

Mattel Northern Europe A/S

Kampmannsgade 2, 1604 København V

CVR no. 16 27 88 31

Annual report 2022

Approved at the Company's annual general meeting on 17 July 2023

Chair of the meeting:

.....
René van der Polder

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Mattel Northern Europe A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 17 July 2023
Executive Board:

.....
Tharyn Estevez Martinez
Managing Director

Board of Directors:

.....
René van der Polder
Chairman

.....
Bhrijesh Jayant Patel

.....
Prashant Bapna

Independent auditor's report

To the shareholder of Mattel Northern Europe A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Mattel Northern Europe A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Hellerup, 17 July 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327

James Liang
State Authorised Public Accountant
mne34549

Management's review

Company details

Name	Mattel Northern Europe A/S
Address, Postal code, City	Kampmannsgade 2, 1604 København V
CVR no.	16 27 88 31
Established	1 July 1992
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	www.mattel.dk
Board of Directors	René van der Polder, Chairman Bhrijesh Jayant Patel Prashant Bapna
Executive Board	Tharyn Estevez Martinez, Managing Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

Management's review

Business review

Mattel Northern Europe in Denmark supports the sale of Mattel branded toys in the Scandinavian countries under a service agreement with fellow group company Mattel Europa B.V.

Financial review

The income statement for 2022 shows a profit of DKK 522 thousand against a profit of DKK 381 last year, and the balance sheet at 31 December 2022 shows equity of DKK 19,321 thousand. The result for the year is considered satisfactory and in line with expectations.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022	2021
	Gross profit	7,500,777	7,858,582
2	Staff costs	-7,014,271	-7,352,127
3	Depreciation of property, plant and equipment	-15,396	-22,811
	Profit before net financials	471,110	483,644
4	Financial income	209,631	32,295
	Financial expenses	-3,974	-24,100
	Profit before tax	676,767	491,839
5	Tax for the year	-154,582	-110,419
	Profit for the year	522,185	381,420
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	13,500,000	0
	Retained earnings/accumulated loss	-12,977,815	381,420
		522,185	381,420

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2022</u>	<u>2021</u>
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	23,288	12,486
		<u>23,288</u>	<u>12,486</u>
7	Investments		
	Deposits, investments	59,114	59,114
		<u>59,114</u>	<u>59,114</u>
	Total fixed assets	<u>82,402</u>	<u>71,600</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	20,020,456	20,451,425
	Deferred tax assets	25,226	174,993
	Corporation tax receivable	106,000	0
	Other receivables	91,659	73,141
	Prepayments	74,390	65,967
		<u>20,317,731</u>	<u>20,765,526</u>
	Total non-fixed assets	<u>20,317,731</u>	<u>20,765,526</u>
	TOTAL ASSETS	<u><u>20,400,133</u></u>	<u><u>20,837,126</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2022</u>	<u>2021</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	501,000	501,000
	Retained earnings	5,319,662	18,297,477
	Dividend proposed	13,500,000	0
	Total equity	<u>19,320,662</u>	<u>18,798,477</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	162,260	86,745
	Payables to group enterprises	33,459	33,648
	Corporation tax payable	0	2,155
	Other payables	883,752	1,916,101
		<u>1,079,471</u>	<u>2,038,649</u>
	Total liabilities other than provisions	<u>1,079,471</u>	<u>2,038,649</u>
	TOTAL EQUITY AND LIABILITIES	<u>20,400,133</u>	<u>20,837,126</u>

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral
- 11 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed</u>	<u>Total</u>
Equity at 1 January 2021	501,000	17,916,057	0	18,417,057
Transfer through appropriation of profit	<u>0</u>	<u>381,420</u>	<u>0</u>	<u>381,420</u>
Equity at 1 January 2022	501,000	18,297,477	0	18,798,477
Transfer through appropriation of profit	<u>0</u>	<u>-12,977,815</u>	<u>13,500,000</u>	<u>522,185</u>
Equity at 31 December 2022	<u>501,000</u>	<u>5,319,662</u>	<u>13,500,000</u>	<u>19,320,662</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Mattel Northern Europe A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction.

Gains and losses arising due to differences between the transaction date rate and the rate at the date of payment are recognized in the financial income and expenses in the income statement.

Monetary items denominated in foreign currencies are translated into Danish Kroner at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in the income statement as financial income/expenses.

