regular exchange of information between the Management Board and the second management level. This serves to identify and assess risks at an early stage, take countermeasures and monitor the measures taken. In addition, the second management level also informs the Management Board about unexpected risks outside of these regular meetings.

Special circumstances are also discussed promptly between the Management Board and the Supervisory Board.

We rely on three instruments for ongoing risk monitoring: liquidity management, sales controlling, and balance sheet controlling. By ensuring regular and systematic control of these areas, all significant operational and structural risks associated with the company's business activities are monitored. Overall responsibility for monitoring these risks lies with the company's Management Board.

Liquidity management aims to ensure that the company's solvency is continuously reviewed and maintained. To this end, liquidity management is based on three reporting formats: annual liquidity planning as part of the budget preparation process, rolling liquidity forecasts, and daily liquidity status reports.

The objective of revenue controlling is to identify, quantify, and tap the company's sales potential by planning and controlling sales activities. This ensures that revenue potential that can be realized in the medium term is identified, that expenses and investments are covered by realizable revenues, and that realistic cash flow planning is prepared. In addition, the company's sales activities are planned based on revenue planning and reviewed using a rights-based approach.

Balance sheet controlling aims to monitor balance sheet items to identify necessary corrections at an early stage, particularly in the event of a shortfall in equity. In addition, market and company developments are updated in an internal rolling plan. This plan thus serves as an essential early warning system and as a basis for variance analyses and planning control.

The risk management system aims to avoid risks. Since some risks are beyond the control of the Management Board, even a functioning risk management system cannot guarantee that all risks will be eliminated. Therefore, developments may arise that deviate from the Management Board's planning.

### **5.2.3 Opportunities report**

In addition to its high-quality and broad program library with around 3,500 half-hour programs, YFE's strengths include its many years of experience in the production of television programs and its extensive cooperation network with purchasing broadcasters.

The ongoing expansion of the pay-TV channel "Fix&Foxi" through the acquisition of additional platforms and thus ultimately subscribers, and of the free-TV channel "RiC" through the opportunities offered by advertising/broadcasting time marketing, holds considerable potential for the company's development.



Furthermore, the company's opportunities lie in the even better exploitation of its rights portfolio via new distribution channels, supported by the development of exploitation and product concepts. The value-oriented approach pursued in terms of content clearly sets the company apart from its competitors.

Advancing digitalization and the resulting changes in media consumption patterns and/or habits continue to develop into positive conditions. The introduction of artificial intelligence (AI) into everyday work opens a wide range of new opportunities.

The opportunities form a balanced basis for the company's further development.

#### **5.2.4 Overall assessment of the risk and opportunity situation**

The overall picture of the company's risk and opportunity situation is composed of the individual risks and opportunities presented in all risk and opportunity categories.

In addition to the risk categories described, there are unforeseeable events that could disrupt business processes.

Risks that could jeopardize the continued existence of the company, either alone or in combination with other risks, are not apparent as of the balance sheet date or at the time of preparation. The company's financing situation is currently satisfactory, although further capital measures may be necessary in the future.

To identify risks and opportunities at an early stage and to successfully counter the current risk and opportunity situation, the established risk and opportunity management system is continuously monitored and further developed.

#### **5.2.5 Forecast**

For the second half of 2025, the YFE Management Board expects the economic environment to remain challenging but also full of opportunities.

The global economy is facing a period of moderate growth and heightened economic uncertainty. This is largely due to the actions and announcements of the new US administration. All in all, analysts at the International Monetary Fund (IMF) currently expect global production to increase by 3.1 % in 2025, measured based on purchasing power parities. Expansion of 3.0 % is expected for 2026.

The global economy has a particular impact on the advertising and streaming industries. A weak economy can lead to declining advertising spending, while a strong economy is often accompanied by increased investment in advertising and streaming services. In recent years, the international media and content market has seen advertising spending rise, but with a shift in focus and channels. Streaming services are increasingly relying on advertising-based models to increase their revenues and compensate for subscription price increases. The international media and content market shows

sustained high demand in the streaming sector, particularly for formats such as FAST Channels (Free Ad Supported Streaming Television).

