

Risk Factors Comparison 2025-03-13 to 2024-03-29 Form: 10-K

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An investment in our securities involves a high degree of risk. You should consider carefully all of the risks described below, together with the other information contained in this Annual Report on Form 10-K, before making a decision to invest in our securities. If any of the following events occur, our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business, financial condition and operating results.

Summary of Risk Factors We have in the past been adversely affected by certain of, and may in the future be materially and adversely affected by, the following risks:

- our ability to maintain the value and reputation of the Playboy brand;
- operating in highly competitive industries;
- our ability to anticipate changes in the market for our products and services and rapidly adapt;
- our ability to obtain, maintain and protect our intellectual property rights, in particular trademarks and copyrights;
- business constraints, negative publicity, lawsuits and boycotts as a result of our business involving the provision of products with adult or sexually explicit content;
- material weaknesses identified with respect to our internal controls over financial reporting;
- potential impairments of our intangible assets;
- potential limitations on the use of our net operating losses;
- various taxation related risks in multiple jurisdictions;
- potential systems failures or network access challenges and our exposure to cybersecurity and data privacy risks;
- compliance with payment processor requirements and government regulations;
- interest rate risk that could cause our debt service obligations to increase significantly;
- foreign exchange rate and other operational risks related to the significant portion of our business outside the U. S.;
- challenges relating to operations and expansion outside of the U. S.;
- litigation expenses and potential adverse results;
- the costs to the Company and management's time needed to comply with public company requirements;
- our ability to attract and retain key employees and hire qualified management and personnel;
- difficulties in pursuing and completing corporate transactions on economically acceptable terms;
- realizing the business benefits of our strategic objectives, including through joint ventures, dispositions or other strategic transactions;
- limitations imposed by our debt and other financial obligations;
- our ability to attract and retain new customers and subscribers through our marketing efforts;
- the demand for our products and services;
- changing global economic conditions and standards, including with respect to international trade tensions;
- our ability to manage the various licensing and selling models in our operations;
- the concentration of a substantial portion of our licensing revenue with a limited number of licensees and retail partners;
- supply chain risk to us and our licensees;
- our dependence on third parties ~~who to help~~ operate certain ~~Playboy~~ aspects of our e-commerce business businesses pursuant to license agreements;
- the adoption, implementation and performance of new enterprise systems;
- increasing competition for and changing dynamics in the marketplace for our adult content, digital and consumer products;
- our ability to maintain our agreements with multiple system operators and direct- to- home operators on favorable terms;
- challenges in growing our Playboy Club business, including through the sale of digital memberships;
- our ability to identify, fund investment in and commercially exploit new technology;
- shifts in consumer behavior as a result of technological innovations and changes in the distribution and consumption of content;
- our ability to meet the listing requirements to be listed on the Nasdaq Stock Market and maintain the listing of our securities in the future;
- the limited liquidity, significant volatility and potential for further dilution of our common stock; and
- our need for additional capital, and constraints to obtaining it, to fund future operations.

Risks Related to Our Business and Industry Our success depends on our ability to maintain the value and reputation of the Playboy brand. Our success depends on the value and reputation of the Playboy brand. The Playboy name is integral to our business as well as to the implementation of our strategies for expanding our business. Maintaining, promoting, and positioning our brand will depend largely on the success of our marketing and merchandising efforts and our ability to provide a consistent, high- quality product and customer experience. We rely on social media, as one of our marketing strategies, to have a positive impact on both our brand value and reputation. Our brand and reputation could be adversely affected if our public image were to be tarnished by negative publicity, which could be amplified by social media, if we fail to deliver innovative and high- quality products and experiences acceptable to our customers, or if we face or mishandle a product recall or customer complaints. We license our brand to third parties to use in connection with various goods and services, subject to our approval. Our financial condition could be negatively impacted if any such third parties use our brand in a manner that adversely reflects on our businesses or our brand. Additionally, while we devote considerable efforts and resources to protecting our intellectual property, if these efforts are not successful, the value of our brand may be adversely affected. Any detrimental impact to our brand and reputation could have a material adverse effect on our financial condition. Our businesses operate in highly competitive industries. The consumer products, licensing, digital entertainment and creator content platform markets in which we operate are highly competitive. The ability of our businesses to compete in each of these industries successfully depends on a number of factors, including our ability to consistently supply high quality and popular products and content, adapt to new technologies and distribution platforms, maintain our brand reputation and produce new and successful products and content. There can be no assurance that we will be able to compete successfully in the future against existing or new competitors, or that increasing competition will not result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on our business, financial condition or results of operations. Additionally, many of our competitors, including apparel and personal goods brand licensors and retailers, large entertainment and media enterprises and well- established social media and other creator content platforms have greater technical, operational, financial and human resources than we do. We cannot assure you that we can remain competitive with

companies that have greater resources or that offer alternative product, entertainment or content offerings. The market for our physical and digital products is changing rapidly, and unless we are able to anticipate these changes and rapidly adapt, we will lose market share. Our strategy to grow our **Honey Birdette** online and “brick and mortar” retail businesses— **business platform**— **platform**— **enter into advantageous licenses**— identify desirable store locations, negotiate acceptable lease terms, hire, train and retain a reliable workforce of sales, distribution and other operational personnel, **and** successfully integrate stores into our existing control structure, enterprise systems and operations, including our information technology systems, **and coordinate well with our digital platforms, licensees and wholesale customers to minimize the competition within our sales channels**. Should we expand into new geographic areas, we will need to successfully identify and satisfy the consumer preferences in those areas. In addition, we will need to address competitive, merchandising, marketing, distribution and other challenges encountered in connection with any expansion. **Finally, we cannot ensure that our Playboy Club, e-commerce platforms, strategic partnerships or physical stores will be well received and achieve intended net sales or profitability levels. If any of our consumer products, licensing or digital businesses fail to achieve, or are unable to sustain, acceptable net sales and profitability levels, our business overall may be adversely impacted and we may incur significant costs associated with such business**. In addition, online usage and digital entertainment is changing rapidly as technological advancements allow the deployment of more advanced and interactive multimedia website and digital application offerings, and the Internet and mobile device usage have resulted in new digital distribution channels. As a result, we have to rapidly develop new digital business models, including digital content and distribution models, that will allow us to otherwise capitalize on our growing content creator platform and large library of titles that we own and license. **We have licensed the operation of our main digital businesses and the development and sale of Playboy- branded consumer products, but neither we nor our licensees can guarantee that such arrangements will be successful. We cannot ensure that our Playboy Club or other digital businesses, e-commerce platforms for Playboy or Honey Birdette products, strategic partnerships and licensing deals or Honey Birdette physical stores will be well received and achieve intended net sales or profitability levels. If any of our consumer products, licensing or digital businesses fail to achieve, or are unable to sustain, acceptable net sales and profitability levels, our business overall may be adversely impacted and we may incur significant costs associated with such business**. Unless we are able to effectively modify our business model to compete with the products offered through physical and online retailers and content offered digitally on the Internet or elsewhere, our market share, revenues and profits from such offerings could decrease. Although we are currently **developing exploring new products revenue streams**, entering into new licenses and **growing continuing to support** our content creator platform **Honey Birdette business**, no assurance can be given that we will remain competitive in the industries we compete in. Our future success will depend, in part, on our ability to adapt to rapidly changing technologies, to enhance existing product offerings and to develop and introduce a variety of new products, strategic partnerships and content to address changing demands of our consumers. If we are unable to obtain, maintain and protect our intellectual property rights, in particular trademarks and copyrights, our ability to compete could be negatively impacted. Our intellectual property rights, particularly our trademarks in the Playboy name and Rabbit Head Design, **as well as the Honey Birdette brand**, are valuable assets of our business and are critical to our success, growth potential and competitive position. Although certain of the intellectual property we use is registered in the U. S. and in many foreign countries, there can be no assurances with respect to the continuation of such intellectual property rights, including our ability to further register, use or defend key current or future trademarks. Further, applicable law may provide only limited and uncertain protection, particularly in emerging markets, such as China. Furthermore, we may not apply for, or we may be unable to obtain, intellectual property protection for certain aspects of our business. Third parties have in the past, and could in the future, bring infringement, invalidity, co- inventorship, re- examination, opposition or similar claims with respect to our current or future intellectual property. Any such claims, whether or not successful, could be costly to defend, may not be sufficiently covered by any indemnification provisions to which we are party, divert management’ s attention and resources, damage our reputation and brands, and adversely impact our business, prospects, financial condition, results of operations or cash flows, as well as the trading price of our securities. In addition, third parties may distribute and sell counterfeit (or gray market) versions of our products, which may be inferior or pose safety risks and could confuse consumers or customers, which could cause them to refrain from purchasing our brands in the future or otherwise damage our reputation. The presence of counterfeit versions of our products in the market and of prestige products in mass distribution channels could also dilute the value of our brands, force us and our distributors to compete with heavily discounted products, cause us to be in breach of contract (including license agreements), impact our compliance with distribution and competition laws in jurisdictions including the E. U. and China, or otherwise have a negative impact on our reputation and business, prospects, financial condition or results of operations. In order to protect or enforce our intellectual property and other proprietary rights, we may initiate litigation or other proceedings against third parties, such as infringement suits, opposition proceedings or interference proceedings. Any lawsuits or proceedings that we initiate could be expensive, take significant time and divert management’ s attention from other business concerns, adversely impact customer relations and we may not be successful. Litigation and other proceedings may also put our intellectual property at risk of being invalidated or interpreted narrowly. The occurrence of any of these events may have a material adverse effect on our business, prospects, financial condition, results of operations or cash flows, as well as the trading price of our securities. Our success depends on our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property of third parties. Our commercial success depends in part on our ability to operate without infringing, misappropriating or otherwise violating the trademarks, patents, copyrights and other proprietary rights of third parties. However, we cannot be certain that the conduct of our business does not and will not infringe, misappropriate or otherwise violate such rights. Moreover, past or future acquisition targets and other businesses in which we may make strategic investments are often smaller or younger companies with less robust intellectual property clearance practices, and we may face

challenges on the use of their trademarks and other proprietary rights. If we are found to be infringing, misappropriating or otherwise violating a third-party trademark, patent, copyright or other proprietary rights, we may need to obtain a license, which may not be available in a timely manner on commercially reasonable terms or at all, or redesign or rebrand our products, which may not be possible or result in a significant delay to market or otherwise have an adverse commercial impact. We may also be required to pay substantial damages or be subject to a court order prohibiting us and our customers from selling certain products or engaging in certain activities, which could therefore have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows, as well as the trading price of our securities. Our business includes the provision of sexually explicit content which can create negative publicity, lawsuits and boycotts. Our business includes providing adult-oriented, sexually explicit and provocative content and products worldwide. Many people regard such business as unwholesome. Various national and local governments, along with religious and children's advocacy groups, consistently propose and enact legislation to restrict the provision of, access to, and content of such entertainment. These groups also often file lawsuits against providers of adult products and content, encourage boycotts against such providers and mount negative publicity campaigns. In this regard, some of our distribution outlets have from time-to-time been the target of groups who seek to limit the availability of our products because of their content. We expect to continue to be subject to these activities. The adult-oriented content of our websites, including our creator platform, may also subject us to obscenity or other legal claims by third parties. We may also be subject to claims based upon the content that is available on our websites through links to other sites and in jurisdictions that we have not previously distributed content in. Implementing measures to reduce our exposure to this liability may require us to take steps that would substantially limit the attractiveness of our websites and other distribution channels and / or their availability in various geographic areas, which could negatively impact their ability to generate revenue. In addition, some investors, banks, market makers, lenders and others in the investment community may refuse to participate in the market for our common stock, financings or other financial activities due to the nature of our adult business. These refusals may negatively impact our business, the value of our common stock and our opportunities to attract market support. Companies providing products and services on which we rely have refused, and may refuse in the future, to do business with us because some of our products contain adult content. Some companies that provide products and services we need may be concerned that associating with us could lead to their becoming the target of negative publicity campaigns by public interest groups and boycotts of their products and services. As a result of these concerns, these companies may be reluctant to enter into or continue business relationships with us. For example, we have not been able to open or maintain accounts with certain banks because of the adult nature of some of our business. There can be no assurance that we will be able to maintain our existing business relationships with the companies, domestic or international, that currently provide us with services and products. Our inability to maintain such business relationships, or to find replacement service providers, could materially adversely affect our business, financial condition and results of operations. We could be forced to enter into business arrangements on terms less favorable to us than we might otherwise obtain, which could lead to our doing business with less competitive terms, higher transaction costs and more inefficient operations than if we were able to maintain such business relationships or find replacement service providers. If we are unable to advertise on certain platforms because of our brand or products, our revenue could be adversely impacted. Some companies that operate websites and offline media, including search engines and social media platforms, on which we would like to advertise our products and services, and provide direct purchasing capabilities, have been, and may continue to be, reluctant or unwilling to allow such advertising due to the adult nature of certain of our products and services and the history of our brand. Our inability to access or advertise on such platforms has made, and could continue to make, it more difficult for us to reach a broad audience, which could limit sales of our products and services, and reduce the value of our brand. Our existing competitors, as well as potential new competitors, may not face such obstacles and be able to undertake more extensive marketing campaigns and reach a broader consumer base, making it more difficult for us to compete with them with similar products. We have experienced, and may continue to experience, seasonality in our revenues, which may result in volatility in our financial results. While we receive revenue throughout the year, our businesses have experienced, and may continue to experience, seasonality. For example, particularly in connection with our licensing Honey Birdette business has historically experienced higher receipts in its first and third fiscal quarters due to the licensing fee structure in our licensing agreements, which typically require advance payment of such fees during those quarters, but such payments can be subject to variations, extensions or delays. Our Honey Birdette direct-to-consumer business has historically experienced higher sales in the fourth quarter due to the end-of-year holiday season, but changing market conditions and demand could affect such sales. To the extent that we continue to experience seasonality, or there are material changes in our seasonal business and revenues, such factors may result in volatility in our financial results. We have identified material weaknesses in our internal control over financial reporting. Failure to achieve and maintain effective internal controls over financial reporting could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner, which could have an adverse impact on our business. Since becoming a public company, ensuring that we have adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis has been, and will continue to be, costly and a time-consuming effort. In addition, the rapid changes in our operations and corporate structure have created a need for additional resources within the accounting and finance functions in order to produce timely financial information and to ensure the level of segregation of duties customary for a U. S. public company. Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States ("GAAP"). Our management is also required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement in our annual or interim consolidated financial statements might not be

