

Risk Factors Comparison 2025-02-26 to 2024-03-15 Form: 10-K

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If any of the risks, events, and uncertainties described below actually occurs, Mattel's business, financial condition and results of operations could be adversely affected, and such effects could at times be material. The risk factors listed below are not exhaustive. Other sections of this Annual Report on Form 10-K include additional factors that could materially and adversely impact Mattel's business, financial condition and results of operations. Moreover, Mattel operates in a very competitive and rapidly changing environment. New factors emerge from time to time, and it is not possible for management to predict the impact of all of these factors on Mattel's business, financial condition, or results of operations, or the extent to which any factor, or combination of factors, may cause actual results **or outcomes, or the timing of those results or outcomes,** to differ materially from those contained in any forward-looking statements. These factors are also currently, and in the future may be, amplified by the global economic or geopolitical climate and additional or unforeseen circumstances, developments, or risks. Given these risks and uncertainties, investors should not rely on forward-looking statements as a prediction of actual results **or outcomes**. Any or all of the forward-looking statements contained in this Annual Report on Form 10-K and any other public statement made by Mattel or its representatives may turn out to be wrong. **The risk factors below describe factors, events, or contingencies that could have an adverse effect on Mattel and are not intended as an exhaustive discussion of whether any such factors, events, or contingencies have or have not occurred.** Mattel expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new developments or otherwise. Business Operations Mattel and its license partners are not always able to successfully identify and / or satisfy consumer preferences, which could cause Mattel's business, financial condition, and results of operations to be adversely affected. Mattel's business and operating results depend largely upon the appeal of its products, driven by both innovation and marketing. Consumer preferences, ~~particularly with children as the end users of Mattel's products,~~ are continuously changing and can vary by geographical markets. Product life cycles and consumer preferences continue to be affected by the rapidly increasing use and proliferation of social and digital media by consumers, and the speed with which information is shared. Mattel is not always able to identify trends in consumer preferences or identify and satisfy consumer preferences in a timely manner. Significant, sudden shifts in demand are caused by "hit" toys and trends, which are often unpredictable and can result in short consumer life cycles. Mattel offers a **diverse wide** range of products for children, fans of all ages, and families that includes, among others, toys for infants, toddlers, and preschoolers, toys for school-aged children, **dolls, youth electronics, vehicles, action figures, building sets, games, including digital media, hand-held and other games, puzzles, plush, educational toys, technology-related products, media-driven products,** and fashion-related items. Mattel competes domestically and internationally with a wide range of large and small manufacturers, marketers, and sellers of **such products** toys, video games, consumer electronics, such as tablets and mobile devices, and other play products, as well as retailers, which means that Mattel's market position is always at risk. Mattel's ability to maintain **or increase** its current product sales, ~~and increase its product sales~~ or establish product sales with new, innovative toys, depends on Mattel's ability to satisfy play preferences, enhance existing products, develop and introduce new products, and achieve market acceptance of these products. These challenges are intensifying due to trends towards shorter life cycles for individual toy products, the phenomenon of children outgrowing traditional toys at younger ages, an increasing use of more sophisticated technology in toys, including machine learning and ~~artificial intelligence ("AI")~~, and an evolving path to purchase. In addition, entertainment media has become increasingly important for consumers to experience Mattel's brands and its license partners' brands. The extent to which Mattel's and its license partners' entertainment offerings are successful can significantly impact the demand for Mattel's products and its financial performance. Consumer acceptance of Mattel's and its license partners' entertainment offerings is impacted by factors beyond its control, including critical reviews, promotions, the popularity of movies and television programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment, general economic conditions, and public preferences generally. Mattel's failure to successfully meet the challenges outlined above in a timely and cost-effective manner could decrease demand for its products and entertainment offerings and may adversely affect Mattel's business, financial condition, and results of operations. High levels of competition and low barriers to entry can make it difficult to achieve, maintain, or build upon the success of Mattel's brands, products, and product lines. Mattel faces competitors who are also constantly monitoring and attempting to anticipate consumer tastes, seeking ideas which will appeal to consumers, and introducing new products that compete with Mattel's products. In addition, competition for access to entertainment properties has lessened, and may in the future continue to lessen, Mattel's ability to secure, maintain, and renew popular licenses to entertainment products developed by other parties and licensed to Mattel on beneficial terms, if at all, or require Mattel to pay licensors higher royalties and higher minimum guaranteed payments to obtain or retain these licenses. As a licensee of entertainment properties, Mattel has no guarantee that a particular property or brand will translate into a successful toy, game, or other product. In addition, the barriers to entry for new participants in the toy ~~products~~ industry and entertainment industry are low **and the increasing prevalence**. ~~In a very short period of time,~~ **digital media has further increased the ability for** new **participants to enter Mattel's markets, and broadened the array of companies Mattel competes with.** New market participants with a popular product idea or entertainment property can become a significant source of competition for Mattel and its products **in a very short period of time**. Reduced demand for Mattel's brands, products, and product lines as a result of these factors may adversely affect Mattel's business, financial condition, and results of operations. Inaccurately anticipating changes and trends in popular culture, media, fashion, or technology can adversely affect Mattel's sales, financial condition, and results of operations. Successful movies,

television programs, video-digital games, and characters in children's literature affect play preferences, and many products depend on media-based IP intellectual property licenses including trademarks, trade names, copyrights, patents, trade secrets, and rights under IP intellectual property license agreements and other agreements with third parties. Media-based licenses can cause a line of toys or other products to gain immediate success among children, parents, or families. Trends in media, and children's characters change swiftly and contribute to the transience and uncertainty of play preferences. Mattel attempts to respond to such trends and developments by modifying, refreshing, extending, and expanding its product offerings on an annual basis. Mattel spends considerable resources in designing and developing toys and other products based on its and its license partners' planned content releases. Mattel also relies heavily on the efforts of third parties, such as studios and other content creators and distributors, with respect to the development of content, marketing support, and release dates, which has an impact on the success of such content and the associated toys and other products. In many cases, Mattel does not fully control when or if any particular project will be greenlit, developed, or released. Third parties may change their plans with respect to projects and release dates, or may decide to cancel development. Other developments, such as labor strikes or theater closures, have at times caused, and could in the future cause, delays in the release of new movies and television programs, and any such delay or cancellation may adversely impact Mattel's sales of the associated toys and other products. Mattel expects that children will continue to be interested in product offerings incorporating sophisticated technology, such as video-digital games, consumer electronics, and social and digital media, at increasingly younger ages. ~~As~~ ~~For the extent~~ ~~Mattel seeks to introduce~~ ~~introduces~~ **more** sophisticated technology products, such products tend to have higher design, development, and production costs, follow longer timelines, and require different competencies compared to Mattel's more traditional toys and games. The pace of change in product offerings and consumer tastes for sophisticated technology products is potentially even greater than for Mattel's more traditional products, and consequently the window for consumer interest in such products may be shorter than for traditional toys and games. **The entertainment industry continues to experience frequent change driven by technological development and audience viewing preferences, including developments with respect to the formats through which films, television programming, and other episodic content are delivered to consumers, and the scale and scope of these changes have accelerated in recent years, with consumers continuing to increase their access to television, film, and other episodic content on streaming and digital content networks. These changes, as well as other trends in the industry, have caused significant disruption to the retail distribution of entertainment offerings and have caused, and could in the future cause, a negative impact on sales of Mattel's products and other forms of monetization of content, especially those that are reliant on box office success. Mattel may lose opportunities to capitalize on changing market dynamics, technological innovations or consumer tastes if it does not adapt to such changes in a timely manner. The overall effect that technological development and new digital distribution platforms have on the revenue and profits Mattel derives from its entertainment content, including from product sales associated with such content, and the additional costs associated with changing markets, media platforms, and technologies, is unpredictable. If Mattel fails to accurately assess and effectively respond to changes in technology and consumer behavior in the entertainment industry, Mattel's business, financial condition, and results of operations could be adversely affected.