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

All Expenses incurred in connection with provision of the services under the service agreement with Mattel Europa B.V. are recharged to the latter. The Gross profit is the income resulting from the total charge back to Mattel Europa B.V. including mark up, less admin expenses, but before personnel and depreciation costs as shown.

With reference to section 32 of the Danish Financial Statement Act, revenue has not been disclosed in the Annual Report.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	5 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, realized and unrealized foreign exchange gains and allowances and surcharges under the advance payment of tax scheme etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other securities and investments

Deposits are measured at cost.

Impairment of fixed assets

The carrying amount of plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated tax charge for the current reporting year, less tax paid in advance. Any liability or prepayment for previous years taxes are also included in the balance sheet.

Provisions for deferred tax are calculated based on all temporary differences between carrying amount and tax values. Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings, or set off against deferred tax liabilities.

Liabilities

Liabilities are measured at amortized cost which substantially corresponds to nominal value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2022	2021
2 Staff costs		
Wages/salaries	6,452,022	6,766,913
Pensions	608,767	568,077
Other social security costs	-46,518	17,137
	<u>7,014,271</u>	<u>7,352,127</u>
Average number of full-time employees	<u>7</u>	<u>9</u>
3 Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	15,396	22,811
	<u>15,396</u>	<u>22,811</u>
4 Financial income		
Interest income from group companies	206,053	31,557
Exchange adjustments	2,071	0
Other financial income	1,507	738
	<u>209,631</u>	<u>32,295</u>
5 Tax for the year		
Estimated tax charge for the year	0	86,655
Deferred tax adjustments in the year	149,767	23,764
Tax adjustments, prior years	4,815	0
	<u>154,582</u>	<u>110,419</u>
6 Property, plant and equipment		
DKK		Fixtures and fittings, other plant and equipment
Cost at 1 January 2022		68,437
Additions		<u>26,198</u>
Cost at 31 December 2022		<u>94,635</u>
Impairment losses and depreciation at 1 January 2022		55,951
Depreciation		<u>15,396</u>
Impairment losses and depreciation at 31 December 2022		<u>71,347</u>
Carrying amount at 31 December 2022		<u>23,288</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

DKK	<u>Deposits, investments</u>
Cost at 1 January 2022	59,114
Cost at 31 December 2022	59,114
Carrying amount at 31 December 2022	<u>59,114</u>

8 Share capital

The Company's share capital has remained DKK 501,000 in the past year.

9 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	<u>2022</u>	<u>2021</u>
Rent and lease liabilities	86,000	190,431

The company has entered into a rental agreement with a notice period for cancellation of 3 months.

10 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

11 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Mattel Europe Holdings B.V.	Gondel 1, 1186 MJ Amstelveen, Holland	The accounts are included in the consolidated accounts of Mattel inc. 333 Continental Boulevard, El Segundo, California, USA which is the global ultimate parent.

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"By my signature I confirm all dates and content in this document."

Tharyn Estevez Martinez

Direktør

On behalf of: Mattel Northern Europe A/S
Serial number: tharyn.estevez@mattel.com
IP: 109.36.xxx.xxx
2023-07-18 05:37:43 UTC



René Van Den Polder

Bestyrelsesformand

On behalf of: Mattel Northern Europe A/S
Serial number: rene.vandenspolder@mattel.com
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2023-07-18 09:59:37 UTC



René Van Den Polder

Bestyrelsesmedlem

On behalf of: Mattel Northern Europe A/S
Serial number: rene.vandenspolder@mattel.com
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2023-07-18 09:59:37 UTC



Bhrijesh Jayant Patel

Bestyrelsesmedlem

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Serial number: bhrijesh.patel@mattel.com
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2023-07-18 11:34:07 UTC



Prashant Bapna

Bestyrelsesmedlem

On behalf of: Mattel Northern Europe A/S
Serial number: prashant.bapna@mattel.com
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2023-07-18 16:13:12 UTC



Leif Ulbæk Jensen

Statsautoriseret revisor

Serial number: 4889818a-d929-4793-ace5-ca5171cc558e
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James Liang

Statsautoriseret revisor

Serial number: CVR:33771231-RID:27713054

IP: 83.136.xxx.xxx

2023-07-18 16:28:12 UTC



René Van Den Polder

Dirigent

On behalf of: Mattel Northern Europe A/S

Serial number: rene.vandenpolder@mattel.com

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