prevented or detected on a timely basis, as occurred with certain of our interim consolidated financial statements in 2023, which were then restated and corrected in amended Quarterly Reports on Form 10-Q prior to the filing of ~~this our~~ Annual Report on Form 10-K ~~for 2023~~. As described in Item 9A of this Annual Report on Form 10-K, there were several material weaknesses identified in our internal control over financial reporting. We are working to remediate our material weaknesses as soon as practicable. Our remediation plan, which is continuing to be developed, can only be accomplished over time, and these initiatives may not accomplish their intended effects. Failure to maintain our internal control over financial reporting could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis or result in misstatements. Likewise, if our financial statements are not filed on a timely basis, we could be subject to regulatory actions, legal proceedings or investigations by Nasdaq, the SEC or other regulatory authorities, which could result in a material adverse effect on our business and / or we may not be able to maintain compliance with certain of our agreements. Ineffective internal controls could also cause investors to lose confidence in our financial reporting, which could have a negative effect on our stock price, business strategies and ability to raise capital. Even after the remediation of our material weaknesses, our management does not expect that our internal controls will ever prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. No evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the business will have been detected. Our use of certain tax attributes may be limited. We had significant net operating losses ("NOLs") as of December 31, ~~2023~~ ~~2024~~. In the U. S. we had \$ ~~328~~ ~~346~~. 0 million of federal NOLs available to carry forward to future periods, of which \$ 182. ~~3~~ ~~5~~ million will expire between 2028 and 2037, and we had \$ ~~137~~ ~~145~~. ~~8~~ ~~9~~ million of state and local NOLs available to carry forward to future periods, of which \$ ~~8~~ ~~9~~. ~~0~~ ~~6~~ million can be carried forward indefinitely. In Australia, we also have \$ ~~11~~ ~~8~~. ~~4~~ ~~6~~ million of NOLs available to carry forward indefinitely. The statute of limitations for tax years ~~2018~~ ~~2020~~ and forward remains open to examination by the major U. S. taxing jurisdictions to which we are subject. The statute of limitations for tax year ~~2017~~ ~~2018~~ and forward remain open to examination in Australia. In addition, due to NOL carryforward provisions, tax authorities continue to have the ability to adjust the amount of our carryforward. Furthermore, as discussed below, the limitations on the use of NOLs under Internal Revenue Code Section 382 could affect our ability to use NOLs to offset future taxable income. The Tax Cuts and Jobs Act (the "Tax Act"), which was enacted on December 22, 2017, changed the rules governing U. S. federal NOL carryforwards. For federal NOL carryforwards arising in tax years beginning after December 31, 2017, the Tax Act limited a taxpayer's ability to utilize such carryforwards to 80 % of taxable income, which can be carried forward indefinitely, but carryback is generally prohibited. Federal NOL carryforwards generated by us before January 1, 2018 will continue to have a twenty- year carryforward period and will not be subject to the taxable income limitation. We are subject to taxation related risks in multiple jurisdictions. We are a U. S.- based multinational company subject to tax in multiple U. S. and foreign tax jurisdictions. Significant judgment is required in determining our global provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that these positions may be challenged by jurisdictional tax authorities, which may have a significant impact on our global provision for income taxes. Tax laws are being re- examined and evaluated globally. New laws and interpretations of the law are taken into account for financial statement purposes in the quarter or year that they become applicable. Tax authorities are increasingly scrutinizing the tax positions of companies. Many countries in the European Union, as well as a number of other countries and organizations, such as the Organization for Economic Cooperation and Development, are actively considering changes to existing tax laws that, if enacted, could increase our tax obligations in countries where we do business. If U. S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition or results of operations may be adversely impacted. We could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our customers would have to pay for our offering and adversely affect our operating results. We collect and remit U. S. sales tax and foreign value- added tax ("VAT") in a number of jurisdictions. It is possible, however, that we could face sales tax or VAT audits and that our liability for these taxes could exceed our estimates as state and foreign taxing authorities could still assert that we are obligated to collect additional tax amounts from our paying customers and remit those taxes to those authorities. We could also be subject to audits in states and foreign jurisdictions for which we have not accrued tax liabilities. A successful assertion that we should be collecting additional sales tax, VAT or other taxes on our services in jurisdictions where we have not historically done so and do not accrue for sales taxes and VAT could result in substantial tax liabilities for past sales or services, discourage customers from subscribing to certain of our services, or otherwise have a material adverse effect on our business, financial condition and results of operations. Each jurisdiction has its own rules and regulations governing sales and use taxes, and these rules and regulations are subject to varying interpretations that may change over time. In addition, the application of federal, state, local and foreign tax laws to services provided electronically may be unclear with respect to certain services or products and is a continually evolving tax area. Most jurisdictions have considered or adopted laws that impose tax collection obligations on out- of- jurisdiction companies. Countries and states where we have nexus may require us to calculate, collect, and remit sales tax, use tax, VAT or other taxes on sales in their jurisdiction. Additionally, the Supreme Court of the U. S. ruled in *South Dakota v. Wayfair, Inc. et al* ("Wayfair") that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer's state. In response to Wayfair, or otherwise, states or local governments may enforce laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions. We may be obligated to collect and remit sales and use taxes in states where we have not collected and remitted sales and use taxes. A successful assertion by one or more jurisdictions requiring us to collect taxes where we historically have not or presently do not do so could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by tax authorities of sales tax collection obligations on out- of- jurisdiction sellers could also create additional administrative burdens for us, put us at a perceived

competitive disadvantage if they do not impose similar obligations on our competitors, and decrease our future sales, which could adversely affect our business and operating results. Our digital operations are subject to systems failures and disruptions. The uninterrupted performance of our computer systems is critical to the operations of our websites. Certain of our computer systems are located on- site and others are at external third- party sites, and, as such, may be vulnerable to fire, loss of power, telecommunications failures, cybersecurity breaches and other similar catastrophes. In addition, we may have to restrict access to our websites to solve problems caused by computer viruses, cyberattacks or other system failures. Our customers may become dissatisfied by any disruption, breach or failure of our computer systems that interrupts our ability to provide our content or products. Repeated system failures could substantially impair our operations, reduce the attractiveness of our websites and / or interfere with commercial transactions, negatively affecting our ability to generate revenues. Our websites must accommodate a high volume of traffic and transactions and deliver regularly updated content. Our computer systems have, on occasion, been subject to interference by external parties and our websites have, on occasion, experienced slow response times and network failures. While none of these types of occurrences has to date materially interrupted our operations or ability to generate revenue, such occurrences could in the future cause material disruptions to our businesses. We are also subject to risks from failures in computer systems other than our own because our customers depend on their own Internet service providers for access to our sites. Our revenues could be negatively affected by outages or other difficulties we or our customers experience in accessing our computer systems and websites due to disruptions of our systems or websites or external system failures that could impair customer access to our sites. Our insurance policies may not adequately compensate us for any losses that may occur due to any failures in our systems or the external systems used by our customers. Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyberattacks, could result in the interruption of operations, unauthorized access, disclosure or destruction of data, including customer, employee and corporate information, or theft of intellectual property, including digital assets, which could adversely impact our business. Our computer systems and those of third parties we use in our operations are subject to constantly evolving cybersecurity threats, including cyberattacks such as computer viruses, malware, ransomware, denial of service attacks, physical or electronic break- ins, or insider threats, as well as misconfigurations in information systems, networks, software or hardware, and similar disruptions or errors. Our systems have experienced, and may continue to experience, directed attacks intended to lead to interruptions and delays in our service and operations as well as loss, misuse or theft of personal information (of third parties, employees, and our members) and other data, confidential information or intellectual property. Any compromise of our internal systems or customer- facing platforms could cause them to become unavailable or degraded or otherwise hinder our ability to deliver our products and services. Many of the third parties we work with rely on open source software and libraries that are integrated into a variety of applications, tools and systems, which may increase our exposure to vulnerabilities. Additionally, outside parties may attempt to induce or trick employees, vendors, partners, or users to disclose sensitive or confidential information in order to gain access to data. Any attempt by hackers to obtain our data (including customer, employee and corporate information) or intellectual property (including digital content assets), disrupt our service, or otherwise access our systems, or those of third parties we use, if successful, could harm our business, be expensive to remedy and damage our reputation. We have implemented certain systems and processes to thwart hackers and protect our data and systems. However, the techniques used to gain unauthorized access to data and software are constantly evolving, and we may be unable to anticipate, detect or prevent unauthorized access or address all cybersecurity incidents that occur. Because of the prominence of the Playboy **and Honey Birdette brand brands**, we (and / or third parties we use) have been and may continue to be a particularly attractive target for such attacks, and from time to time, we have experienced the unauthorized access of certain digital data. However, to date these unauthorized breaches have not had a material impact on our service, systems or business, and we do carry insurance to cover expenses related to such disruptions or unauthorized access. There is no assurance that hackers may not have a material impact on our services or systems in the future. Efforts to prevent hackers from disrupting our service or otherwise accessing our systems are expensive to develop, implement and maintain. These efforts require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated, and may limit the functionality of or otherwise negatively impact our services and systems. Any significant disruption to our services or access to our systems could result in a loss of customers and adversely affect our business and results of operation. Further, a penetration of our systems or a third- party ' s systems or other misappropriation or misuse of personal information could subject us to business, regulatory, litigation and reputation risk, which could have a negative effect on our business, financial condition and results of operations. We utilize our own communications and computer hardware systems located either in our facilities or in that of a third- party provider. In addition, we utilize third- party " cloud " computing services in connection with our business operations. We also utilize our own and third- party content delivery networks. Problems faced by us or our third- party " cloud " computing or other network providers, including technological or business- related disruptions, as well as cybersecurity threats and regulatory interference, could adversely impact the experience of our customers and / or employees. We are subject to data security and privacy risks. We have been the target of " phishing ", " spoofing ", " social engineering " and other data breach attempts, including through the use of ransomware, and we expect that we may continue to be a target for unauthorized access to our systems and technology. If any such attempts are successful in the future and materially impact our business, employees and / or customers, we could be subject to liability which could negatively impact our financial condition and damage our business. Increased scrutiny by regulatory agencies, such as the Federal Trade Commission and state agencies, of the use of employee and customer information could also result in additional expenses if we are obligated to reengineer systems to comply with new regulations or to defend investigations of our privacy practices. In addition, we must comply with increasingly complex, rigorous, and sometimes conflicting regulatory standards enacted to protect business and personal data in the United States, Europe and elsewhere. For example, the European Union adopted the GDPR, which became effective on May 25, 2018; and California passed the CCPA,