** Any inability by Mattel to accurately anticipate trends in popular culture, media, fashion, or technology may cause its products not to be accepted by children, parents, fans, or families and may adversely affect its sales, financial condition, and results of operations. Mattel's failure to successfully market or advertise its products could have an adverse effect on Mattel's business, financial condition, and results of operations. Mattel's products are marketed worldwide through a ~~diverse~~ **wide** spectrum of advertising, marketing, and promotional programs, including the use of digital and social media to reach consumers. Mattel's ability to sell products is dependent in part upon the success of these programs. As such, Mattel's business, financial condition, and results of operations could be adversely affected by its failure to successfully market its products or by an increase in its advertising, marketing, or promotional costs. Mattel's business is highly seasonal and otherwise subject to fluctuations in demand, and its operating results depend, in large part, on sales during the relatively brief traditional holiday season. Events that disrupt Mattel's business during its peak demand times can adversely and disproportionately affect Mattel's business, financial condition, and results of operations. Mattel's business is subject to risks associated with the underproduction of popular toys and the overproduction of toys that are less popular with consumers. Sales of toy products at retail are highly seasonal, with a large percentage of all toy purchases occurring during the relatively brief traditional holiday season. As a result, Mattel's operating results depend, in large part, on sales during the holiday season. Retailers attempt to manage their inventories tightly, which requires Mattel to ship products closer to the time the retailers expect to sell the products to consumers. This in turn results in shorter lead times for production. Management believes that the increase in "last minute" shopping during the holiday season and the popularity of gift cards (which often shift purchases to after the holiday season) may negatively impact customer re-orders during the holiday season. In addition, as a result of the seasonal nature of Mattel's business, Mattel may be adversely affected, in a manner disproportionate to the impact on a company with sales spread more evenly throughout the year, by unforeseen events, such as pandemics or other public health crises, terrorist attacks, economic shocks, severe weather due to climate change or otherwise, earthquakes or other catastrophic events, that harm the retail environment or consumer buying patterns during its key selling season, or by **other** events, such as strikes, disruptions in transportation, ~~or~~ ~~port delays~~, **regional conflict, tariffs, trade restrictions, or trade barriers, and geopolitical and macro-economic factors, including high inflation and high interest rates**, that interfere with the manufacture or shipment of goods during the critical months leading up to the holiday purchasing season. If Mattel does not correctly anticipate demand for its products, Mattel may not be able to secure sufficient quantities or cost-effective production of its products or it could have costly excess production or inventories. To ensure adequate inventory supply, Mattel must forecast inventory needs. If Mattel fails to accurately forecast customer demand, it may experience excess inventory levels or a shortage of product to deliver to its customers. Inventory levels in excess of customer demand have in the past resulted in, and may in the future result in, inventory write-downs or write-offs, and the sale of excess inventory at discounted prices or

through less preferred distribution channels, which could harm Mattel's profit margins and impair Mattel's brand image. If Mattel underestimates the demand for its products, its manufacturing plants or third-party manufacturers may not be able to produce products to meet customer requirements, which has in the past resulted in, and may in the future result in, delays in the shipment of Mattel products. Mattel has significant customer concentration, such that economic difficulties or changes in the purchasing policies or patterns of its key customers could have an adverse effect on Mattel's business, financial condition, and results of operations. A small number of customers account for a large share of Mattel's worldwide consolidated net sales. In ~~2023~~ **2024**, Mattel's three largest customers, Walmart, Target, and Amazon, in the aggregate, accounted for approximately 44% of worldwide consolidated net sales (Walmart at \$ 1. ~~13~~ **17** billion, Target at \$ 0. ~~67~~ **68** billion, and Amazon at \$ 0. ~~60~~ **51** billion) and its ten largest customers, in the aggregate, accounted for approximately ~~50~~ **51**% of net sales. This concentration exposes Mattel to risk of a material adverse effect if one or more of Mattel's large customers were to significantly reduce purchases for any reason, favor competitors or new entrants, redeploy their retail floor space to other product categories, **alter the manner in which they promote Mattel's products or the resources they devote to promoting and selling Mattel's products**, or increase their direct competition with Mattel by expanding their private-label business. Customers make no binding long-term commitments to Mattel regarding purchase volumes and make all purchases by delivering one-time purchase orders. Any customer reducing its overall purchases of Mattel's products, reducing the number and variety of Mattel's products that it carries, and the shelf space allotted for Mattel's products, or otherwise seeking to materially change the terms of the business relationship at any time could adversely affect Mattel's business, financial condition, and results of operations. Liquidity problems or bankruptcy of Mattel's key customers could have an adverse effect on Mattel's business, financial condition, and results of operations. Mattel's sales to customers are typically made on credit without collateral. There is a risk that key customers will not pay, or that payment may be delayed, because of bankruptcy, contraction of credit availability to such customers, weak retail sales, or other factors beyond the control of Mattel, which could increase Mattel's exposure to losses from bad debts. In addition, when key customers cease doing business with Mattel as a result of bankruptcy, or significantly reduce the number of stores operated, it can have an adverse effect on Mattel's business, financial condition, and results of operations. Failure to successfully implement new initiatives or meet product introduction schedules can have an adverse effect on Mattel's business, financial condition, and results of operations. Mattel has in the past announced, and in the future may announce, initiatives to reduce its costs, optimize its manufacturing footprint, increase its efficiency, improve the execution of its core business, globalize and extend Mattel's brands, catch new trends, create new brands, offer new innovative products and improve existing products, enhance product safety, develop people, improve productivity, simplify processes, and maintain customer service levels, as well as initiatives designed to drive sales growth, capitalize on Mattel's scale advantage, and improve its supply chain. These initiatives involve investment of capital and complex decision-making as well as extensive and intensive execution, and the success of these initiatives is not assured. Failure to achieve any of these initiatives could harm Mattel's business, financial condition, and results of operations. From time to time, Mattel anticipates introducing new products, product lines, or brands at a certain time in the future. There is no guarantee that Mattel will be able to manufacture, source, ship, and distribute new or continuing products in a timely manner and on a cost-effective basis. Unforeseen delays or difficulties in the development process or significant increases in the planned cost of development for new Mattel products may cause the introduction date for products to be later than anticipated or, in some situations, may cause a product or new product introduction to be discontinued. Failure to successfully implement any of these initiatives or launches, or the failure of any of these initiatives or launches to produce the results anticipated by management, could have an adverse effect on Mattel's business, financial condition, and results of operations. Mattel's business depends in large part on the success of its vendors and outsourcers, and Mattel's brands and reputation are subject to harm from actions taken by third parties that are outside Mattel's control. In addition, any significant failure, inadequacy, or interruption from such vendors or outsourcers could harm Mattel's ability to effectively operate its business. As a part of its efforts to cut costs, achieve better efficiencies, and increase productivity and service quality, Mattel relies significantly on vendor and outsourcing relationships with third parties for services and systems including manufacturing, transportation, logistics, and information technology. Any shortcoming of a Mattel vendor or outsourcer, particularly an issue related to compliance or reputation, or affecting the quality of these services or systems, risks damage to Mattel's reputation and brand value, and potentially adverse effects to Mattel's business, financial condition, and results of operations. In addition, problems with transitioning these services and systems to, or operating failures with, these vendors and outsourcers cause delays in product sales and reduce the efficiency of Mattel's operations, and significant capital investments could be required to remediate the problem. The production and sale of private-label toys by Mattel's retail customers may result in lower purchases of Mattel-branded products by those retail customers. In recent years, consumer goods companies, including those in the toy business, generally have experienced the phenomenon of retail customers developing their own private-label products that directly compete with the products of traditional manufacturers. Some retail chains and online retailers that are customers of Mattel, including three of its largest retail customers, Walmart, Amazon and Target, sell private-label toys designed, manufactured, and branded by the retailers themselves. These toys may be sold at prices lower than comparable toys sold by Mattel and may result in lower purchases of Mattel-branded products by these retailers and reduce overall consumer demand for Mattel products. In some cases, retailers who sell these private-label toys are larger than Mattel and have substantially more resources than Mattel. Mattel depends on key personnel and may not be able to hire, retain, and integrate sufficient qualified personnel to maintain and expand its business. Mattel's future success depends partly on the continued contribution of key executives, designers, and technical, sales, marketing, manufacturing, entertainment, and other personnel. If Mattel fails to retain, hire, train, and integrate key personnel, Mattel's ability to maintain or expand its business could be harmed. Recruiting and retaining qualified personnel is costly and highly competitive. Labor shortages and increased labor costs as a result of increased competition for qualified talent, higher employee turnover rates, increases in employee benefit costs, wage inflation, or other disruptions to Mattel's workforce can negatively impact its business. In