The YFE Management Board sees growth potential for the second half of 2025 and beyond. This growth potential may arise from

- **growing demand** from parents and guardians for safe, educational, and culturally sensitive content for children. So far, there are only a few platforms that can offer high-quality, ad-free, and age-appropriate programming without inappropriate content.
- the ongoing **digital transformation in content management**. Although AI and digital automation offer enormous potential for media management, many traditional media companies still rely on manual and inefficient processes. This limits their ability to quickly adapt content for different platforms, reduce operating costs, and improve/increase monetization through data-driven insights.
- **The fragmentation of the children's entertainment market**. Currently, there are many small players active in the international media and content market, but only a few truly integrated content platforms. This fragmentation means that high-quality content has limited reach and visibility across different markets. This makes it difficult for providers who produce excellent content to build substantial scale and a consistent brand presence.
- This presents opportunities for **the global distribution** of content, but also poses significant challenges, particularly in terms of localization and multilingualism. Adapting content for different regions and supporting multiple languages is often costly and complex for many providers. The lack of scalable solutions for efficient localization significantly limits the reach of European family content in international markets, especially in high-growth regions such as Asia and Latin America.

YFE is well positioned in the above-mentioned areas and is expected to benefit from developments in the second half of 2025 and beyond. In realizing future growth potential, the YFE Management Board is counting on the following factors:

- the use of a **state-of-the-art technology platform**, which acts as a central hub for managing YFE's extensive IP library, will facilitate immediate access to all content rights and their availability. This should simplify rights-management and reduce the associated administrative effort, enabling content to be delivered efficiently to global markets. In addition, the technology platform is designed to optimize content delivery and metadata tagging through automation. This will enable YFE to effectively scale its digital presence. This approach is intended **to lead** to improved **monetization** overall by increasingly targeting high-growth markets with customized, data-driven content. This should shorten **time to market** and reduce **operating costs**.
- the reach of content can be expanded through **AI-driven content localization**. This will enable content to be quickly adapted for a diverse global audience. Automated multilingual dubbing, lip-syncing, and subtitle generation will



make high-quality, culturally relevant content accessible in numerous regions, thereby opening up new sources of revenue.

- **Strategic partnerships** with industry giants such as Kartoon Studios can be leveraged to jointly produce and market content. These partnerships will be used to combine Hollywood appeal with educational European programs. This will not only expand YFE's film library but also create new franchise opportunities to optimally leverage existing distribution channels together with partners.

In view of the developments described in the first half of 2025 (see sections "**5.1.2 Revenue development**" and "**5.1.3 Earnings development**") and the identified growth potential, the YFE Management Board notes the following: The EUR 3.5 million project will be of great importance in connection with the expected revenue and earnings development from the second half of 2025 onwards. The analysis and "revaluation" of the existing film assets – in particular with regard to their future exploitation possibilities – will be a key starting point in this context. The YFE Management Board has come to the conclusion that the film assets existing as of 30 June 2025, some of which are outdated/nostalgic, must be gradually renewed in order to increase revenue levels on a sustainable basis.

With regard to the acquisition of new film assets, the focus will be on investments in fresh content through new productions and the purchase of licenses for current programs. In addition, further opportunities are currently being examined to increase revenue sustainably from the second half of 2025 onwards, for example through

- co-productions
- mergers and acquisitions (M&A) or
- AI dubbing.

In connection with the implementation of the "EUR 3.5 million" project, it should be noted that this is to be carried out in the short to medium term. The YFE Management Board is currently confident that the project will be successfully implemented and therefore continues to adhere to the forecast for the expected revenue and earnings development for 2025 as stated in the 2024 annual financial statements.

It should be noted that revenue and earnings may continue to be influenced by project-specific fluctuations in the future.

## **6. ASSURANCE BY THE LEGAL REPRESENTATIVES (BALANCE SHEET OATH)**

"To the best of our knowledge, we certify that, in accordance with the applicable accounting principles for interim reporting, the interim financial statements give a true and fair view of the net assets, financial position, and results of operations of the company, and that the interim management report includes a review of the company's financial position, results of operations, and financial position that is consistent with the actual circumstances and presents the company's financial position, results of operations, and financial position in a financial position and results of operations of the company and that the interim management report presents the course of operations, including the results of operations and the position of the company, in such a way that it provides a true and fair view and describes the significant opportunities and risks associated with the company's expected development in the remaining financial year."

Munich, 27 September 2025

Your Family Entertainment AG

The Management Board

Dr. Stefan Piëch  
CEO

## 7. FINANCIAL CALENDAR

➤ 29 April 2025	Publication of the 2024 annual financial report
➤ 24 June 2025	Annual General Meeting 2025
➤ 29 September 2025	Publication of the 2025 half-year financial report

## 8. IMPRINT / CONTACT

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