which became effective on January 1, 2020. The U. S. Children’s Online Privacy Protection Act (“ COPPA ”) also regulates the collection, use and disclosure of personal information from children under 13- years of age. While none of our content is directed at children under 13- years of age, if COPPA **or other age verification or limitation laws** were to apply to us, failure to comply with **COPPA- such laws** may increase our costs, subject us to expensive and distracting government investigations and could result in substantial fines. These laws impose additional obligations on companies regarding the handling of personal data and provide certain individual privacy rights to persons whose data is stored. Compliance with existing, proposed and recently enacted laws (including implementation of the privacy and process enhancements called for under GDPR and CCPA) and regulations can be costly and time consuming, and any failure to comply with these regulatory standards could subject us to legal and reputational risks. In addition, customer interaction with our content is subject to our privacy policy and terms of service. If we fail to comply with our posted privacy policy or terms of service or if we fail to comply with existing privacy- related or data protection laws and regulations, it could result in proceedings or litigation against us by governmental authorities or others, which could result in fines or judgments against us, damage our reputation, impact our financial condition and adversely impact our business. If regulators, the media or consumers raise any concerns about our privacy and data protection or consumer protection practices, even if unfounded, this could also result in fines or judgments against us, damage our reputation, and negatively impact our financial condition and our business. Changes in how network operators handle and charge for access to data that travel across their networks could adversely impact our business. We rely significantly upon the ability of consumers to access our products through the Internet. If network operators block, restrict or otherwise impair access to our products over their networks, our business could be negatively affected. To the extent that network operators implement usage- based pricing, including meaningful bandwidth caps, or otherwise try to monetize access to their networks by data providers, we could incur greater operating expenses and our membership acquisition and retention could be negatively impacted. Furthermore, to the extent network operators create tiers of internet access service and either charge us for or prohibit us from being available through these tiers, our business could be negatively impacted. Most network operators that provide consumers with access to the Internet also provide these consumers with multichannel video programming. As such, many network operators have an incentive to use their network infrastructure in a manner adverse to our continued growth and success. While we believe that consumer demand, regulatory oversight and competition will help check these incentives, to the extent that network operators are able to provide preferential treatment to their data as opposed to ours or otherwise implement discriminatory network management practices, our business could be negatively impacted. The extent to which these incentives limit operator behavior differs across markets. We are subject to payment processing risk. Our customers pay for our products and services using a variety of different payment methods, including credit and debit cards, gift cards, prepaid cards, direct debit, online wallets and direct carrier and partner billing. We rely on internal systems as well as those of third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations, including additional authentication requirements for certain payment methods, and require payment of interchange and other fees. To the extent there are increases in payment processing fees, material changes in the payment ecosystem, such as large re- issuances of payment cards, delays in receiving payments from payment processors, changes to rules or regulations concerning payments, loss of payment partners and / or disruptions or failures in our payment processing systems, partner systems or payment products, including products we use to update payment information, our revenue, operating expenses and results of operation could be adversely impacted. In certain instances, we leverage third parties such as our cable and other partners to bill subscribers on our behalf. At times, these third parties have been unwilling or unable to continue processing payments on our behalf (and could further be unwilling or unable to do so in the future), requiring us to transition payment processing or otherwise find alternative methods of payment processing, which could adversely impact our business. In addition, from time to time, we encounter fraudulent use of payment methods, which could impact our results of operations and, if not adequately controlled and managed, could create negative consumer perceptions of our products. If we are unable to maintain our fraud and chargeback rate at acceptable levels, card networks may impose fines, our card approval rate may be impacted and we may be subject to additional card authentication requirements. The termination of our ability to process payments on any major payment method could significantly impair our ability to operate our business. Government regulations could adversely affect our business, financial condition or results of operations. Our businesses are regulated by governmental authorities in the countries in which we operate. Because of our international operations, we must comply with diverse and evolving regulations in many countries. Regulation relates to, among other things, licensing, access to satellite transponders, commercial advertising, subscription rates, foreign investment, internet gaming, use of confidential customer information and content, including standards of decency / obscenity. Changes in the regulation of our operations or changes in interpretations of existing regulations by courts or regulators or our inability to comply with current or future regulations could adversely affect us by reducing our revenues, increasing our operating expenses and / or exposing us to significant liabilities. While we are not able to reliably predict particular regulatory developments that could affect us adversely, those regulations related to adult content, the Internet, consumer products and commercial advertising illustrate some of the potential difficulties we face. Adult content. Regulation of adult content could prevent us from making our content available in various jurisdictions or otherwise have a material adverse effect on our business, financial condition or results of operations. The governments of some countries, such as China and India, have sought to limit the influence of other cultures by restricting the distribution of products deemed to represent foreign or “ immoral ” influences. Regulation aimed at limiting minors’ access to adult content could also increase our cost of operations and introduce technological challenges, such as by requiring development and implementation of age verification systems. U. S. government officials could amend or construe and seek to enforce more broadly or aggressively the adult content recordkeeping and labeling requirements set forth in 18 U. S. C. Section 2257 and its implementing regulations in a manner that is unfavorable to our business. Internet. Various governmental agencies have imposed and are further considering a number of laws or regulations concerning various aspects of the Internet, including online content, intellectual property rights, user privacy, taxation, access charges, liability for third- party

activities and jurisdiction. Regulation of digital content and the Internet could materially adversely affect our business, financial condition or results of operations by reducing the overall use of the Internet or provision of certain digital content or services, reducing the demand for our products or increasing our cost of doing business. Consumer products. Any attempts to limit or otherwise regulate the sale or distribution of certain consumer products sold by us or our licensees could materially adversely affect our business, financial condition or results of operations. Our variable rate debt subjects us to interest rate risk that could cause our debt service obligations to increase significantly. The debt under our senior secured credit facility accrues interest subject to variable rates of interest, which exposes us to interest rate risk. Reference rates used to determine the applicable interest rates for our variable rate debt began to rise significantly in the second half of fiscal year 2022 and continued through fiscal year ~~2023-2024~~. The Secured Overnight Financing Rate (“SOFR”), which we use as a benchmark for establishing the interest rate applicable to our debt, was 4.3-5% and 5.4% as of December 31, ~~2022-2024~~ and December 31, 2023, respectively. If interest rates continue to increase, the debt service obligations on such indebtedness will continue to increase even if the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. In addition, while our senior secured debt will continue to be subject to SOFR, other factors may impact SOFR including factors causing SOFR to cease to exist, new methods of calculating SOFR to be established, or the use of an alternative reference rate. Such circumstances are not entirely predictable, but they could have an adverse impact on our financing costs and our financial results. We are subject to risks resulting from our operations outside the U. S., and we face additional risks and challenges as we continue to expand internationally. The international scope of our operations has contributed, and may continue to contribute, to volatile financial results and difficulties in managing our business. For the years ended December 31, ~~2024 and 2023 and 2022~~, we derived approximately ~~52% and 57% and 59%~~, respectively, of our consolidated revenues from countries outside the U. S., and we experienced significant challenges in the China market during those years. Our international operations expose us to numerous challenges and risks, including, but not limited to, the following: • adverse political, regulatory, legislative and economic conditions in various jurisdictions; • costs of complying with varying governmental regulations; • fluctuations in currency exchange rates; • difficulties in developing, acquiring or licensing programming and products that appeal to a variety of audiences and cultures; • global supply chain disruptions; • scarcity of attractive licensing and joint venture partners; • the potential need for opening and managing distribution centers abroad; and • difficulties in protecting intellectual property rights in foreign countries. In addition, important elements of our business strategy, including capitalizing on advances in technology, expanding distribution of our products and content and leveraging cross-promotional marketing capabilities, involve a continued commitment to expanding our business internationally. This international expansion will require considerable management and financial resources. We cannot assure you that one or more of these factors or the demands on our management and financial resources would not adversely affect any current or future international operations and our business as a whole. We are exposed to fluctuations in currency exchange rates. We transact business globally in multiple currencies and have foreign currency risks related to our revenue, costs of revenue and operating expenses, **particularly with respect to Chinese and Australian currencies**. To the extent we have significant revenues denominated in such foreign currencies, any strengthening of the U. S. dollar would tend to reduce our revenues as measured in U. S. dollars, as we have historically experienced, and are currently experiencing. In addition, a portion of our **revenue**, costs and expenses have been, and we anticipate will continue to be, denominated in foreign currencies. If we do not have fully offsetting revenues in ~~these~~ **the relevant** currencies and if the value of the U. S. dollar depreciates significantly against these currencies, our costs as measured in U. S. dollars as a percent of our revenues will correspondingly increase and our margins will suffer. As a result, our operating results could be harmed. Operating as a public company requires us to incur substantial costs and requires substantial management attention. We will continue to incur significant legal, accounting and other expenses to comply with the requirements of operating as a public company. We are subject to the reporting requirements of the Exchange Act, which requires, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes- Oxley Act, as well as rules subsequently adopted by the SEC and Nasdaq to implement provisions of the Sarbanes- Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, pursuant to the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC has adopted additional rules and regulations in these areas, such as mandatory “say on pay” voting requirements. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, including with respect to environmental, social and governance matters, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate. The rules and regulations applicable to public companies have and are expected to continue to increase our legal and financial compliance costs and to make some corporate activities more time consuming. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations. The increased costs could decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors (the “Board”), our Board committees or as executive officers. Any expansion into new products, technologies, and geographic regions may subject us to additional risks. We may have limited or no experience in our newer market segments, and our customers may not adopt our product or content offerings. These offerings, which can present new and difficult technology and regulatory challenges, may subject us to claims if customers of these offerings experience service disruptions or failures or other quality issues. In addition, profitability, if any, in our newer activities may not meet our expectations, and we may not be successful enough in these newer activities to recoup our investments in them. Failure to realize the benefits of amounts we invest in new technologies, products or content could

result in the value of those investments being written down or written off. We expect to incur transaction costs in connection with our corporate transactions and strategic opportunities, which could require additional financing that may not be available to us on acceptable terms. We have incurred and expect to continue to incur significant costs and expenses in connection with past and future corporate transactions and strategic opportunities, including with respect to acquisitions and financing transactions, for financial advisory, legal, accounting, consulting and other advisory fees and expenses, reorganization and restructuring costs, litigation defense costs, severance / employee benefit- related expenses, filing fees, printing expenses and other related charges. There are also numerous processes, policies, procedures, operations, technologies and systems that are impacted by our corporate transactions. There are many factors beyond our control that could affect the total amount or timing of expenses related to such transactions. These costs and expenses could reduce the benefits and income we expect to achieve from our corporate transactions. We may, in the future, require additional capital to help fund all or part of potential corporate transactions and strategic opportunities. If, at the time required, we do not have sufficient cash to finance those additional capital needs, we will need to raise additional funds through equity and / or debt financing. We cannot guarantee that, if and when needed, additional financing will be available to us on acceptable terms or at all. If additional capital is needed and is either unavailable or cost prohibitive, our growth may be limited as we may need to change our business strategy to slow the rate of, or eliminate, our expansion plans. In addition, any additional financing we undertake could impose additional covenants upon us that restrict our operating flexibility, and, if we issue equity securities to raise capital, our existing stockholders may experience dilution or the new securities may have rights senior to those of our common stock. We have entered into, and may enter into further, joint ventures and strategic partnerships, which could be adversely affected by our lack of sole decision- making authority, our reliance on our partners or disputes between us and our partners. We have entered into the China JV and a spirits- related joint venture and may enter into further joint ventures and strategic partnerships, in some of which we may not hold controlling interests or operating control. Even if we legally control such ventures **(as is the case with the China JV)**, there may be circumstances under which we would not exercise sole decision- making authority regarding their business. Joint ventures and strategic partnerships may, under certain circumstances, involve risks that would not otherwise be present if we were in sole control or another party were involved. Joint venture and strategic partners may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, because neither we nor the partner would have full control over the venture. Disputes between us and joint venture and strategic partners may result in legal action that would increase our expenses and divert management' s attention. In addition, we may in certain circumstances be liable for the actions of our joint venture or strategic partners. We may seek strategic opportunities in industries or sectors that may be outside of our management' s areas of expertise. We may consider strategic opportunities outside of our management' s areas of expertise if an attractive transaction or target is presented to us and we determine that represents an advantageous opportunity for our company. Although our management will endeavor to evaluate the risks inherent in any particular opportunity, we cannot assure you that we will adequately ascertain or assess all of the significant risk factors. We also cannot assure you that an investment in our securities will not ultimately prove to be less favorable to investors than a direct investment, if an opportunity were available, in a strategic transaction counterparty. Any expansion of our businesses may place a significant strain on our management, operational, financial, and other resources. Any expansion of our global operations, including increasing our product and service offerings and scaling our infrastructure to support our retail and services businesses, could increase the complexity of the current scale of our business and place significant strain on our management, personnel, operations, systems, technical performance, financial resources, and / or internal financial control and reporting functions. Failure to manage growth effectively could damage our reputation, limit our growth, and negatively affect our operating results. In pursuing strategic opportunities and corporate transactions, we may incur various costs and liabilities, and we may never realize the anticipated benefits of such opportunities. If attractive opportunities become available, we may continue to pursue strategic transactions, products or technologies that we believe are strategically advantageous to us. Transactions of this sort could involve numerous risks, including: • unforeseen operating difficulties and expenditures arising from the process of integrating any new business, product or technology, including related personnel; • diversion of a significant amount of management' s attention from the ongoing development of our business; • dilution of existing stockholders' ownership interest in us; • incurrence of additional debt; • exposure to additional operational risk and liability, including risks arising from the operating history of any new or modified businesses; • entry into markets and geographic areas where we have limited or no experience; • loss of key employees; • adverse effects on our relationships with suppliers and customers; and • adverse effects on any existing relationships, including suppliers and customers. Furthermore, we may not be successful in identifying appropriate strategic transaction candidates or consummating transactions on terms favorable or acceptable to us or at all. When we pursue new strategic opportunities or corporate transactions, our due diligence reviews are subject to inherent uncertainties and may not reveal all potential risks. We may therefore fail to discover or inaccurately assess undisclosed or contingent liabilities, including liabilities for which we may have responsibility. As a successor, we may be responsible for any past or continuing violations of law by the seller or the target company, including violations of decency laws. Although we generally attempt to seek contractual protections, such as representations and warranties and indemnities, we cannot be sure that we will obtain such provisions in our transactions or that such provisions will fully protect us from all unknown, contingent or other liabilities or costs. Finally, claims against us relating to any transaction may necessitate our seeking claims against counterparties for which they may not indemnify us or that may exceed the scope, duration or amount of their indemnification obligations. The success of our business may depend in part on achieving our strategic objectives, including through strategic transactions, dispositions and new initiatives. Strategic transactions have been, and are expected to continue to be, part of our strategy, and may include dispositions of assets and businesses. We may not achieve expected returns and benefits in connection with this strategy as a result of various factors, including transition challenges, such as operational, personnel and technology platform changes. In