addition, changes to Mattel's current and future work environments may not meet the needs or expectations of its employees or be perceived as less favorable compared to other companies' policies, which could negatively impact Mattel's ability to hire and retain qualified personnel. Market Conditions The deterioration of global **or regional** economic conditions could adversely affect Mattel's business, financial condition, and results of operations. Mattel designs, manufactures, and markets a wide variety of ~~toy~~ products worldwide through sales to retailer customers and directly to consumers. Mattel's performance is impacted by the level of discretionary consumer spending, which remains relatively weak in many countries around the world in which Mattel does business. Consumers' discretionary purchases of toy **and entertainment** products are often impacted by a number of factors beyond Mattel's control, including, inflation, job losses, foreclosures, bankruptcies, reduced access to credit, interest rates, tax rates, investment losses, lower consumer confidence, and other macro-economic factors that affect consumer spending behavior. These or other factors can reduce the amount that consumers spend on the purchase of Mattel's products. Deterioration of global **or regional** economic conditions have at times adversely affected Mattel's business ~~and~~, financial **condition, and** results **of operations**. Unfavorable economic conditions can also impair the ability of those with whom Mattel does business to satisfy their obligations to us. Future deterioration of global **or regional** economic conditions or disruptions in credit markets in the markets in which Mattel operates could potentially have a material adverse effect on Mattel's liquidity and capital resources, including increasing Mattel's cost of capital or its ability to raise additional capital if needed, or otherwise adversely affect Mattel's business, financial condition, and results of operations. In addition to experiencing potentially lower revenues during times of economic difficulty, in an effort to maintain sales during such times, Mattel may need to increase promotional spending or take other steps to encourage retailer and consumer ~~purchase~~ **purchases** of its products. Those steps may increase costs and / or decrease profit margins and are not always successful. During periods of increased inflation, such as Mattel is currently facing, Mattel has increased prices of certain products, and may in the future need to increase prices further in order to cover increased costs of goods sold, which may reduce demand for products. There can be no guarantee that Mattel will be able to successfully increase prices in the future or that the price increases Mattel has already taken will offset the entirety of additional costs it has incurred and may incur in the future. The inability to adequately increase prices to offset increased costs and inflationary pressures, or otherwise mitigate the impact of these macro-economic conditions and market disruptions, may also increase costs and / or decrease profit margins. Significant increases in the price of commodities, transportation, or labor, if not offset by declines in other input costs, or a reduction or interruption in the delivery of raw materials, components, and finished products from Mattel's vendors, could adversely affect Mattel's business, financial condition, and results of operations. Cost increases, whether resulting from rising costs of materials, transportation, services, labor, or compliance with existing or future regulatory requirements, **including tariffs, trade restrictions, or trade barriers**, impact the profit margins realized by Mattel on the sale of its products. Because of market conditions, timing of pricing decisions, and other factors, there can be no assurance that Mattel will be able to offset any of these increased costs by adjusting the prices of its products. Increases in prices of Mattel's products may not be sustainable and could result in lower sales. Mattel's ability to meet customer demand depends, in part, on its ability to obtain timely and adequate delivery of materials, parts, and components from its suppliers and internal manufacturing capacity. Mattel has experienced shortages in the past, including shortages of raw materials and components. Additionally, as Mattel cannot guarantee the stability of its major suppliers, major suppliers may stop manufacturing components at any time with little or no notice. If Mattel is required to use alternative sources, it may be required to redesign some aspects of the affected products, which may involve delays and additional expense. Reductions or interruptions in supplies or in the delivery of finished products, whether resulting from more stringent regulatory requirements, disruptions in transportation, port delays, labor strikes or disputes, lockouts, loss or impairment of key manufacturing facilities, discontinuity or disruptions in information technology systems, changes in trade policy, **including the imposition of tariffs, trade restrictions, or trade barriers**, an outbreak of **disease or** a severe public health crisis, natural disasters, including severe weather due to climate change or otherwise, the occurrence or threat of wars or other conflicts, or a significant increase in the price of one or more supplies (or an inability to procure sufficient supplies), such as fuel or resin (which is an oil-based product used in plastics), or otherwise, have at times adversely affected and could in the future adversely affect Mattel's business, financial condition, and results of operations. Significant changes in currency exchange rates or the ability to transfer capital across borders could have an adverse effect on Mattel's business, financial condition, and results of operations. Mattel operates facilities and sells products in numerous countries outside the United States. During ~~2023~~ **2024**, Mattel's International segment net sales were 41 % of Mattel's total consolidated net sales. Furthermore, Mattel's net investment in its foreign subsidiaries and its results of operations and cash flows are subject to changes in currency exchange rates and regulations. ~~Highly Significant inflationary~~ **inflation in** economies of certain foreign countries can result in foreign currency devaluation, which negatively impacts Mattel's profitability. Mattel's efforts to mitigate the exposure of its results of operations to fluctuations in currency exchange rates by aligning its prices with the local currency cost of acquiring inventory, distributing earnings in U. S. dollars, and partially hedging this exposure using foreign currency forward exchange contracts may ultimately be unsuccessful. Government action may restrict Mattel's ability to transfer capital across borders, such as ~~recently enacted~~ currency control regulations in China, and may also impact the fluctuation of currencies in the countries where Mattel conducts business or has invested capital. Significant changes in currency exchange rates, reductions in Mattel's ability to transfer its capital across borders, and changes in government-fixed currency exchange rates, including the Chinese yuan, could have an adverse effect on Mattel's business, financial condition, and results of operations. An increasing portion of Mattel's business may come from new and emerging markets, and growing business in new and emerging markets presents additional challenges. An increasing portion of Mattel's net revenues may come from new and emerging markets, including China and India. Operating in new and emerging markets, each with its own unique consumer preferences and business climates, presents additional challenges that Mattel must meet. In addition, sales and operations in new and emerging markets are subject to other risks associated with international operations. Such risks include complications in complying with different laws in varying jurisdictions; dealing with

changes in governmental policies and the evolution of laws and regulations that impact Mattel's product offerings and related enforcement; difficulties understanding the retail climate, consumer trends, local customs and competitive conditions in foreign markets, which are often quite different from those in the United States; difficulties in moving materials and products from one country to another, including port congestion, strikes and other transportation delays and interruptions; potential challenges to Mattel's transfer pricing determinations and other aspects of its cross border transactions; and the impact of tariffs, **trade restrictions, trade barriers**, quotas, or other protectionist measures. Failure to properly manage these risks could adversely affect Mattel's business, financial condition, and results of operations. Disruptions due to political instability, civil unrest, **future the threat or occurrence of war or terrorist activities**, pandemics or other public health crises, or earthquakes or other natural disasters out of Mattel's control and actions taken by governments, businesses, and individuals in response to such events could adversely affect Mattel's business, financial **condition position, sales**, and results of operations. Mattel's business and operations could be materially and adversely affected by political instability, civil unrest, **future the threat or occurrence of war or terrorist activities**, pandemics or other public health crises, earthquakes, natural disasters, and other natural or man-made economic, political, or environmental disruptions. Disruptions, and government responses to any disruption, could adversely affect Mattel's business, financial **condition position, sales**, and results of operations and may vary based on the length and severity of the disruption. For example, the COVID-19 pandemic and the actions taken by governments, businesses, and individuals in response thereto affected how Mattel and its suppliers and partners operated their businesses, caused supply chain disruption and retail store closures, and adversely affected Mattel's operating results. ~~The impact of any new outbreaks of COVID-19, other variants, or other public health crises on Mattel's business and financial results will depend on future developments, which are highly uncertain and cannot be predicted.