addition, we may not achieve the full economic benefits anticipated to result from such transactions. Further, dispositions and strategic transactions may distract our management's time and attention and disrupt our ongoing business operations or relationships with customers, employees, suppliers or other parties. We continue to evaluate the potential disposition of assets and businesses that may no longer help us achieve our strategic objectives, and to view strategic transactions as a key part of our growth strategy. If we decide to sell assets or a business, we may encounter difficulty in finding attractive terms or buyers or executing alternative exit strategies on acceptable terms in a timely manner, which could delay the accomplishment of our strategic objectives. Alternatively, we may dispose of a business at a price or on terms that are less than we had anticipated, or with the exclusion of select assets. Dispositions may also involve continued financial involvement in a divested business, such as through continuing equity ownership, transition service agreements, guarantees, indemnities or other current or contingent financial obligations. Under these arrangements, performance by the acquired or divested business, or other conditions outside our control, could affect our future financial results. We may not realize all of the anticipated benefits of our strategic opportunities or corporate transactions or those benefits may take longer to realize than expected. Our ability to realize anticipated benefits of our strategic opportunities and corporate transactions depends, to a large extent, on our ability to implement changes that facilitate such opportunities and realize anticipated streamlining and synergies. We generally expect to benefit from streamlining, through reduced costs or outsourcing of responsibilities to third parties, and operational synergies from consolidation of capabilities and greater efficiencies from increased scale and market integration. However, this process may preclude or impede realization of the benefits expected from strategic opportunities or corporate transactions and could adversely affect our results of operations. We cannot be certain that we will not be required to implement further realignment activities, make additions or other changes to our workforce based on other cost reduction measures or changes in the markets and industry in which we compete. In addition, future business conditions and events may impact our ability to continue to realize any benefits of these initiatives. If we are not able to successfully achieve these objectives, the anticipated benefits of our transactions may not be realized fully or at all or may take longer to realize than expected. Any future strategic opportunities or corporate transactions may not be accretive, and may be dilutive, to our earnings per share, which may negatively affect the market price of our common stock. Future strategic opportunities or corporate transactions may not be accretive to our earnings per share. Our expectations regarding the timeframe in which such transactions may become accretive to our earnings per share may not be realized. In addition, we could fail to realize all of the benefits anticipated in such transactions or experience delays or inefficiencies in realizing such benefits. Such factors could, combined with the potential issuance of shares of our common stock in connection with any such transactions, result in them being dilutive to our earnings per share, which could negatively affect the market price of our common stock. Our senior secured credit agreement contains various covenants, restrictions and required financial ratios and tests that limit our operating flexibility. The violation of one or more of these covenants, ratios or tests could have a material adverse effect on our business, financial condition and operating results. Our senior secured credit agreement contains covenants that limit our actions. These covenants could materially and adversely affect our ability to finance our future operations or capital needs or to engage in other business activities that may be in our best interests. The covenants restrict our ability to, among other things: • incur or guarantee additional indebtedness; • make loans and investments; • enter into agreements restricting our subsidiaries' abilities to pay dividends; • create liens; • sell or otherwise dispose of assets; • enter new lines of business; • merge or consolidate with other entities; and • engage in transactions with affiliates. The senior secured credit agreement, as amended to date, also contains financial covenants requiring us to maintain a specified maximum total net leverage ratio covenant beginning with the second quarter of 2026 and to maintain a minimum balance of cash and cash equivalents. See Refer to Note 22-10, Debt Subsequent Events, of the Notes to our Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for further details. The covenants in our senior secured credit agreement place significant restrictions on the manner in which we may operate our business, and our ability to meet these covenants may be affected by events beyond our control, such as prevailing economic conditions and changes in regulations, and if such events occur, we cannot be sure that we will be able to comply. In addition, we are required to assess our ability to continue as a going concern as part of our preparation of financial statements at each quarter-end. This assessment includes, among other things, our ability to comply with the covenants and requirements under our senior secured credit agreement. If in future periods we are not able to demonstrate that we will be in compliance with the financial covenant requirements in our credit agreement for at least 12 months following the date of the financial statements, management could conclude there is substantial doubt about our ability to continue as a going concern, and the audit opinion that we would receive from our independent registered public accounting firm would include an explanatory paragraph regarding our ability to continue as a going concern. Such an opinion could cause us to be in breach of the covenants in our senior secured credit agreement and other of our agreements. If we fail to satisfy any of the foregoing covenants, the lenders could declare the outstanding principal amount of our loans under our senior secured credit agreement, including accrued and unpaid interest and all other amounts owing and payable thereunder, to be immediately due and payable, which could have a material adverse effect on our business, financial condition and operating results. A variety of uncontrollable events may reduce demand for our products, impair our ability to provide our products or increase the cost of providing our products. Demand for our products can be significantly adversely affected in the U.S., globally or in specific regions as a result of a variety of factors beyond our control, including: adverse weather conditions arising from short-term weather patterns or long-term change, catastrophic events or natural disasters (such as excessive heat or rain, hurricanes, typhoons, floods, tsunamis and earthquakes); health concerns, such as pandemics; international, political or military developments, including wars and other armed conflicts; and terrorist attacks. These events and others, such as fluctuations in travel and energy costs and cyberattacks, intrusions or other widespread computing or telecommunications failures, may also damage our ability to provide our products or to obtain insurance coverage with respect to these events. An incident that affected our property directly would have a direct impact on our ability to provide products and content. Moreover, the costs of protecting against such incidents reduce the profitability of our operations. In addition, we derive

affiliate fees and royalties from the distribution of our programming, sales of our licensed goods and services by third parties, and the management of businesses operated under brands licensed from us, and we are therefore dependent on the success of those third parties for that portion of our revenue. A wide variety of factors could influence the success of those third parties and if negative factors significantly impacted a sufficient number of those third parties, the profitability of one or more of our businesses could be adversely affected. We obtain insurance against the risk of losses relating to some of these events, generally including physical damage to our property and resulting business interruption, certain injuries occurring on our property and some liabilities for alleged breach of legal responsibilities. When insurance is obtained it is subject to deductibles, exclusions, terms, conditions and limits of liability. The types and levels of coverage we obtain vary from time to time depending on our view of the likelihood of specific types and levels of loss in relation to the cost of obtaining coverage for such types and levels of loss and we may experience material losses not covered by our insurance. If we do not adequately adopt and manage our reporting and enterprise systems and processes, our ability to manage and grow our business may be adversely impacted. We are in the process of adopting and implementing new systems and processes across our businesses, which will allow us to execute our business plan and comply with regulations. We will need to continue to improve existing and implement new operational and financial systems, procedures and controls to manage our business effectively in the future. As a result, we have licensed new enterprise systems and have begun a process to expand and upgrade our operational and financial systems. If the systems we have chosen do not fit our business appropriately or if there are material delays in the implementation of, or disruption in the transition to, our new or enhanced systems, procedures or internal controls, our ability to realize the benefits and value of the systems as anticipated, operate our business as intended, achieve accuracy in the conversion of electronic data and records, and / or report financial and management information, could be adversely affected. As a result of the conversion from prior systems and processes, data integrity problems may be discovered that if not corrected could impact our business or financial results. In addition, as we add functionality to the enterprise systems and complete implementations across our businesses, new issues could arise that we have not foreseen. Such issues could adversely affect our ability to do, among other things, the following in a timely manner: provide quotes; take customer orders; ship products; provide services and support to our customers; bill and track our customers; fulfill contractual obligations; and otherwise run our business. Failure to properly or adequately address these issues could result in the diversion of management's attention and resources, impact our ability to manage our business and negatively impact our results of operations, cash flows and stock price. A variety of uncontrollable events may reduce..... losses not covered by our insurance. Global economic conditions could have a material adverse effect on our business, operating results and financial condition. The uncertain state of the global economy continues to impact businesses around the world, and our business is particularly sensitive to reductions in discretionary consumer spending. If global economic and financial market conditions further deteriorate or do not improve, the following factors could have a material adverse effect on our business, operating results and financial condition:

- Our sales are impacted by discretionary spending by consumers. Declines in consumer spending may result in reduced demand for our products, increased inventories, reduced orders from retailers for our products, order cancellations, lower revenues, higher discounts and lower gross margins.
- In the future, we may be unable to access financing in the credit and capital markets at reasonable rates in the event we find it desirable to do so.
- We conduct transactions in various currencies, which creates exposure to fluctuations in foreign currency exchange rates relative to the U. S. Dollar. Continued volatility in the markets and exchange rates for foreign currencies and contracts in foreign currencies could have a significant impact on our reported operating results and financial condition.
- As a result, we cannot ensure that demand for our offerings will remain constant.

Adverse developments affecting economies throughout the world, including a general tightening of the availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased energy costs, acts of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment or significant declines in stock markets, as well as concerns regarding pandemics, epidemics and the spread of contagious diseases, could lead to a further reduction in discretionary spending.

- Continued volatility in the availability and prices for commodities and raw materials we use in our products and in our supply chain (such as cotton or petroleum derivatives) could have a material adverse effect on our costs, gross margins and profitability.
- If retailers of our licensed products experience declining revenues or experience difficulty obtaining financing in the capital and credit markets to purchase our products, this could result in late licensee payments, extended payment terms, higher accounts receivable, reduced cash flows, greater expense associated with collection efforts and increased bad debt expense.
- If licensees or retailers of our products experience severe financial difficulty, including becoming insolvent or ceasing business operations, this could negatively impact the sale of our products to consumers and the ability of such licensees or retailers to make required payments to us.
- Our business is particularly sensitive to reductions from time to time in discretionary consumer spending.