~~ Mattel owns, operates, and manages manufacturing facilities and utilizes third-party manufacturers and suppliers throughout Asia, primarily in China, Indonesia, Malaysia, Vietnam and Thailand, and in Mexico. Risks from political instability, civil unrest, **the threat or occurrence of war or terrorist activities**, and other geopolitical or macro-economic conditions exist in certain of these countries, which could temporarily or permanently damage the manufacturing operations of Mattel or its third-party manufacturers located there. In addition, Mattel has significant operations near major earthquake faults, including its corporate headquarters in El Segundo, California. A catastrophic event where Mattel has important operations, such as an earthquake, tsunami, flood, typhoon, fire **or wildfire**, power outage, or other natural or manmade disaster, including as a result of climate change, could disrupt Mattel's operations or those of its business partners and impair production or distribution of its products, damage inventory, interrupt critical functions, or otherwise affect its business negatively. Any one of these factors, or a combination thereof, could impact Mattel's ability to meet demand for its products or could increase the costs of its products. To the extent any of these disruptions become prolonged or recur, particularly during seasonally high periods of production or distribution, Mattel's ability to meet demand may be materially impacted. Insurance for certain disruptions may not be available, affordable, or adequate. Such disruptions in the markets in which Mattel, its employees, consumers, customers, business partners, licensees, licensors, suppliers, and manufacturers operate, can have, and at times in the past have had, a significant negative impact on Mattel's business, liquidity, financial position, sales, and results of operations. In addition, the contingency plans Mattel has developed to help mitigate the impact of disruptions in its manufacturing operations and supply chain may not prevent its business, financial position, sales, and results of operations from being adversely affected by a significant disruption to its manufacturing operations or suppliers. **The occurrence of war or hostilities between countries or threat of terrorist activities, and the responses to and results of these activities, could adversely impact Mattel, its personnel and facilities, its customers and suppliers, retail and financial markets, and general economic conditions. For example, the global economy has been negatively impacted as a result of the Russia- Ukraine war as well as the conflict in the Middle East, and Mattel's operations in Russia have experienced significant disruption. Mattel has paused all shipments into Russia and expects, for the foreseeable future, decreased revenues compared with those prior to the war from Russia and Ukraine.** Political developments, including trade relations, ~~and the threat or occurrence of war or terrorist activities~~, and / or trade actions could adversely impact Mattel, its personnel and facilities, its customers and suppliers, retail and financial markets, and general economic conditions. Mattel's business is worldwide in scope, and political instability, civil unrest, the deterioration of the political, economic, or social situation in a country in which Mattel has significant sales or operations, or the breakdown of trade relations between the United States and a foreign country in which Mattel has significant manufacturing facilities or other operations, could adversely affect Mattel's business, financial condition, and results of operations. A change in trade status between the United States and a foreign country could result in a substantial increase in the import duty of toys manufactured in that foreign country and imported into the United States. For example, the United States has implemented certain trade actions directed at China, including imposing increased tariffs on certain goods imported into the United States from China, which has resulted in retaliatory tariffs by China. China has also implemented various trade actions directed at the United States. Further trade actions by the United States or China, **or trade actions by or directed toward other countries, such as Mexico or Canada**, could result in diverting more production to, or sourcing from, countries other than China **or Mexico, could raise the cost of Mattel products in those markets**, and could cause customers in **those markets** ~~some countries or regions, such as China~~, to seek domestic or non- U. S. sources for products that Mattel sells, or to be pressured or incentivized by foreign governments not to purchase goods of U. S. companies, all of which could harm Mattel's future sales in these **those** markets, **adversely affecting Mattel's business, financial condition, and results of operations**. In addition, the United States, United Kingdom, and European Union, among other jurisdictions, have each imposed export controls, as well as financial and economic sanctions, currency controls, and other trade actions, on certain products, technologies, industry sectors, and parties in Russia **and Belarus** as a result of the Russia- Ukraine war, which have resulted and could further result in retaliatory measures and actions by Russia. Any increased trade barriers or restrictions on global trade imposed by the United States, **whether toward China, Russia, or other countries**, or further retaliatory trade measures or currency controls taken by China, Russia, or other countries

in response, could further adversely affect Mattel's business, financial condition, and results of operations. **The outcomes of Evolving stakeholder expectations, regulatory requirements, and disruptions increasing scrutiny relating to sustainability matters including with respect to climate change, could expose Mattel to potential liabilities, increase costs, cause reputational harm, and cause other adverse impacts to Mattel's business. Mattel's business is susceptible to financial, operational, and reputational risks** associated with ~~upcoming elections in the United States and other~~ **the effects** jurisdictions in which Mattel operates could alter the political, economic, and regulatory landscape in ways that are unfavorable to Mattel's interests. The occurrence of war or hostilities between countries or threat of terrorist activities, and the responses to and results of these activities, could adversely impact Mattel, its personnel and facilities, its customers and suppliers, retail and financial markets, and general economic conditions. For example, the global economy has been negatively impacted as a result of the Russia-Ukraine war, and Mattel's operations in Russia have experienced significant disruption. Mattel has paused all shipments into Russia and expects, for the foreseeable future, decreased revenues from Russia and Ukraine. Global climate change, evolving stakeholder expectations for sustainability matters, and Mattel's related goals present challenges to its business and reputation that could adversely affect Mattel. The effects of global climate change create financial, operational, and reputational risks to Mattel's business, both directly and indirectly. There is a general consensus that greenhouse gas ("GHG") emissions are linked to global climate change, and that these emissions must be reduced dramatically to avert the worst effects of climate change. Mattel's operations may be vulnerable to the adverse effects of climate change, which are predicted to increase the frequency and severity of weather events and other natural cycles such as wildfires, heatwaves, **storms**, floods, and droughts. The effects of climate change may cause disruptions ~~in to~~ Mattel's operations, including **by disrupting** its supply chain and the productivity of its third-party manufacturers, ~~increase~~ **increasing** Mattel's production costs, ~~impose~~ **imposing** capacity restraints, and ~~impact~~ **impacting** the types of products that consumers purchase, all of which may cause Mattel to suffer losses and additional costs to maintain or resume operations. Mattel may **also** be subject to decreased availability or less favorable pricing for certain commodities that are necessary for Mattel's products. In addition, Mattel ~~may expect to~~ incur capital expenditures, compliance costs, and other costs to comply with increasingly stringent **environmental sustainability** laws, compliance reporting, and enforcement policies, **including those related to the environment**. **Foreign, federal, state, and local Governments governments** around ~~have and may in the future~~ world are increasingly focused ~~focus~~ on enacting laws and regulations regarding **the management of, or disclosure regarding, sustainability matters, such as, among other topics, climate change and the regulation of greenhouse gas ("GHG") emissions**. Lawmakers and regulators in the United States and certain jurisdictions where Mattel operates have proposed or enacted regulations requiring reporting of GHG emissions and the restriction thereof, including increased fuel efficiency standards, carbon taxes or cap and trade systems, restrictive permitting, and incentives for renewable energy **use, sustainability claims and labeling requirements, responsible sourcing, and the recyclability or recoverability of packaging and products**. For example, in October 2023, California enacted legislation addressing the disclosure of GHG emissions, climate-related risks, **certain** environmental claims, and the use or sale of voluntary carbon offsets. **The Federal agencies, such as the Securities and Exchange Commission** recently adopted a ~~mandatory~~ **and other U. S. agencies, have at times in the past increased their focus on** climate, **human capital, or** change reporting framework that is likely to materially increase the ~~other sustainability-~~ amount of time, monitoring, diligence and reporting costs related to these matters **disclosures, claims, and practices**. Global efforts have been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global **sustainability climate change** issues. **Further** In January 2023, the EU enacted **has passed a variety of sustainability-** related **directives and regulations in recent years as part of its Green Deal, such as** the Corporate Sustainability Reporting Directive, which will require sustainability reporting across a broad range of sustainability topics for both EU and non-EU companies, **and the Corporation Sustainability Due Diligence Directive, which will require both EU and non-EU companies to take certain steps to address human rights- and climate- related risks and impacts. Compliance with this evolving legislative and regulatory landscape will require management's time and resources, impose increased costs, and could result in operational disruptions. Further, Mattel's failure to comply with sustainability-** related laws and **regulations could lead to government enforcement actions, penalties, litigation, and / or reputational harm**. A variety of ~~other~~ **Mattel's** stakeholders, including regulators, investors, advisory firms, rating agencies, and customers, are establishing laws, regulations, expectations, and / or assessments reflecting their **varied and evolving** expectations ~~for on~~ corporate practices, **including transparency, due diligence, and reporting** related to **sustainability matters, such as climate change, plastic use, human rights and / or labor standards, responsible sourcing, the recyclability or recoverability of packaging and products, human capital management, product safety and quality,** and other corporate responsibility matters. In August 2021, Mattel announced its goal to reduce absolute Scope 1 and Scope 2 GHG emissions 50% by 2030 (versus a 2019 baseline). Mattel has subsequently established additional goals related to sustainability matters. **Such** **In particular, customers and consumers may continue to put a premium on purchasing products that are sustainably manufactured and packaged, and Mattel may need to incur additional costs in order to effectively source materials that are more sustainable. As Mattel's sustainability practices, stakeholder expectations, and voluntary and regulatory sustainability disclosure standards and policies continue to evolve, Mattel has developed, and may further develop, sustainability-** related goals and disclosures in these areas. **Current sustainability** goals are based on Mattel management's current assumptions related to scientific or technological developments, carbon markets, ~~the workforce and hiring market,~~ and other matters that are subject to change in the future and which ~~are~~ **may be** outside of Mattel's control, as well as standards for measuring progress that are still ~~in development~~ **developing** ~~and~~ subject to a number of significant risks and uncertainties. Mattel's efforts to be responsive to climate change, **including** to reduce its carbon footprint, and ~~regarding~~ other sustainability matters, **cannot provide assurance that Mattel will successfully achieve its sustainability goals, that related costs may not be higher than expected, that proposed regulation or deregulation related to climate change and other sustainability matters will not**

be more aggressive than Mattel's measures and result in higher costs (or require additional resources), or that any investments Mattel makes in furtherance of achieving such goals will meet expectations for all stakeholders or any applicable binding or non-binding legal standards, any one of which could have an adverse effect on Mattel's financial condition, results of operations, or reputation, or stock price. In addition, Mattel's efforts on these topics may harm its reputation or competitive position and negatively impact its ability to retain existing or attract new employees, customers, and business relationships. Further, being associated with activities by business partners or other affiliates that have or are perceived to have individual or cumulative adverse impacts on the climate, human rights, or other sustainability matters could negatively affect Mattel's reputation and impose additional costs. Climate and other sustainability-related litigation has increased in recent years, including such as claims involving the failure of organizations to mitigate their negative impacts on climate change, the failure of organizations to adapt to climate change, and the insufficiency or inaccuracy of disclosure around material financial risks or inaccuracy of climate or other sustainability-related risks disclosure. Additionally, the failure as consumers and customers continue to meet stated but an increased priority on purchasing products that are sustainably sustainability manufactured and packaged-related goals, Mattel may need to incur increased costs in order to effectively source materials that are more sustainable, as well as increased costs for or additional transparency, due diligence, the failure to adequately meet standards regarding human rights and reporting / or labor conditions. If Mattel's sustainability practices do not or are perceived to not meet, or align with are not viewed as meeting, investor or other stakeholder expectations and standards (which are continually evolving and may disagree with or emphasize different priorities than the ones Mattel chooses to focus on), or if Mattel fails does not or appears not to achieve, is perceived to have failed to achieve or been delayed in achieving, its sustainability goals, it then investors, consumers, and other stakeholders could lose confidence in Mattel and its brands, damaging Mattel's reputation and negatively impacting operations affect consumer or customer preference for Mattel's products, as well as expose Mattel to reputational harm or litigation. Financial and Accounting To the extent Mattel is unable to realize the anticipated cost savings from its previously announced cost savings programs or incurs additional and / or unexpected costs to realize such cost savings, Mattel's business, financial condition, and results of operations could be adversely affected. Mattel has implemented and continues to implement a series of cost savings programs as described in Part II, Item 7" Management's Discussion and Analysis of Financial Condition and Results of Operations — Cost Savings Programs." There can be no assurance that Mattel will be able to realize the cost savings from its previously announced cost savings programs in the anticipated amounts or within the anticipated timeframes or at all, or that the impact of the efforts to achieve such cost savings will not be significantly different than currently anticipated. In addition, any cost savings that Mattel realizes may be offset, in whole or in part, by reductions in net sales or through increases in other expenses. Failure to realize the expected cost savings from these cost savings programs could have an adverse effect on Mattel's business, financial condition, and results of operations. The amounts of anticipated cost savings and anticipated expenses related thereto are based on Mattel's current estimates, but they involve risks, uncertainties, assumptions, and other factors that may cause actual results, performance, or achievements to be materially different from those described herein. Assumptions relating to the plans and amounts related thereto involve subjective decisions and judgments with respect to, among other things, the estimated impact of certain operational adjustments, including marketing efficiency, labor management, material input cost fluctuations, plant transition costs, and other cost and savings adjustments, as well as future economic, competitive, industry and market conditions, and future business decisions, all of which are inherently uncertain and may be beyond the control of Mattel's management. Although Mattel's management believes these estimates and assumptions to be reasonable, there can be no assurance that the assumptions or estimates described herein will prove to be accurate or that the objectives and plans expressed will be achieved. Neither Mattel's independent registered public accounting firm nor any other independent registered public accounting firm, has examined, compiled, or performed any procedures with respect to these amounts, nor have they expressed any opinion, or any other form of assurance, on such information or their achievability. Mattel has in the past engaged, and may in the future engage, in acquisitions, mergers, dispositions, or other strategic transactions, which can affect Mattel's revenues, profit, profit margins, debt-to-capital ratio, capital expenditures, or other aspects of Mattel's business. In addition, Mattel has certain anti-takeover provisions in its bylaws that may make it more difficult for a third party to acquire Mattel without its consent, which may adversely affect Mattel's stock price. Mattel regularly considers, and from time to time engages in, discussions and negotiations regarding acquisitions, mergers, dispositions, or other strategic transactions that could affect the profit, revenues, profit margins, debt-to-capital ratio, capital expenditures, or other aspects of Mattel's business. There can be no assurance that Mattel will be able to identify suitable acquisition targets or merger partners or that, if identified, it will be able to complete these transactions on terms acceptable to Mattel and to potential acquisition targets or merger partners. There can also be no assurance that Mattel will be successful in integrating any acquired company into its overall operations, or that any such acquired company will operate profitably or will not otherwise adversely impact Mattel's results of operations. Further, Mattel cannot be certain that key talented individuals at those acquired companies will continue to work for Mattel after the acquisition or that they will continue to develop popular and profitable products or services. In addition, Mattel has certain anti-takeover provisions in its bylaws that may make it more difficult for a third party to acquire Mattel without its consent, which may adversely affect Mattel's stock price. The level of returns on pension plan assets and the actuarial assumptions used for valuation purposes could affect Mattel's earnings in future periods. Changes in standards and government regulations could also affect its pension plan expense and funding requirements. Assumptions used in determining projected benefit obligations and the fair value of plan assets for Mattel's pension plan are evaluated by Mattel in consultation with outside actuaries. In the event that Mattel determines that changes are warranted in the assumptions used, such as the discount rate or expected long term rate of return, its future pension benefit expenses could increase or decrease. Due to changing market conditions or changes in the participant population, the actuarial assumptions that Mattel uses may differ from actual results, which could have an impact on its pension and postretirement liability and related costs. Funding obligations are determined based on the value of assets and

liabilities on a specific date as required under relevant government regulations for each plan. Future pension funding requirements, and the timing of funding payments, could be affected by legislation enacted by the relevant governmental authorities. If Mattel's goodwill becomes impaired, Mattel's results of operations could be adversely affected. Goodwill accounts for a significant amount of Mattel's assets. Mattel tests its goodwill for impairment annually or more often if an event or circumstance indicates that an impairment may have occurred. For purposes of evaluating whether goodwill is impaired, goodwill is allocated to various reporting units, ~~which are at the operating segment level~~. Declines in profitability of Mattel's reporting units may impact the fair value of its reporting units, which could result in an impairment of its goodwill, adversely affecting its results of operations. For more information, see Part II, Item 7" Management's Discussion and Analysis of Financial Condition and Results of Operations — Application of Critical Accounting Policies and Estimates — Goodwill" and Part II, Item 8" Financial Statements and Supplementary Data — Note 3 to the Consolidated Financial Statements — Goodwill and Intangible Assets, Net." Mattel's stock price has been volatile over the past several years and could decline in the future, resulting in losses for Mattel's investors. All the factors discussed in this section or any other material announcements or events can affect Mattel's stock price. In addition, quarterly fluctuations in Mattel's operating results, changes in investor and analyst perception of Mattel's business risks and conditions of its business, Mattel's ability to meet earnings estimates and other performance expectations of financial analysts or investors, unfavorable commentary or downgrades of Mattel's stock by research analysts, fluctuations in the stock prices of Mattel's peer companies or in stock markets in general, and general economic or political conditions can also cause the price of Mattel's stock to change. A significant drop in the price of Mattel's stock would expose Mattel to the risk of securities class action lawsuits, which could result in substantial costs and divert management's attention and resources, with the potential to adversely affect Mattel's business. For example, Mattel and certain other defendants have ~~recently~~ been party to certain class actions and certain derivative actions. For more information, see Part II, Item 8" Financial Statements and Supplementary Data — Note 13 to the Consolidated Financial Statements — Commitments and Contingencies — Litigation." Mattel identified a material weakness in its internal control over financial reporting which, if not remediated appropriately or timely, could affect Mattel's ability to record, process, and report financial information accurately, impair its ability to prepare financial statements, negatively affect investor confidence, and cause reputational harm. Effective internal controls are necessary for Mattel to provide reliable and accurate financial reporting and financial statements for external purposes in accordance with generally accepted accounting principles. A failure to maintain effective internal control over financial reporting