Demand for entertainment and leisure activities can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond our control. Unfavorable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and rising prices or the perception by consumers of weak or weakening economic conditions, may reduce our users' disposable income or result in fewer individuals engaging in entertainment and leisure activities, including lifestyle experiences such as casino gaming, and lower spending on sexual wellness, apparel or beauty products. As a result, we cannot ensure that demand for our offerings will remain constant. If contract manufacturers of our products or other participants in our supply chain experience difficulty obtaining financing in the capital and credit markets to purchase raw materials or to finance capital equipment and other general working capital needs, it may result in delays or non-delivery of shipments of our products. We derive, and expect to continue to derive, a significant portion of our revenue from outside the United States, and our business development plans, results of operations and financial condition may be materially adversely affected by significant international political, social and economic instability. Continued economic challenges in China, or between the U. S. and China, could adversely impact our licensees in China, prospective customers, suppliers, distributors and partners of our licensees in China, which could have a

material adverse effect on our results of operations and financial condition. In addition, a deterioration in trade relations between the U. S. and China or other countries, or the negative perception of U. S. brands by Chinese or other international consumers, could have a material adverse effect on our results of operations and financial condition. There is no guarantee that economic downturns, any further decrease in economic growth rates or an otherwise uncertain economic outlook for the global economy will not persist in the future, that they will not be protracted or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations. We have a material amount of goodwill and other intangible assets, including our trademarks and right- of- use assets, recorded on our balance sheet. As a result of changes in market conditions and declines in the estimated fair value of these assets, we have in the past, and we may in the future, be required to further write down a portion of this goodwill and other intangible assets and such write- down could, as applicable, have a material effect on our financial results. Under current GAAP accounting standards, goodwill and indefinite life intangible assets, including some of our trademarks, are not amortized, but instead are subject to impairment evaluation based on related estimated fair values, with such testing to be done at least annually.

At the impairment date During ~~the~~ **during** the third quarter of ~~2022~~ **2024**, as a result of **ongoing** impacts to our revenue attributable to macroeconomic factors, **including declines in consumer demand**, we recorded non- cash asset impairment charges related to the write- down of goodwill of \$ ~~117. 40~~ **17. 40** million, ~~excluding \$ 16. 4 million of impairment~~ **date** charges related to discontinued operations, and related to trademarks and other intangible assets of \$ 161. 8 million, ~~excluding \$ 8. 3 million of impairment charges related to discontinued operations.~~ As of December 31, 2022, goodwill was \$ 123. 2 million, or approximately 22 % of our total consolidated assets, and trademarks and other intangible assets represented approximately \$ 236. 1 million, or approximately 43 % of our total consolidated assets. During ~~the~~ **during** the second quarter of 2023, due to further impacts to our revenue, including declines in consumer demand and discontinued operations, we recorded non- cash asset impairment charges related to the write- down of goodwill of \$ 66. 7 million, indefinite- lived trademarks of \$ 65. 5 million ; and trade names **and other assets** of \$ 5. 1 million. **At the impairment date** During ~~the~~ **during** the fourth quarter of 2023, due to the aforementioned factors, we recorded \$ 5. 8 million of additional non- cash impairment charges related to our trademarks and \$ 2. 3 million of impairment charges related to certain Honey Birdette right- of- use assets and related leasehold improvements - ~~As of December 31, 2023, goodwill was \$ 54. 9 million, or approximately 16 %, of our total consolidated assets, trademarks and other intangible assets were \$ 157. 9 million, or approximately 47 %, of our total consolidated assets, and right- of- use assets were \$ 25. 3 million, or approximately 8 %, of our total consolidated assets.~~ There can be no assurance that any future downturn in the business of any of our segments, or a continued decrease in our market capitalization, will not result in a further write- down of goodwill or other intangibles. We will review our goodwill, trademarks, right- of- use assets, digital assets and other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any write- down of intangible assets resulting from future periodic evaluations could, as applicable, have a material effect on our financial results. Additional Risks Related to Our Licensing and Direct- to- Consumer Businesses We utilize various licensing and selling models in our operations, and our success is dependent on our ability to manage these different models. In addition to the licensing model, we operate online and brick- and- mortar retail stores ~~and we produce and~~ **for Honey Birdette which** sell **products** directly to customers. Although we believe these various models could have certain benefits, these models could themselves be unsuccessful and our beliefs could turn out to be wrong. Moreover, our pursuit of these different models could divert management' s attention and other resources, including time and capital. As a result, our future success depends in part on our ability to successfully manage these multiple models. If we are unable to do so, our performance, financial condition and prospects could be adversely impacted. Risks that impact our business as a whole may also impact the success of our direct- to- consumer ~~, or (“ DTC ,”)~~ business. We may not successfully execute on our DTC strategy (which ~~includes our~~ **is currently comprised of Honey Birdette** online and brick- and- mortar retail platforms). Consumers may not be willing to pay for an expanding set of DTC products, potentially exacerbated by an economic downturn. Government regulations, including revised foreign content and ownership regulations, may impact the implementation of our DTC business plans. Poor quality internet or transportation infrastructure in certain markets may impact our customers' access to our DTC products and may diminish our customers' experience with our DTC products. These and other risks may impact the profitability and success of our DTC businesses. The agency relationship for our consumer brands licensing business may not ultimately be successful. We currently engage an agency to act as our products licensing agent in most countries. In the event we need to engage a new agency to act as our products licensing agent, the transition from the current licensing agent to a new products licensing agent may be subject to delays, as the new agent may lack institutional knowledge of our consumer brand licensing business, and there may be unanticipated issues arising from the new relationship and the transition. The failure of our agent to find or maintain revenue- enhancing licensing opportunities for the business could have an adverse impact on the revenue and cash flows of our consumer business. Our growth will depend on our ability to attract and retain customers and subscribers, and the loss of customers or subscribers, failure to attract new customers and subscribers in a cost- effective manner, or failure to effectively manage our growth could adversely affect our business, financial condition, results of operations and prospects. Our ability to achieve growth in revenue in the future will depend, in large part, upon our ability to attract new customers and subscribers to our offerings, retain existing customers and subscribers of our offerings and reactivate customers and subscribers in a cost- effective manner. Achieving such growth may require us to increasingly engage in sophisticated and costly sales and marketing efforts, some or all of which may not provide a material return on investment. We have used and expect to continue to use a variety of free and paid marketing channels, in combination with compelling offers and opportunities to achieve our objectives. For paid marketing, we intend to leverage a broad array of advertising channels, including billboards, radio, social media platforms, affiliates and paid and organic search, and other digital channels, such as search and mobile display. If the search engines and other digital platforms on which we rely modify their algorithms, change their terms, including with respect to cookies, data and / or privacy controls, or if the prices at which we use such services

increase, then our costs could increase, and fewer customers and subscribers may reach our use our platforms. If links to our platforms are not displayed prominently in online search results or on social media, if fewer customers or subscribers click through to our platforms, if our other marketing campaigns are not effective, or if the costs of attracting customers and subscribers using any of our current methods significantly increase, then our ability to efficiently attract new customers and subscribers could be reduced, our revenue could decline and our business, financial condition and results of operations could be adversely impacted. Additionally, as technological or regulatory standards change and we modify our offerings to comply with those standards, we may need customers and subscribers to take certain actions to continue accessing our platforms, such as performing age verification checks or accepting new terms and conditions. Customers and subscribers may be deterred from using our offerings at any time, including if the quality of their experience, including our support capabilities in the event of a problem, does not meet their expectations or keep pace with the quality of the customer experience generally offered by competitive offerings. If we are unable to predict or effectively react to changes in consumer demand or shopping patterns, our sales may decline and we may write- down inventory. Our success depends in part on our ability to anticipate and respond in a timely manner to changing consumer demand, preferences, and shopping patterns, which cannot be predicted with certainty and are subject to continual change and evolution. If we are unable to provide retail and digital experiences that align with consumer expectations and preferences, it could have an adverse impact on our revenues, business and results of operations. We often make advance commitments to purchase products, which may make it more difficult for us to adapt to rapidly- evolving changes in consumer preferences. Our sales could decline significantly if we misjudge the market for our new merchandise, which may result in significant merchandise markdowns and lower margins, missed opportunities for other products, or inventory write- downs, and could have a negative impact on our reputation, profitability and demand. Failure to meet stockholder expectations, particularly with respect to earnings, sales, and operating margins, could also result in volatility in the market value of our stock. We record a charge for product inventories that have become obsolete or exceed anticipated demand, or for which cost exceeds net realizable value. If we determine that an impairment has occurred, we record a write- down by the amount for which costs exceed net realizable value. No assurance can be given that we will not incur write- downs, fees, impairments and other charges given the rapid and unpredictable pace of product obsolescence in the direct- to- consumer markets in which we compete. ~~For the twelve- month period ended December 31, 2023, we recorded non- cash inventory reserve charges of \$ 6. 9 million.~~ Our business depends on consumer purchases of discretionary goods and content, which can be negatively impacted during an economic downturn or periods of inflation. This could materially impact our sales, profitability and financial condition. Our products and content may be considered discretionary items for consumers. Many factors impact discretionary spending, including general economic conditions, unemployment, the availability of consumer credit and inflationary pressures and consumer confidence in future economic conditions. Global economic conditions may continue to be uncertain, particularly in light of the impacts of the slowdown of the Chinese economy, ongoing international armed conflicts and geopolitical tensions, and the potential impacts of sustained inflationary pressure in the United States (our largest market) remain unknown, making trends in consumer discretionary spending unpredictable. Historically, consumer purchases of discretionary items tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty, which may lead to declines in sales and slow our long- term growth expectations. Any near or long- term economic disruptions in markets where we sell our products and content, particularly in the United States, Australia, China or other key markets, may adversely impact our sales, profitability and financial condition and our prospects for growth. In addition, as pandemic conditions improve and restrictions ease, we are unable to predict whether consumer preferences for discretionary items will shift and the level of consumer spending within our industry will be negatively impacted for a period of time. If this were to occur, our sales and prospects for growth may be negatively impacted. A substantial portion of our licensing revenue is concentrated with a limited number of licensees and retail partners, such that the loss of a licensee or retail partner has decreased, and could continue to materially decrease, our revenue and cash flows. Our licensing revenues are concentrated with a limited number of licensees and retail partners. For instance, during the years ended December 31, **2024 and 2023 and 2022**, the five largest license agreements comprised **10 % and 21 % and 25 %**, respectively, of our consolidated revenues. In **2023 and 2022**, our largest licensee, which was terminated in October 2023, contributed **16 % and 12 % of our consolidated revenues. In 2024, our largest licensee contributed 5 %**, respectively, of our consolidated revenues. The changes from **2022 to 2023 to 2024** were driven by GAAP- required revenue recognition related to terminated licenses. In October 2023, we terminated licensing agreements with certain Chinese licensees due to ongoing, uncured breaches of their licenses, which had comprised \$ 152. 2 million of unrecognized licensing revenue over the remaining terms of such long- term contracts as of the termination date, ~~and resulted. Revenue recognized in a decrease connection with such contracts that were subsequently terminated was \$ 27. 1 million during the year ended December 31, 2023, out of which \$ 5. 1 million was attributable to prepaid royalty guarantees recorded as revenue in the fourth quarter of 2023. In the fourth quarter of 2024, we entered into a licensing revenue of agreement with Byborg to license intellectual property and certain Playboy digital assets for \$ 300 16. 6 million in minimum guaranteed payments over the initial 15- year term of the license, which began as of January 1, 2023 2025. Because As a result, Byborg is expected to be one of our largest licensees and contribute a material amount of our consolidated revenues in future periods. As~~ we are dependent on these licensees for a significant portion of our licensing revenue, if any of our material licensees have financial difficulties affecting their ability to make payments, cease operations, or if any such licensees do not renew or extend any existing agreements, or significantly reduce their sales of licensed products under any agreement, we were, and could continue to be, required to adjust how we account for revenue pursuant to such licenses, and our revenue and cash flows were, and could continue to be, reduced substantially, which has had, and could continue to have, a material adverse impact on our financial condition, results of operations and business. Our licensing arrangements subject us to a number of risks. We have entered into several arrangements in connection with our licensing strategy. Although we believe our licensing arrangements may have certain benefits, these

arrangements are subject to a number of risks and our beliefs could turn out to be wrong. If any of these risks occur and we do not achieve the intended or expected benefits of our licensing strategy, our results of operations, and financial condition could be materially adversely affected. The terms of our licensing arrangements vary. These different terms could have a material impact on our performance. These effects on our performance could become increasingly significant in future periods, to the extent our new licensees gain traction over time with new retailers and consumer bases and the proportion of our royalty revenues from these licensees increases, or if we pursue similar arrangements in the future. Additionally, in licensing arrangements, we have limited ability to control various aspects of the manufacturing process, including access to raw materials, the timing of delivery of finished products, the quality of finished products and manufacturing costs. Our licensees may not be able to produce finished products of the quality or in the quantities that are sufficient to meet retailer and consumer demand in a timely manner or at all, which could result in an inability to generate revenues from any such products and loss of confidence in our brands. Interruptions or delays in the manufacturing process can occur at any time and for a variety of reasons, many of which are outside our control, including, among others, unforecasted spikes in demand, shortages of raw materials, labor disputes, backlogs, insufficient devotion of resources to the manufacture of products bearing our brands, or problems that may arise with manufacturing operations or facilities or our licensees' businesses generally. On the other hand, our licensees may produce inventory in excess of retailer and consumer demand, in which case over-supply may cause retail prices of products bearing our brands to decline. Further, we compete with other brand owners for the time and resources of our licensees, which could curtail or limit our ability to engage new or maintain relationships with existing licensee partners on acceptable terms or at all. Further, the unplanned loss of any of our wholesale licensees could lead to inadequate market coverage for retail sales of products bearing our brands, create negative impressions of us and our brands with retailers and consumers, and add downward pricing pressure on products bearing our brands as a result of liquidating a former wholesaler's inventory of such products. The occurrence of any of these risks could adversely impact our reputation, performance and financial condition. We rely on the accuracy of our licensees' sales reports for reporting and collecting our royalty revenues, and if these reports are untimely or incorrect, our revenues could be delayed or inaccurately reported or collected. Most of our licensing royalty revenues are generated from retailers that manufacture and sell products bearing our brands in their stores and on their websites, and from wholesalers that manufacture and distribute products bearing our brands and sell these products to retailers. Under our existing agreements, our licensees pay us fees based on their sales of products or, for some of our wholesale licensees, based on their manufacturing costs. As a result, we rely on our licensees to accurately report their sales or costs in collecting our license and design fees, preparing our financial reports, projections and budgets and directing our sales and marketing efforts. Although all of our agreements permit us to audit our licensees, if any of them understate their sales or costs, we may not collect and recognize the royalty revenues to which we are entitled on a timely basis or at all, or we may endure significant expense to obtain compliance. The failure of licensees to adequately produce, market, import and sell products bearing Playboy's trademarks in their license categories, continue their operations, renew their license agreements or pay their obligations under their license agreements has resulted in, and could continue to result in, a decline in the results of operations of our business. A significant part of our revenues depends on royalty payments made to us pursuant to license agreements. Although the license agreements for our trademarks usually require the advance payment of a portion of the license fees and, in most cases, provide for guaranteed minimum royalty payments to us, the failure of licensees to satisfy their obligations under these agreements, or their inability to operate successfully or at all, could result in their breach and / or the early termination of such agreements, their non-renewal of such agreements or the decision to amend such agreements to reduce the guaranteed minimum royalty payments or sales royalties due thereunder, thereby eliminating some or all of that stream of revenue. There can be no assurances that we will not lose the licensees under our license agreements due to their failure to exercise the option to renew or extend the term of those agreements, the cessation of their business operations (as a result of their financial difficulties or otherwise) without equivalent options for replacement or termination of their license agreements for cause. In October 2023, we terminated licensing agreements with certain Chinese licensees due to ongoing, uncured breaches of their licenses, which comprised \$ 152.2 million of unrecognized licensing revenue under our long-term contracts as of the termination date and resulted in **Revenue recognized in a decrease in licensing connection with such contracts that were subsequently terminated was \$ 27.1 million during the year ended December 31, 2023, out of which \$ 5.1 million was attributable to prepaid royalty guarantees recorded as** revenue of \$ 16.6 million in **the fourth quarter of** 2023. Such failures by our licensees have reduced, and could continue to reduce, the revenue stream to be generated by our license agreements. In addition, the failure of licensees to meet their production, manufacturing and distribution requirements, or to be able to continue to import goods (including, without limitation, as a result of labor strikes or unrest), could cause a decline in their sales and potentially decrease the amount of royalty payments (over and above the guaranteed minimum royalty payments) due to us. A decrease in royalties for any of the above reasons has had, and could continue to have, a material and adverse impact on our financial condition, results of operations or business. Further, the failure of licensees and / or their third party manufacturers, which we do not control, to adhere to local laws, industry standards and practices generally accepted in the United States in areas of worker safety, worker rights of association, social compliance, and general health and welfare, could result in accidents and practices that cause disruptions or delays in production and / or adversely impact the reputation of our trademarks, any of which could have a material adverse effect on the business and financial results of our business. A weak economy or softness in sectors of licensees of our consumer business could exacerbate this risk. This, in turn, could decrease our potential revenues and cash flows. We rely on our suppliers, and the suppliers of our licensees, to comply with our terms and conditions, regulatory requirements and the quality and delivery expectations of our customers. Our ability, and the ability of our licensees, to deliver quality products on schedule is dependent upon a variety of factors, including execution of internal performance plans, availability of raw materials, internal and supplier produced parts and structures, conversion of raw materials into parts and assemblies, and performance of suppliers and others. We and our licensees rely on numerous third-party suppliers for the production of our direct-to-consumer

and licensed products. We do not currently have the ability to manufacture such products ourselves. Consequently, we risk disruptions in our supply of key products and components if our suppliers fail or are unable to perform because of shortages in raw materials, operational problems, strikes, natural disasters, health crises or other factors. In addition, numerous jurisdictions have enacted regulations against conflict minerals, forced labor and human trafficking in supply chains. While we have policies and procedures to avoid these practices in our supply chain, we cannot guarantee that suppliers will always comply with these laws and expectations. We may face enforcement liability and reputational challenges if we are unable to sufficiently meet these expectations. We and our licensees may also have disputes with suppliers arising from, among other things, the quality of products and services or customer concerns about the supplier. If any of our or our licensees suppliers fail to timely meet their contractual obligations or have regulatory compliance or other problems, our ability to fulfill our obligations may be jeopardized. If we or our licensees were to experience difficulty in obtaining certain products, there could be an adverse effect on our results of operations and on our customer relationships and our reputation. Our commercial agreements, strategic alliances, and other business relationships expose us to risks. We provide physical and e-commerce retail and other products and content to businesses through commercial agreements, strategic alliances, and business relationships. These arrangements are complex and require substantial infrastructure capacity, personnel, and other resource commitments, which may limit the amount of business we can service. We may not be able to implement, maintain, and develop the components of these commercial relationships. The amount of compensation we receive under certain of our commercial agreements is partially dependent on the volume of the other company's sales. Therefore, when the other company's offerings are not successful, the compensation we receive may be lower than expected or the agreement may be terminated. Moreover, we may not be able to enter into additional or alternative commercial relationships and strategic alliances on favorable terms. We also may be subject to claims from businesses to which we provide these products and content if we are unsuccessful in implementing, maintaining, or developing these products and content. As our agreements terminate, we may be unable to renew or replace these agreements on comparable terms, or at all. We may in the future enter into amendments on less favorable terms or encounter parties that have difficulty meeting their contractual obligations to us, which could adversely affect our operating results. Our present and future e-commerce services agreements, other commercial agreements, and strategic alliances create additional risks such as: • disruption of our ongoing business, including loss of management focus on existing businesses; • impairment of other relationships; • variability in revenue and income from entering into, amending, or terminating such agreements or relationships; and • difficulty integrating under the commercial agreements. We may be subject to product liability claims when people or property are harmed by the products we sell or manufacture. Some of the products we ~~sell~~ **have sold** ~~products we continue to sell~~ may ~~further continue to~~ expose us, to product liability claims relating to personal injury or illness, death, or environmental or property damage, and can require product recalls or other actions. Third parties who sell products using our platforms and stores increase our exposure to product liability claims, such as when these sellers do not have sufficient protection from such claims. Although we maintain our own liability insurance and may be indemnified by our manufacturers and / or licensees, we cannot be certain that our coverage or indemnification will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Although we impose contractual terms on sellers that are intended to prohibit sales of certain types of products, we may not be able to detect, enforce, or collect sufficient damages for breaches of such agreements. In addition, some of our agreements with our vendors and sellers do not indemnify us from product liability. Our consumer business is subject to additional risks associated with our international licensees. Many of the licensees of our consumer business are located outside the U. S. Our consumer business and our licensees face numerous risks in doing business outside the U. S., including: (i) unusual or burdensome foreign laws or regulatory requirements or unexpected changes to those laws or requirements; (ii) tariffs, trade protection measures, import or export licensing requirements, trade embargoes, sanctions and other trade barriers; (iii) competition from foreign companies; (iv) longer accounts receivable collection cycles and difficulties in collecting accounts receivable; (v) less effective and less predictable protection and enforcement of intellectual property rights; (vi) changes in the political or economic condition of a specific country or region (including, without limitation, as a result of political unrest and wars and other armed conflicts), particularly in emerging markets or jurisdictions where political events may strongly influence consumer spending; (vii) fluctuations in the value of foreign currency versus the U. S. dollar, the cost of currency exchange and compliance with exchange controls; (viii) potentially adverse tax consequences; and (ix) cultural differences in the conduct of business. Any one or more of such factors could cause the future international sales of licensees to decline. In addition, the business practices of our consumer business in international markets are subject to the requirements of the U. S. Foreign Corrupt Practices Act and all other applicable anti-bribery laws, any violation of which could subject us to significant fines, criminal sanctions and other penalties. The occurrence of any of the above risks and uncertainties could result in a material adverse effect on our consumer business's financial condition, results of operations or business. Additional Risks Related to Our Digital Subscriptions and Content Business Free content on the Internet and competition from free platforms and other social media and content-creator sites is increasing competition for our adult content products and creator platform and is changing the dynamics of the marketplace for our digital products. Demand for our paid adult content products and our creator platform is significantly impacted by the availability of free adult entertainment available on the Internet, "YouTube-like" adult video sites (commonly known as "tube sites"), as well as from social media platforms and other subscription-based content-creator sites. Such other sites and platforms feature free adult videos, some of which consist of unlicensed, or pirated, excerpts of professionally produced adult movies (including at times pirated versions of our proprietary videos). Other content-creator sites allow consumers to subscribe for content from specific creators, many of which offer adult-oriented content. The availability of these free adult videos and creator-specific subscriptions may diminish the demand for our paid video offerings on our proprietary websites, including our Playboy Club on playboy.com, playboy.tv and playboyplus.com, and for our other content products, and has diluted the market presence of our website. The tube sites, social media platforms and other content-creator sites may materially

affect the revenues we generate from our websites and other adult content offerings. It is uncertain what effect tube sites, other free internet adult websites and competing content-creator sites will have on our on-going operations and our future financial results. No assurance can be given that we will be able to effectively compete against the tube sites and other internet products. Failure to maintain our agreements with multiple system operators, or (“MSOs,”) and direct-to-home, or (“DTH,”) operators on favorable terms could adversely affect our business, financial condition or results of operations. We currently have agreements with many of the largest MSOs in the U. S. and internationally. Our agreements with these operators may be terminated on short notice without penalty. If one or more MSOs or DTH operators terminate or do not renew these agreements, or do not renew them on terms as favorable as those of current agreements, our business, financial condition or results of operations could be materially adversely affected. In addition, competition among television programming providers is intense for both channel space and viewer spending. Our competition varies in both the type and quality of programming offered, but consists primarily of other premium pay platforms, such as general-interest premium channels, and other adult movie pay platforms. We compete with other pay platforms as we attempt to obtain or renew carriage with DTH operators and individual cable affiliates, negotiate fee arrangements with these operators, negotiate for video-on-demand, or VOD, and subscription video-on-demand rights and market our programming through these operators to consumers. The competition with programming providers has intensified as a result of consolidation in the DTH and cable systems industries, which has resulted in fewer, but larger, operators. Competition has also intensified with VOD’s lower cost of entry for programmers compared to linear networks and with capacity constraints disappearing. The impact of industry consolidation, any decline in our access to and acceptance by DTH and / or cable systems and the possible resulting deterioration in the terms of agreements, cancellation of fee arrangements or pressure on margin splits with operators of these systems could adversely affect our business, financial condition or results of operations. Limits on our access to satellite transponders could adversely affect our business, financial condition or results of operations. Our cable television and DTH operations require continued access to satellite transponders to transmit programming to cable and DTH operators. Material limitations on our access to these systems or satellite transponder capacity could materially adversely affect our business, financial condition or results of operations. Our access to transponders may also be restricted or denied if:

- we or the satellite transponder providers are indicted or otherwise charged as a defendant in a criminal proceeding;
- the Federal Communications Commission issues an order initiating a proceeding to revoke the satellite owner’s authorization to operate the satellite;
- the satellite transponder providers are ordered by a court or governmental authority to deny us access to the transponder;
- we are deemed by a governmental authority to have violated any obscenity law;
- or • the satellite transponder providers fail to provide the required services.