could lead to violations, unintentional or otherwise, of laws and regulations. As disclosed in Part II, Item 9A" Controls and Procedures," Mattel determined that there is a material weakness in its internal control over financial reporting and as a result, its disclosure controls and procedures and internal control over financial reporting are not effective as of December 31, ~~2023~~ **2024**. While Mattel is ~~actively engaged~~ in the **process of planning for, and implementation** ~~of~~ **implementing its** ~~of~~ **remediation efforts plan** to address the material weakness, there can be no assurance that the efforts will fully remediate the material weakness in a timely manner. If Mattel is unable to remediate the material weakness, or is otherwise unable to maintain effective internal control over financial reporting or disclosure controls and procedures, Mattel's ability to record, process, and report financial information accurately, and to prepare financial statements within required time periods, could be adversely affected. Litigation, government investigations, or regulatory enforcement actions arising out of any such failure or alleged failure could subject Mattel to civil and criminal penalties that could materially and adversely affect Mattel's reputation, financial condition, and operating results. The material weakness, remediation efforts, and any related litigation, government investigations, or regulatory enforcement actions will require management attention and resources and cause Mattel to incur unanticipated costs, and could negatively affect investor confidence in Mattel's financial statements, cause Mattel reputational harm, and raise other risks to its operations. Legal and Regulatory Mattel relies extensively on information technology in its operations, and any material failure, inadequacy, interruption, or security breach of that technology could have an adverse effect on its business, financial condition, and results of operations. Mattel relies extensively on information technology systems across its operations, including for management of its supply chain, sale and delivery of its products and services, reporting its results of operations, collection and storage of consumer data, personal data of customers, employees and other stakeholders, and various other processes and transactions. If Mattel does not allocate and effectively manage the resources necessary to build, sustain, and protect an appropriate technology infrastructure, it could be subject to transaction errors, processing inefficiencies, loss of customers, business disruptions, shutdowns, or loss of or damage to **IP intellectual property** through security breach. Many of these systems are managed by third- party service providers. Mattel relies on such third parties to provide services on a timely and effective basis, but Mattel ultimately does not control their performance. Mattel uses third- party technology and systems for a variety of reasons, including, without limitation, encryption and authentication technology, employee email, content delivery to customers, regulatory compliance, back- office support, and other functions. A small and growing volume of Mattel's consumer products and services are web- based, and some are offered in conjunction with business partners or such third- party service providers. In addition, Mattel's distributors, suppliers, and other external business partners utilize their own information technology systems that are subject to similar risks to Mattel as described above. Their failure to perform as expected or as required by contract, or a cyber- attack on them that disrupts their systems, could result in significant disruptions and costs to Mattel's operations or, in the case of third- party service providers, a penetration of Mattel's systems. Mattel and its business partners and third- party service providers collect, process, store, and transmit consumer data, including personal and payment information, in connection with those products and services. Failure to follow applicable regulations related to those activities, or to prevent or mitigate data loss or other security breaches, including breaches of Mattel's business partners' technology and systems, can expose Mattel or its customers to a risk of loss or misuse of such information, which can adversely affect Mattel's operating results, result in regulatory enforcement, other litigation and potential liability for Mattel, and otherwise harm its business. Mattel's ability to effectively manage its business and coordinate the production, distribution, and sale of its products and services depends significantly on the reliability and capacity of these

systems and third- party service providers. Mattel has exposure to security risks similar to those faced by other large companies that have data stored on their information technology systems, such as security breaches, cyber- attacks, and other hacking activities such as denial of service, malware, and ransomware, and is not always successful in preventing attacks or other cyber incidents. For example, in July 2020, Mattel experienced a ransomware attack. That attack was contained, Mattel restored its operations, and no exfiltration of any sensitive business data or retail customer, supplier, consumer, or employee data was identified; however, there can be no assurance that Mattel will be able to mitigate negative impacts in the same way in the event of future attacks or other cyber incidents. The systems and processes that Mattel has developed to protect personal information and prevent data loss and other security breaches, including systems and processes designed to prevent, detect, and minimize the impact of a security breach at a third- party provider as well as enhancements to the security of Mattel' s systems and processes following the July 2020 ransomware attack, do not provide absolute security, and any failure or inadequacy of such systems or processes could have an adverse effect on Mattel' s business, financial condition, and results of operations. While Mattel carries cyber and business continuity insurance commensurate with its size and the nature of its operations, there can be no guarantee that costs incurred as a result of cyber events will be covered completely. ~~The recent global shift to remote~~ **Remote or hybrid** work environments (including for Mattel' s employees, customers, sellers, suppliers, vendors, and other third parties) may amplify these security risks or introduce additional security vulnerabilities. Additionally, **the prevalence and increasing sophistication of** AI may increase the frequency or efficacy of cyberattacks against Mattel. Mattel' s information systems require an ongoing commitment of significant resources to maintain, upgrade and enhance existing systems and develop or contract for new systems in order to keep pace with continuing changes in information processing technology, emerging cybersecurity risks and threats, evolving industry, legal and regulatory standards and requirements, and other changes in Mattel' s business, among other things. Mattel has made and expects to continue to make significant investments in updating and integrating IT systems; however, those investments could turn out to be insufficient or fail to yield the expected results. If Mattel' s or its third- party service providers' systems fail to operate effectively or are damaged, destroyed, or shut down, or there are problems with transitioning to upgraded or replacement systems, or there are future security breaches in these systems, any of which could occur as a result of natural disasters, software or equipment failures, telecommunications failures, loss or theft of equipment, acts of terrorism, circumvention of security systems, or other cyber- attacks, including denial- of- service attacks, Mattel could experience delays or decreases in product sales and reduced efficiency of its operations. Additionally, any of these types of events could lead to violations of privacy laws, loss of customers, or loss, misappropriation or corruption of confidential information, trade secrets, or data, which could expose Mattel to potential litigation, regulatory actions, sanctions, or other statutory penalties, any or all of which could adversely affect its business and cause it to incur significant losses and remediation costs. If Mattel fails to comply with applicable U. S. and foreign laws related to privacy, data security, AI, and data protection, it could adversely affect Mattel' s operating results and financial condition. As a global company, Mattel is subject to a variety of continuously evolving and developing laws and regulations in the United States and abroad regarding privacy, data protection, AI, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. For example, Mattel is or may become subject to a variety of laws and regulations such as the European Union' s General Data Protection Regulation (" GDPR"), EU Artificial Intelligence Act (" EU AI Act"), China' s Personal Information Protection Law (" PIPL"), California' s Consumer Privacy Act (" CCPA"), or the U. S. Children' s Online Privacy Protection Act of 1998 (" COPPA") regarding privacy, data protection, AI (including automated decision- making) and data security. These laws and regulations are continuously evolving and developing, creating significant uncertainty as privacy and data protection laws may be interpreted and applied differently from country to country and may create inconsistent or conflicting requirements. For example, the GDPR, which greatly increases the jurisdictional reach of EU law and became effective in May 2018, added a broad array of requirements for handling personal data, including the public disclosure of significant data breaches, and imposes substantial penalties for non- compliance. The EU AI Act, which ~~was adopted is expected to become effective in the coming years~~ **2024 and will be implemented in phases beginning 2025 through 2030**, imposes certain requirements and limitations on developers and deployers of AI systems designated as " high risk," including in some cases AI systems designed for interaction with children. The requirements will apply to companies based outside the EU but operating on the EU market, and will carry the potential for substantial penalties for non- compliance. China' s PIPL imposes additional operational requirements relating to processing personal information and provides for penalties and enforcement mechanisms. China has recently enacted complex and highly restrictive cybersecurity, data localization, and cross border data transfer laws. The CCPA requires covered companies to provide additional disclosures and data rights to data subjects. The California Privacy Rights Act (" CPRA"), which became operative on January 1, 2023, established the California Privacy Protection Agency to enforce Californians' privacy rights under the CCPA. Since the CCPA was enacted, several other states have enacted ~~and or~~ **are** in the process of enacting ~~similar comprehensive~~ **privacy schemes, certain of** **data protection, and AI- related laws, which may** also impose obligations on companies developing and using AI or automated decision- making technologies. Mattel' s ongoing ~~compliance efforts to comply~~ **compliance efforts to comply** with the GDPR and other privacy and data protection laws, such as the PIPL, CCPA, CPRA, and COPPA, as well as initiatives to comply with new legal regimes relating to privacy, data protection, and AI, ~~imposes~~ **impose** significant costs and challenges that are likely to increase over time, including as Mattel introduces sophisticated digital and smart technology products, including products that incorporate AI. Given that the scope, interpretation, and application of these laws and regulations are often uncertain and may be in conflict across jurisdictions, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or Mattel' s practices. Any failure, or perceived failure, by Mattel or third- party service providers to comply with Mattel' s privacy or security policies or privacy- related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personal data, may result in governmental enforcement actions, litigation, or negative publicity, and could have an adverse effect on Mattel' s operating results and financial condition. Mattel

faces risks related to protecting its proprietary ~~IP intellectual property~~ and information and is subject to third- party claims that Mattel is infringing on their ~~IP intellectual property~~ rights, either of which could adversely affect Mattel' s business, financial condition, and results of operations. The value of Mattel' s business depends on its ability to protect its ~~IP intellectual property~~ and information, including its trademarks, trade names, copyrights, patents, trade secrets, and rights under ~~IP intellectual property~~ license agreements and other agreements with third parties, in the United States and around the world, as well as its customer, employee, and consumer data. From time to time, third parties have challenged, and may in the future try to challenge, Mattel' s ownership of its ~~IP intellectual property~~ in the United States and around the world. Responding to any infringement claim, regardless of its validity, may be costly and time- consuming and may divert management and key personnel from business operations. Findings of infringement on the ~~IP intellectual property~~ rights of any third party by Mattel, its distributors, its licensors, or its manufacturers may require obtaining a license to use those rights, which may not be obtainable on reasonable terms, if at all. In addition, Mattel' s business is subject to the risk of third parties counterfeiting its products or infringing on its ~~IP intellectual property~~ rights, and the availability of certain AI tools has facilitated the creation of infringing works based on the unauthorized use of Mattel' s IP. The legal landscape for some new technologies, including AI (particularly generative AI), remains uncertain, and development of the law in this area could impact Mattel' s ability to protect against potentially infringing uses associated with both the development and use of AI. In addition, the availability of copyright protection and other legal protections for IP generated by certain new technologies, such as generative AI, is uncertain. The steps Mattel has taken may not prevent unauthorized use of its ~~IP intellectual property~~, particularly in foreign countries where the laws may not protect its ~~IP intellectual property~~ as fully as in the United States. Mattel at times resorts to litigation to protect its ~~IP intellectual property~~ rights, which could result in substantial costs and diversion of resources. Mattel' s failure to protect its proprietary ~~IP intellectual property~~ and information, including with respect to any successful challenge to Mattel' s ownership of its ~~IP intellectual property~~ or significant infringements of its ~~IP intellectual property~~, could have an adverse effect on Mattel' s business, financial condition, and results of operations. Mattel has acquired, and may in the future acquire, certain ~~IP intellectual property~~ from third parties. Declines in the profitability of these acquired brands may impact Mattel' s ability to recover the carrying value of the related assets and could result in an impairment charge. Reduction in net earnings caused by impairment charges could harm Mattel' s results of operations. Unfavorable resolution of, or adverse developments in, legal proceedings, other investigations, or regulatory matters could have an adverse effect on Mattel' s business, financial condition, and results of operations. Mattel is, from time to time, involved in litigation or other disputes, investigations, and regulatory matters. An unfavorable resolution of these matters could have an adverse effect on Mattel' s business, financial condition, and results of operations. Regardless of their outcome, these matters may result in substantial costs and expenses, significantly divert the attention of management, or interrupt Mattel' s normal business operations. There can be no assurance that Mattel will be able to prevail in, or achieve a favorable settlement of, any of these matters. For more information, see Part II, Item 8" Financial Statements and Supplementary Data — Note 13 to the Consolidated Financial Statements — Commitments and Contingencies — Litigation." Mattel is subject to various laws and government policies or regulations in numerous jurisdictions, violation of which could subject it to sanctions. In addition, changes in such laws or policies or regulations may lead to increased costs, changes in Mattel' s effective tax rate, or the interruption of normal business operations that could adversely affect Mattel' s business, financial condition, and results of operations. Mattel operates in a highly regulated environment in the United States and international markets. U. S. federal, state, and local governmental entities, and foreign governments regulate many aspects of Mattel' s business, including its products and the importation and exportation of its products, and these laws and regulations can change frequently. These policies or regulations include accounting standards, taxation requirements (including changes in applicable income tax rates, new tax laws, and revised tax law interpretations), product safety and other safety standards, ~~trade restrictions~~, duties and tariffs (including international trade laws and regulations, export controls, and economic sanctions), ~~trade restrictions, trade barriers~~, regulations regarding currency and financial matters, anticorruption standards (such as the U. S. Foreign Corrupt Practices Act), ~~labor and employment~~, environmental matters, advertising directed toward children, product content, ~~AI~~, and privacy and data protection, as well as other administrative and regulatory restrictions. In addition, as Mattel enters into new areas of investment, product development, or other business activities, it will have to learn to navigate the regulatory framework surrounding those areas, which may be continuing to develop. For example, Mattel has launched several non- fungible token projects, and its own digital collectibles marketplace. Mattel may continue to make investments involving cryptocurrency and may transact in cryptocurrency, and must comply with applicable regulations, which continue to evolve. The steps Mattel takes to comply with these laws, regulations, and policies do not ensure that Mattel will be in compliance in the future. Compliance with these various laws, regulations, and policies imposes significant costs on Mattel' s business, and failure to comply could result in monetary liabilities and other penalties and could ~~also~~ lead to negative media attention, ~~reputational damage~~, and consumer dissatisfaction, which could have an adverse effect on Mattel' s business, financial condition, and results of operations. New tax laws and interpretations of tax law are taken into account for financial statement purposes in the quarter or year that they become applicable. The Organization for Economic Co- operation and Development reached an agreement among various countries to implement a minimum 15 % tax rate on certain multinational enterprises, commonly referred to as Pillar Two. Many countries continue to announce changes in their tax laws and regulations based on the Pillar Two rules. Mattel is continuing to evaluate the impact of these proposed and enacted legislative changes as new guidance becomes available. Some of the legislative changes could impact Mattel' s effective tax rate and tax liabilities. When and how these rules are adopted or enacted by various countries in which Mattel does business could increase tax complexity and uncertainty and may adversely affect Mattel' s worldwide effective tax rate, income tax expense, and cash flows. Mattel is subject to regular review and audit by both domestic and foreign tax authorities. Tax authorities are increasingly scrutinizing the tax positions of companies and Mattel has tax audits pending in several jurisdictions. If the U. S. or foreign tax authorities change applicable tax laws or successfully challenge how or where Mattel' s profits are currently recognized, Mattel' s overall taxes could increase,

and Mattel's business, financial condition or results of operations may be adversely impacted. In addition, increases in import and excise duties and / or sales or value added taxes in the jurisdictions in which Mattel operates could affect the affordability of Mattel's products and, therefore, reduce demand. From time to time, issues with products lead to product liability, personal injury or property damage claims, recalls, withdrawals, replacements of products, or regulatory or other actions by governmental authorities, which could divert resources, affect business operations, decrease sales, increase costs, and put Mattel at a competitive disadvantage, any of which could have an adverse effect on Mattel's business, financial condition, and results of operations. Mattel has in the past experienced, and may in the future experience, issues with products that lead to product liability, personal injury or property damage claims, recalls, withdrawals, replacements of products, or regulatory actions by governmental authorities. These issues and activities have resulted in increased governmental scrutiny and inquiries, harm to Mattel's reputation, reduced demand by consumers for its products, decreased willingness by retailer customers to purchase or provide marketing support for those products, adverse impacts on Mattel's ability to enter into licensing agreements for products on competitive terms, absence or increased cost of insurance, or additional safety and testing requirements. For example, the insurance terms Mattel negotiated for certain prior periods were less favorable than preceding periods as a result of past claims, product liability incidents, changes in market conditions, and other factors. These issues and activities can divert development and management resources, adversely affect Mattel's business operations, decrease sales, increase legal fees and other costs, and put Mattel at a competitive disadvantage compared to other manufacturers not affected by similar issues with products, any of which could have an adverse effect on Mattel's business, financial condition, and results of operations. Mattel's current and future operating procedures and product requirements may increase costs, adversely affect its relationship with vendors, and make it more difficult for Mattel to produce, purchase, and deliver products on a timely basis to meet market demands. Future conditions may require Mattel to adopt further changes that may increase its costs and further affect its relationship with vendors. Mattel's current operating procedures and product requirements, including testing requirements and standards, have imposed costs on both Mattel and the vendors from which it