In addition to the above, the access of Playboy TV and the Playboy Channel and our other networks to transponders may be restricted or denied if a governmental authority commences an investigation or makes an adverse finding concerning the content of their transmissions. Technical failures may also affect our satellite transponder providers’ ability to deliver transmission services. There has been a shift in consumer behavior as a result of technological innovations and changes in the distribution of content, which may affect our viewership and the profitability of our content business in unpredictable ways. Technology and business models in the digital content industry continue to evolve rapidly. Changes to these business models include the increasing presence of user-generated content, streaming platforms and greater video consumption through time-delayed or time-shifted viewing of television programming through social media and content creation sites, streaming platforms, on-demand platforms, and digital video recorder, or DVRs. Consumer behavior related to changes in content distribution and technological innovation affect our economic model and viewership in ways that are not entirely predictable. Consumers are increasingly viewing content on a time-delayed or on-demand basis from traditional distributors and from streaming and social media platforms, connected apps and websites and on a wide variety of screens, such as televisions, tablets, mobile phones and other devices. Additionally, devices that allow users to view television programs on a time-shifted basis and technologies that enable users to fast-forward or skip programming, including commercials, such as DVRs and portable digital devices and systems that enable users to store or make portable copies of content may affect the attractiveness of our offerings to advertisers and could therefore adversely affect our revenues. There is increased demand for short-form, user-generated and interactive content, which we are addressing through our content creator platform, the Playboy Club. Such content is different than our past content offerings. Likewise, distributors are offering smaller programming packages known as “skinny bundles” and content-creator platforms allow for a la carte consumption, both of which are delivered at a lower cost than traditional subscription offerings and sometimes allow consumers to create a customized package of content, that are gaining popularity among consumers. If the Playboy Club does not provide the on-demand content sought by consumers, our networks are not included in on-demand content packages or consumers favor alternative offerings, we may experience a decline in viewership or content consumption and ultimately the demand for our programming and content, which could lead to lower revenues. In order to respond to changes in content distribution models in our industry, we have invested in, developed and launched our content creator platform, the Playboy Club. There can be no assurance, however, that our consumers will respond to our digital products and services or that our digital strategy will be successful, particularly given the increase in digital products and platforms on the market. Each distribution model has different risks and economic consequences for us, so the rapid evolution of consumer preferences may have an economic impact that is not completely predictable. Distribution windows are also evolving, potentially affecting revenues from other windows. If we cannot ensure that our distribution methods and content are responsive to our target audiences, our business could be adversely affected. We may be unable to sell additional, or renew, Playboy Club memberships, which could materially and adversely affect our business, results of operations and financial condition. The success of our content creator platform, the Playboy Club, may depend on our ability to sell a sufficient number of new, or renew existing, memberships to the platform. We may not be successful in attracting members to the Playboy Club, and membership levels may materially decline over time. We may also have to cancel or suspend memberships if a member fails to provide appropriate payment for membership. In addition, we may experience attrition and we must continually engage existing members and attract new members in order to maintain Playboy

Club membership levels. It is possible that a portion of our member base may not regularly use the offerings of the Playboy Club and may cancel their memberships. In order to increase Playboy Club membership levels, we may from time to time offer promotions or incentives. If we are not successful in optimizing pricing or membership incentives or finding other ways to add memberships, our membership levels may decrease, and in turn growth in the Playboy Club's revenues may suffer, which will have an increasing impact on our financial results as we continue to a capital-light model that increasingly invests in our digital segment. As a result of these factors, we cannot be certain that our Playboy Club membership levels will be adequate to maintain or permit the expansion of our content creator platform. A decline in Playboy Club membership levels and revenues of the creator platform could have an adverse effect on our business, results of operations and financial condition. Our digital content business involves risks of liability claims for media content, which could adversely affect our business, financial condition or results of operations. As a distributor of media content, we may face potential liability for: • defamation; • invasion of privacy; • negligence; • copyright or trademark infringement; and • other claims based on the nature and content of the materials distributed. These types of claims have been brought, sometimes successfully, against broadcasters, publishers, online providers and other disseminators of media content. We could also be exposed to liability in connection with material available through our websites, including our creator platform. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage could have a material adverse effect on us. In addition, measures to reduce our exposure to liability in connection with material available through our websites could require us to take steps that would substantially limit the attractiveness of our websites and / or their availability in various geographic areas, which would negatively affect their ability to generate revenues.

Risks Related to the Ownership of Our Common Stock If we are not able to comply with the applicable continued listing requirements or standards of Nasdaq, Nasdaq could delist our common stock. Our common stock is currently listed on Nasdaq. In order to maintain such listing, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee requirements, minimum stockholders' equity, minimum share price, and certain corporate governance requirements. On November 3, 2023, we received a letter (the "Nasdaq Staff Deficiency Letter") from Nasdaq indicating that, for the prior thirty consecutive business days, the bid price for PLBY's common stock had closed below the minimum \$ 1.00 per share requirement for continued listing on The Nasdaq Global Market under Nasdaq Listing Rule 5450 (a) (1) (the "Minimum Bid Price Rule"). **We then Nasdaq gave us until May 1, 2024 to regain regained compliance with such rule, which compliance was confirmed by Nasdaq to have been achieved as of January 9, 2024. On June 27, 2024, we again received a Nasdaq Staff Deficiency Letter relating to the Minimum Bid Price Rule, and Nasdaq confirmed we regained compliance with such rule on December 3, 2024. On February 11, 2025, we notified Nasdaq of our temporary noncompliance with the continued listing requirements as set forth in Nasdaq Listing Rule 5605 (b) regarding the composition of the Board, because there was not a majority of independent directors on the Board as of that date. On February 14, 2025, we received a Nasdaq Staff Deficiency Letter notifying us that we were not in compliance with Nasdaq Listing Rule 5605. We will rely on the cure period set forth in Nasdaq Listing Rule 5605 (b) (1) (A) with respect to the composition of our Board, which cure period is expected to expire as of August 11, 2025. We and Byborg are in the process of identifying a new independent director to appoint to the Board to fill the vacancy created by the expansion of the Board from five to seven directors and the appointment of Gyorgy Gattyan to the Board. We anticipate appointing such additional independent director within the cure period under the Nasdaq rules listed above.** There can be no assurances that we will be able to continue to comply with applicable listing standards. If we are unable to maintain compliance with Nasdaq's listing requirements, our common stock could be delisted from Nasdaq. If Nasdaq delists our common stock, we could face significant material adverse consequences, including: • a limited availability of market quotations for our securities; • loss of eligibility to use or rely on our existing and / or any new registration statements on Form S-3; • a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock; • a limited amount of news and analyst coverage for our company; and • a decreased ability to issue additional securities or obtain additional financing in the future. Our Chairman, Suhail Rizvi, together with entities he controls ("RT"), **and our director Gyorgy Gattyan, together with entities he controls (which are affiliates of Byborg), each owns own a significant percentage of our common stock, and they may effectively control all our major corporate decisions, and their interests may conflict with your interests as an owner of our common stock and with our interests.** RT beneficially owned approximately ~~25-19.05~~ **22-10, 2024-2025** % of our common stock as of March ~~22-10, 2024~~ **2025**. Under the terms of an Investor Rights Agreement we entered into with RT, RT has the right, but not the obligation, to nominate to the Board a number of designees equal to (i) three directors, if and so long as RT and its affiliates beneficially own, in the aggregate, 50 % or more of the shares of our common stock, (ii) two directors, in the event that RT and its affiliates beneficially own, in the aggregate, 35 % or more, but less than 50 %, of the shares of common stock and (iii) one director, in the event that RT and its affiliates beneficially own, in the aggregate, 15 % or more, but less than 35 %, of the shares of our common stock (in each case, subject to proportional adjustment in the event that the size of the Board is increased or decreased). RT also has the right to appoint the chairman of the Board so long as RT and its affiliates beneficially own, in the aggregate, 15 % or more of the shares of common stock. We anticipate that Suhail Rizvi, our current chairman of the Board and a manager of the RT entities, will continue to serve as RT's designee on the Board and chairman of the Board. **Byborg beneficially owned approximately 15.9 % of our common stock as of March 10, 2025. Under the terms of a securities purchase agreement, dated October 30, 2024 (the "Initial SPA"), entered into between us and Byborg, Byborg has the right to nominate one individual to serve on the Board, and will retain such right until such time as Byborg beneficially owns less than 7,450,000 shares of common stock. In addition to the Initial SPA, on December 14, 2024, we entered into a second securities purchase agreement (the "Additional SPA") with a Byborg affiliate, pursuant to which we agreed to sell to such affiliate an additional 16,956,842 shares of the our common stock at a price of \$ 1.50 per share, subject to the approval of such sale and issuance of**

shares by our stockholders, which would increase Byborg's beneficial ownership of our common stock to approximately 28.8%. On January 30, 2023, we entered into a standstill agreement (the "RT Standstill Agreement") with RT in connection with the Company's public rights offering that closed in February 2023. **On October 30, 2024, we also entered into a standstill agreement (together with the RT Standstill, the "Standstill Agreements") with Byborg.** Pursuant to the Standstill Agreements, among other limitations, **each of RT and Byborg and their respective** affiliates agreed not to purchase shares of our common stock to the extent that **RT and each of them together with** their affiliates' ownership would exceed 29.99% of our outstanding shares of common stock in the aggregate following any acquisition of common stock during the standstill period. The standstill period **for RT** means any period from and after January 30, 2023 in which RT and their affiliates collectively own, beneficially or of record, more than 14.9% of the total outstanding shares of our common stock. **The standstill period for Byborg means any time from and after October 30, 2024 in which Byborg and its affiliates collectively own, beneficially or of record, more than 14.9% of the total outstanding shares of our common stock.** The directors **RT elects and Byborg designate** have the authority **to cause us** to incur additional debt, issue or repurchase stock, declare dividends and make other decisions that could be detrimental to stockholders. Even though RT **and Byborg** may own or control less than a majority of our total outstanding shares of our common stock, **it is they are** able to influence the outcome of corporate actions so long as **it they each owns own** a significant portion of our total outstanding shares of our common stock. **Both RT and Byborg** may have interests that are different from yours and may vote in a way with which you disagree and that may be adverse to your interests. In addition, **each of RT's and Byborg's** concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could cause the market price of our common stock to decline or prevent our stockholders from realizing a premium over the market price for their common stock. Additionally, **each of RT and Byborg** is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us or supply us with goods and services. RT **and / or Byborg** may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Stockholders should consider that the interests of RT **and Byborg** may differ from their interests in material respects. The market price of the Company's common stock is likely to be highly volatile, and you may lose some or all of your investment. The market price of the Company's common stock is likely to be highly volatile and may be subject to wide fluctuations in response to a variety of factors, including the following: • the inability to obtain or maintain the listing of our shares of common stock on Nasdaq; • the inability to recognize the anticipated benefits of any strategic opportunities or corporate transactions, which may be affected by, among other things, competition, our ability to grow and manage growth profitably, and our ability to retain our key employees; • changes in applicable laws or regulations; • risks relating to the uncertainty of our projected financial information; and • risks related to the organic and inorganic growth of our business and the timing of expected business milestones. In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political, regulatory and market conditions, may negatively affect the market price of the Company's common stock, regardless of the Company's actual operating performance. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our share price and trading volume could decline. The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us. If securities or industry analysts initiate coverage and one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our company, our common stock share price would likely decline. If analysts publish target prices for our common stock that are below the historical sales prices for our common stock on a securities exchange or the then-current public price of our common stock, it could cause our stock price to decline significantly. In 2023, multiple investment analysts ceased coverage of our stock. Due to such stoppage of analyst coverage, and if further analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline. Volatility in our share price could subject us to securities class action litigation. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could adversely impact our business. Because we do not anticipate paying any cash dividends in the foreseeable future, capital appreciation, if any, would be your sole source of gain. We currently anticipate we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. As a result, capital appreciation, if any, of our shares of common stock would be your sole source of gain on an investment in such shares for the foreseeable future. Sales of a substantial number of shares of our common stock in the public market could cause the price of our common stock to decline. On June 10, 2022, the SEC declared effective our resale registration statement on Form S-3 (File No. 333-264515), pursuant to which certain existing stockholders of the Company are able to sell up to 30,534,974 shares of common stock in the public market. On September 13, 2022, the SEC declared effective our shelf registration statement on Form S-3 (File No. 333-267273), pursuant to which we registered up to \$250 million of primary issuances of certain securities listed in such registration statement. On January 24, 2023, we took down \$16.25 million of such shelf registration for the issuance of 6,357,341 shares of our common stock in a registered direct offering to a limited number of investors. We also completed a rights offering in February 2023, pursuant to which we took down \$50 million of the shelf registration for the issuance of 19,561,050 shares of common stock. **Accordingly In addition, on August 8, 2024, we took down \$15 million of the shelf registration for an at-the-market offering, which remains active but as has not sold any shares to date.** As of the date of this Annual Report on Form 10-K, up to \$ **183-168**.75 million of **additional** securities could be issued pursuant to the unused portion of the shelf registration. **On February 11, 2025, the SEC declared effective**