purchases products. Changes in business conditions, including those resulting from new legislative and regulatory requirements, have in the past caused, and in the future could cause, further revisions of Mattel's operating procedures and product requirements. Changes in Mattel's operating procedures and product requirements can delay delivery of products and increase costs. Mattel's relationships with its existing vendors may be adversely affected as a result of these changes, making Mattel more dependent on a smaller number of vendors. Mattel is not currently dependent on a single supplier or group of suppliers. Some vendors may choose not to continue to do business with Mattel or not to accommodate Mattel's needs to the extent that they have done in the past. In addition, rising production costs, contraction of credit availability, and labor shortages have caused a substantial contraction in the number of toy manufacturers in China and other countries in Asia, decreasing the number of potential vendors to manufacture Mattel's products. Because of the seasonal nature of Mattel's business and the demands of its customers for deliveries with short lead times, Mattel depends upon the cooperation of its vendors to meet market demand for its products in a timely manner. There can be no assurance that existing and future events will not require Mattel to adopt additional requirements and incur additional costs, and impose those requirements and costs on its vendors, which may adversely affect its relationship with those vendors and Mattel's ability to meet market demand in a timely manner. Indebtedness Mattel's substantial indebtedness could adversely affect its ability to raise additional capital to fund its operations, limit its ability to react to changes in the economy or its industry, and expose it to interest rate risk to the extent of its variable rate debt. At December 31, 2023-2024, Mattel had \$ 2. 33 billion of indebtedness on a consolidated basis, consisting primarily of 3. 375 % Senior Notes due 2026, 5. 875 % Senior Notes due 2027, and 3. 750 % Senior Notes due 2029, as well as Senior Notes issued in prior years. In addition, Mattel has \$ 1. 40 billion of commitments under its revolving credit facility. For more information, see Part II, Item 8" Financial Statements and Supplementary Data — Note 6 to the Consolidated Financial Statements — Seasonal Financing and Debt." Subject to the limits contained in the credit agreement that governs Mattel's revolving credit facility, the indentures that govern the notes, and Mattel's other debt instruments, Mattel may incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. To the extent Mattel does so, the risks related to Mattel's high level of debt would increase. Specifically, Mattel's substantial indebtedness could have important consequences. For example, it could: • Require Mattel to dedicate a substantial portion of its cash flow from operations to payments on Mattel's indebtedness, thereby reducing the availability of Mattel's cash flow to fund acquisitions, working capital, capital expenditures, research and development efforts, and other general corporate purposes; • Increase Mattel's vulnerability to, and limit Mattel's flexibility in planning for or reacting to, changes in its business and the industries in which it operates; • Restrict Mattel from making strategic acquisitions or cause Mattel to make non- strategic divestitures; • Expose Mattel to the risk of increased interest rates as borrowings under its revolving credit facility will be subject to variable rates of interest; • Expose Mattel to additional risks related to currency exchange rates and repatriation of funds; • Place Mattel at a competitive disadvantage compared to its competitors that have less debt; and • Limit Mattel's ability to obtain additional debt or equity financing for working capital, capital expenditures, business development, debt service requirements, acquisitions, and general corporate or other purposes. Mattel's credit ratings have fluctuated over time in recent years. If Mattel's credit ratings decline, its cost of issuing new debt could increase. Mattel may be hindered from obtaining, or required to incur incremental costs to obtain, additional credit in tight credit markets. Further, Mattel's ability to issue additional debt could be adversely affected by other factors, including market conditions. The interest rate margins, unused line fee, and letter of credit fronting fee under Mattel's revolving credit facility may fluctuate based on Mattel's credit ratings. For example, if Mattel's credit ratings decline, its debt service obligations under its revolving credit facility may increase even if the principal amount borrowed remains the same. In addition, the indentures governing the notes and the agreements governing Mattel's revolving credit facility contain affirmative and negative covenants that limit Mattel's ability to engage in activities that may be in its long- term best interests. Mattel's failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of Mattel's

debts. To service Mattel' s indebtedness, Mattel requires a significant amount of cash and Mattel' s ability to generate cash depends on many factors beyond Mattel' s control. Mattel' s ability to make cash payments on and to refinance its indebtedness, and to fund planned capital expenditures, depends on Mattel' s ability to generate significant operating cash flow in the future. This, to a significant extent, is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond Mattel' s control. Mattel' s business may not generate sufficient cash flow from operations and future borrowings may not be available under Mattel' s revolving credit facility in an amount sufficient to enable Mattel to pay its indebtedness or to fund its other liquidity needs. In such circumstances, Mattel may need to refinance all or a portion of its indebtedness upon or before maturity. Mattel may not be able to refinance any of its indebtedness, including its revolving credit facility and the notes, on commercially reasonable terms or at all. If Mattel cannot service its indebtedness, Mattel may need to take actions such as selling assets, issuing additional equity, reducing or delaying capital expenditures, strategic acquisitions, investments, and alliances. There can be no assurance that such actions, if necessary, will be effected on commercially reasonable terms or at all. The credit agreement governing Mattel' s revolving credit facility and the indentures governing the notes will restrict Mattel' s ability to sell assets and use the proceeds from such sales. If Mattel is unable to generate sufficient cash flow or is otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on its indebtedness, or if Mattel otherwise fails to comply with the various covenants in the instruments governing its indebtedness, Mattel could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness will have the right to elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under Mattel' s revolving credit facility will have the right to elect to terminate their commitments thereunder, cease making further loans, and institute foreclosure proceedings against Mattel' s assets, and Mattel could be forced into bankruptcy or liquidation. Declines in Mattel' s operating performance may require Mattel to obtain waivers in the future from the required lenders under its revolving credit facility to avoid being in default. If Mattel breaches its covenants under its revolving credit facility and seeks a waiver, Mattel may not be able to obtain a waiver from the required lenders. If this occurs, Mattel would be in default under its revolving credit facility, the lenders could exercise their rights, as described above, and Mattel could be forced into bankruptcy or liquidation. Mattel' s variable rate indebtedness subjects Mattel to interest rate risk, which could cause Mattel' s debt service obligations to increase significantly. Borrowings under Mattel' s revolving credit facility will be at variable rates of interest and will expose Mattel to interest rate risk. If interest rates continue to increase, Mattel' s debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and Mattel' s net income and cash flows, including cash available for servicing its indebtedness, will correspondingly decrease. Assuming Mattel' s revolving credit facility is fully drawn up to the maximum commitment level and the interest rates are above the interest rate floor set forth in the credit agreement governing Mattel' s revolving credit facility, each one- eighth point change in interest rates would result in a \$ 1. 75 million change in annual interest expense on Mattel' s indebtedness under its revolving credit facility. Any interest rate swaps that Mattel enters into with respect to its variable rate indebtedness may not fully mitigate Mattel' s interest rate risk. Mattel is dependent upon its lenders for financing to execute its business strategy and meet its liquidity needs. If Mattel' s lenders are unable to fund borrowings under their credit commitments or Mattel is unable to borrow, it could adversely affect Mattel' s business, financial condition, and results of operations. There is risk that one or more of Mattel' s lenders, even those with strong balance sheets and sound lending practices, could fail or refuse to honor their legal commitments and obligations under existing credit commitments, including but not limited to extending credit up to the maximum amount permitted by a credit facility and otherwise accessing capital and / or honoring loan commitments. If Mattel' s lenders are unable to fund borrowings under their credit commitments or Mattel is unable to borrow, it could be difficult to replace Mattel' s revolving credit facility on similar terms, which could adversely affect Mattel' s business, financial condition, and results of operations. Mattel' s stock repurchase program could affect the price of its common stock and may be suspended at any time, and there is no guarantee that repurchases under the program, if any, will enhance stockholder value. Mattel has a **\$ 1. 00 billion** stock repurchase program, under which it is currently authorized to repurchase up to **\$ 1. 00 billion** of its common stock. The stock repurchase program does not obligate Mattel to repurchase any dollar amount or number of shares and may be suspended at any time without prior notice, which could cause the market price of Mattel' s common stock to decline. The amount and timing of repurchases under Mattel' s share repurchase program, if any, are influenced by many factors and may fluctuate based on Mattel' s operating results, cash flows, priorities for the use of cash, the market price of Mattel' s common stock, and its possession of potentially material nonpublic information. There is no guarantee as to the exact number of shares to be repurchased by Mattel, if any. Repurchases pursuant to the stock repurchase program could affect Mattel' s stock price and increase its volatility. The existence of a stock repurchase program could also cause Mattel' s stock price to be higher than it would be in the absence of such a program. Additionally, repurchases under the stock repurchase program utilize Mattel' s cash reserves, which could impact its ability to pursue possible future strategic opportunities and acquisitions. There can be no assurance that any stock repurchases will enhance stockholder value because the market price of Mattel' s common stock may decline below the levels at which it repurchased shares of common stock.