our resale registration statement on Form S-3 (File No. 333-284632), pursuant to which certain existing stockholders of the Company are able to sell up to 25,494,268 shares of common stock in the public market (which aggregate total includes 2,581,218 shares which were previously registered under the above-referenced Form S-3, File No. 333-264515, but were moved under this resale registration statement). We also have registered on Forms S-8 a total of ~~14-17, 161-062, 508-858~~ shares of common stock underlying awards that we have issued, or may in the future issue, under our employee equity incentive plans. These shares may be sold freely in the public market upon issuance, or pursuant to the reoffer prospectus in the Forms S-8, as applicable, subject to existing lock-up agreements and relevant vesting schedules, and applicable securities laws. Promptly following the filing of this Annual Report on Form 10-K, we intend to register more than ~~2~~ **3.9-6** million new shares of common stock and over 300,000 shares of common stock that were returned to our equity incentive plans (due to their cancellation or forfeiture, which may be reissued under such plans) on another Form S-8 for future issuances under our equity incentive plans, in accordance with the terms thereof. ~~See Refer to~~ **Note 12, Stockholders Equity – Common Stock, of the Notes to our Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K** for additional information regarding our common stock reserved for future issuance as of December 31, ~~2023~~ **2024**. The presence of these shares of common stock trading in the public market may have an adverse effect on the market price of our common stock. Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our common stock. In addition, the sale of substantial amounts of our common stock could adversely impact its price. Future sales of shares of our common stock may depress our stock price. Future sales of a substantial number of shares of our common stock in the public market, or the perception that such sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. You may experience future dilution as a result of future equity offerings or other issuances of our shares of common stock. In order to raise additional capital, we may in the future offer additional shares of our common stock or securities convertible into or exchangeable for our common stock at prices that may not be the same as the price you paid for your shares. We may sell shares or other securities in any other offering at a price per share that is less than the price per share paid by you, and investors purchasing shares or other securities in the future could have rights superior to those purchased by you. Sales of additional shares of our common stock or securities convertible into shares of common stock will dilute our stockholders' ownership in us. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's stockholders, (c) any action asserting a claim against the Company, its directors, officers or employees arising pursuant to any provision of the DGCL or our certificate of amended and restated incorporation or our bylaws, or (d) any action asserting a claim related to or involving the Company that is governed by the internal affairs doctrine except for, as to each of (a) through (d) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. Our amended and restated certificate of incorporation also provides that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act of 1933, as amended (the "Securities Act"). The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely impact our business. The choice of forum provision requiring that the Court of Chancery of the State of Delaware be the exclusive forum for certain actions would not apply to suits brought to enforce any liability or duty created by the Exchange Act. General Risk Factors Any inability to identify, fund investment in and commercially exploit new technology could have a material adverse impact on our business, financial condition or results of operations. We are engaged in businesses that have experienced technological changes over the past several years and are continuing to undergo technological changes. Our ability to implement our business plan and to achieve the results projected by management will depend on management's ability to anticipate technological advances and implement strategies to take advantage of future technological changes. Any inability to identify, fund investment in and commercially exploit new technology or the commercial failure of any technology that we pursue, such as Internet and mobile, could result in our businesses becoming burdened by obsolete technology and could have a material adverse impact on our business, financial condition or results of operations. We will need to generate profits or obtain additional capital to fund our operations in the future. If we are unsuccessful in generating profits or obtaining new capital, we may not be able to continue operations or may be forced to sell assets to do so. Alternatively, capital may not be available to us on favorable terms, or if at all. If available, financing terms may lead to significant dilution of our stockholders' equity. We are not profitable and have had negative cash flow from operations since becoming a public company in February 2021. To fund our operations and develop and commercialize our products, we have relied primarily on equity and debt financings. We expect our capital expenditures

and working capital requirements in 2024-2025 to be largely consistent with 2023-2024, as we continue to invest in our creator platform. We may, however, need additional cash resources to fund our operations until the creator platform achieves a level of revenue that provides for operating profitability. We evaluated whether there are any conditions and events, considered in the aggregate, that have the potential to raise substantial doubt about our ability to continue as a going concern over the next twelve months from the date of filing this Annual Report on Form 10-K. Although consequences of ongoing macroeconomic uncertainty could adversely affect our liquidity and capital resources in the future, and cash requirements may fluctuate based on the timing and extent of many factors, such as those discussed above, we believe our existing sources of liquidity, along with proceeds from asset dispositions and savings from cost reductions initiatives, will be sufficient to meet our obligations as they become due under the A & R Credit Agreement (as defined herein) for our senior secured debt and our other obligations for at least one year following the date of the filing of this Annual Report on Form 10-K. We may seek additional equity believe that we will have sufficient funds for or debt financing in the future to satisfy capital requirements, respond to adverse changes in our circumstances our or operations unforeseen events, for or the following 12 months to allow us to fund growth opportunities our current operating plan through the following 12 months without additional capital. However, to the extent that our current resources are insufficient to satisfy our cash requirements, we may be required to obtain additional funds during the following 12 months. Additional capital may not be available at such times or amounts as needed by us. Even if capital is available, it might be available only on unfavorable terms. Any additional equity or convertible or in-kind debt financing into which we enter could be dilutive to our existing stockholders. Any future debt financing into which we enter may impose covenants upon us that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, repurchase our stock, make certain investments and engage in certain merger, consolidation or asset sale transactions. Any debt financing or additional equity capital that we raise may contain terms that are not favorable to us or our stockholders. If we raise additional funds through collaboration, joint venture or licensing arrangements with third parties, we may need to relinquish rights to certain intellectual property or grant licenses on terms that are not favorable to us. If access to sufficient capital is not available as and when needed, our business may be materially impaired, and we may be required to cease operations, curtail one or more business segments, scale back or eliminate the development of business opportunities, or significantly reduce expenses, sell assets, seek a merger or joint venture partner, file for protection from creditors or liquidate all of our assets. Any of these factors could harm our financial results. We may not realize the expected financial benefits from our disposition of assets, transition of owned- and- operated businesses to licensing arrangements and / or our cost reductions, including within the anticipated timelines. Our strategic initiatives include identifying and implementing actions designed to shift to a more capital- light business model and significantly reduce our expenses. In April 2023, we sold our Yandy business, and in November 2023, we sold our Lovers business and certain of our art assets were sold in 2023 and 2024. We are also considering expect to continue the sale of additional art assets in 2025. Pursuant to our A & R Credit Agreement (as amended), the net proceeds of such asset dispositions may be retained by us and used to support our remaining business. However, there can be no assurance that such proceeds will sufficiently improve our liquidity position or our operations. In addition, we transitioned our Playboy e-commerce platform in July 2023 from an owned- and- operated model to a licensing arrangement. Similarly, in the fourth quarter of 2024, we entered into a licensing agreement with Byborg to license intellectual property and certain Playboy digital assets for operation of our digital businesses by Byborg as of January 1, 2025. Transitioning business operations to licensing arrangements is intended to reduce our operational expenses, but the exact timing and extent of such reductions may not be fully realized by the Company as expected, or at all. The transition of the Playboy e-commerce business to a licensing arrangement has been completed, and we expect the transition of the digital businesses to Byborg's operational control to be fully completed by the end of 2025, but we can provide no assurance as to when expense reductions and savings for such transition will be fully reflected in our results. We continue to review the cost structure of our businesses and additional cost rationalization. We significantly restructured our technology expenses in the first and fourth quarters of 2023, and cost- excessive and under- utilized software packages were either terminated or not renewed upon expiration of applicable agreements. However, this resulted in a restructuring charge of \$ 5. 1 million for the year ended December 31, 2023, excluding \$ 0. 4 million of costs related to discontinued operations attributable to the Yandy and Lovers businesses sold in April and November of 2023, respectively. In addition, during the year ended December 31, 2023, we reduced headcount within the Playboy Direct- to- Consumer business and our corporate office, resulting in severance charges of \$ 3. 5 million and a net increase of \$ 0. 1 million of stock- based compensation expenses, which was comprised of a \$ 2. 4 million reduction of stock- based compensation expenses due to forfeitures of certain equity grants, offset by additional stock- based compensation expense of \$ 2. 3 million due to acceleration of certain equity awards during the second quarter of 2023. In the fourth quarter of 2024, we settled certain account payable balances and recorded a \$ 1. 2 million reduction in selling, general and administrative expenses in the consolidated statements of operations for the twelve months ended December 31, 2024. We also entered into the Byborg licensing arrangement in the fourth quarter of 2024, and royalties and related expense reductions are expected to be reflected in our results in 2025. We may not be able to fully implement all asset dispositions, business transitions or intended cost reduction actions or realize their benefits, including within the anticipated timeline, nor may we be able to identify and / or implement additional asset dispositions or cost reduction actions necessary to achieve positive cash flows, including potentially as a result of factors outside of our control. In addition, the implementation of these dispositions, business transitions, cost reduction actions and changes to our workforce could have unintended consequences to us, including negatively impacting our sales, diversion of management attention, employee attrition beyond workforce reductions, and lower employee morale among our current employees. If we are not able to fully achieve the expected financial benefits of our asset dispositions, business transitions and cost reduction actions within the anticipated timeline timelines, we may not be able to effectively mitigate the negative impacts of the current ongoing negative macroeconomic conditions on our business, which in turn, could weaken our

ability to support our ongoing operations, satisfy covenants under our A & R Credit Agreement and otherwise meet our obligations as they become due, and further, cause management to change its assessment of our **liquidity ability to continue as a going concern** (see refer to Note 1, **Basis of Presentation and Summary of Significant Accounting Policies, of the Notes** to our consolidated **Consolidated financial Financial statements Statements** included in **Part II, Item 8 of** this Annual Report on Form 10- K for further discussion of management' s most recent assessment). Our failure to fully realize the expected financial benefits from our asset dispositions, **business transitions** and cost reduction actions could also lead to the implementation of additional restructuring- related activities in the future, which could exacerbate these risks or introduce new risks which could materially adversely affect our business, financial position, liquidity and results of operations. We are subject to periodic claims and litigation that could result in unexpected expenses and could ultimately be resolved against us. From time to time, we are involved in litigation and other proceedings and litigation arising in the ordinary course of business, such as the matters described in " Item 3, Legal Proceedings " of this Annual Report on Form 10- K. Defending these claims, even those without merit, could cause us to incur significant legal expenses and divert financial and management resources. These claims could also result in significant settlement amounts, damages, fines or other penalties. An unfavorable outcome of any particular proceeding could exceed the limits of our insurance policies or the carriers may decline to fund such final settlements and / or judgments and could have an adverse impact on our business, financial condition, and results of operations. In addition, an adverse resolution of any lawsuit or claim against us could negatively impact our reputation and our brand image and could have a material adverse effect on our business. In addition, we rely on our employees, consultants and sub- contractors to conduct our operations in compliance with applicable laws and standards. Any violation of such laws or standards by these individuals, whether through negligence, harassment, discrimination or other misconduct, could result in significant liability for us and adversely affect our business. For example, negligent operations by employees could result in serious injury or property damage, and sexual harassment or racial and gender discrimination could result in legal claims and adversely impact our reputation. If we are unable to attract and retain key employees and hire qualified management and personnel our ability to compete could be adversely impacted. We believe that our ability to successfully implement our business strategy and to operate profitably depends, in part, on our ability to retain our key personnel. If key personnel become unable or unwilling to continue in their present positions, our business, financial condition or results of operations could be materially adversely affected. Our success also depends, in part, on our continuing ability to identify, hire, attract, train and develop other highly qualified personnel, including appropriate technical and engineering employees to support our expanding digital platforms. Competition for these employees can be intense, and our ability to hire, attract and retain them depends on our ability to provide competitive compensation. We may not be able to attract, assimilate, develop or retain qualified personnel in the future, and our failure to do so could adversely affect our business, including the execution of our global business strategy. Any failure by our management team to perform as expected may have a material adverse effect on our business, prospects, financial condition and results of operations. Geopolitical risks, such as those associated with Russia' s war with Ukraine and armed conflicts in the Middle East, could result in a decline in the outlook for the U. S. and global economies. The uncertain nature, magnitude, and duration of hostilities stemming from Russia' s ongoing war with Ukraine and armed conflicts in the Middle East, including the potential effects of sanctions, retaliatory attacks (including cyberattacks) and trade disruptions on the world economy and markets, have contributed to increased market volatility and uncertainty, and such geopolitical risks could have an adverse impact on macroeconomic factors which affect our assets and businesses.