

# MATTEL NORTHERN EUROPE

## A/S

Kampmannsgade 2  
DK-1604 København V

CVR no. 16 27 88 31

### Annual report 2023

The annual report was presented and approved at  
the Company's annual general meeting on

16 July 2024

Bo Johan Henrik Månsson  
Chairman of the annual general meeting

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## **Contents**

Statement by the Board of Directors and the Executive Board

Independent auditor's report

**Management's review**

Company details  
Operating review

**Financial statements 1 January – 31 December**

Income statement  
Balance sheet  
Statement of changes in equity  
Notes

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report for MATTEL NORTHERN EUROPE A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

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

Copenhagen, 16 July 2024  
Executive Board:

---

Bo Johan Henrik Månsson  
Director

Board of Directors:

---

René van den Polder  
Chairman

---

Bhrijesh Jayant Patel

---

Prashant Bapna

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## Independent auditor's report

### To the shareholders of MATTEL NORTHERN EUROPE A/S

#### Opinion

We have audited the financial statements of MATTEL NORTHERN EUROPE A/S for the financial year 1 January - 31 December 2023, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Hellerup, 16 July 2024

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Leif Ulbæk Jensen  
State Authorised Public Accountant  
mne23327

James Liang  
State Authorised Public Accountant  
mne34549

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## Management's review

### Company details

MATTEL NORTHERN EUROPE A/S  
Kampmannsgade 2  
DK-1604 København V

Telephone: 40 31 66 52  
Website: [www.mattel.dk](http://www.mattel.dk)  
CVR no.: 16 27 88 31  
Established: 1 July 1992  
Registered office: Copenhagen  
Financial year: 1 January - 31 December

### Board of Directors

René van den Polder, Chairman  
Bhrijesh Jayant Patel  
Prashant Bapna

### Executive Board

Bo Johan Henrik Månsson, Director

### Audit

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup  
CVR no. 33 77 12 31

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## **Management's review**

### **Operating review**

#### **Principal activities**

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

#### **Development in activities and financial position**

The Company's income statement for 2023 shows a profit of DKK 910,776 as against a profit of DKK 522,185 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 6,731,438 as against DKK 19,320,662 at 31 December 2022.

The financial year was in line with forecast, and results for the year are considered satisfactory.

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2023	2022
<b>Gross profit</b>		7,975,421	7,500,777
Staff costs	2	-7,489,840	-7,014,271
Depreciation of property, plant and equipment		-10,220	-15,396
<b>Profit before financial income and expenses</b>		475,361	471,110
Other financial income	3	729,224	209,631
Other financial expenses		-2,211	-3,974
<b>Profit before tax</b>		1,202,374	676,767
Tax on profit for the year	4	-291,598	-154,582
<b>Profit for the year</b>		<u>910,776</u>	<u>522,185</u>
<b>Proposed profit appropriation</b>			
Proposed dividends for the financial year		0	13,500,000
Retained earnings		910,776	-12,977,815
		<u>910,776</u>	<u>522,185</u>

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2023	31/12 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	5		
Fixtures, fittings, tools and equipment		26,449	23,288
<b>Financial assets</b>			
Deposits		132,000	59,114
<b>Total fixed assets</b>		158,449	82,402
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		2,367,125	20,020,456
Corporation tax		0	106,000
Deferred tax assets		12,449	25,226
Other receivables		296,892	91,659
Prepayments		132,067	74,390
		2,808,533	20,317,731
<b>Cash at bank and in hand</b>		6,549,523	0
<b>Total current assets</b>		9,358,056	20,317,731
<b>TOTAL ASSETS</b>		9,516,505	20,400,133

MATTEL NORTHERN EUROPE A/S  
Annual report 2023  
CVR no. 16 27 88 31

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2023	31/12 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		501,000	501,000
Retained earnings		6,230,438	5,319,662
Proposed dividends for the financial year		0	13,500,000
<b>Total equity</b>		<u>6,731,438</u>	<u>19,320,662</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		87,104	162,260
Payables to group entities		62,482	33,459
Corporation tax		129,245	0
Other payables, including taxes payable		2,506,236	883,752
		<u>2,785,067</u>	<u>1,079,471</u>
<b>Total liabilities</b>		<u>2,785,067</u>	<u>1,079,471</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>9,516,505</u>	<u>20,400,133</u>

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed divi- dends for the financial year	Total
Equity at 1 January 2023	501,000	5,319,662	13,500,000	19,320,662
Ordinary dividends paid	0	0	-13,500,000	-13,500,000
Transferred over the profit appropriation	0	910,776	0	910,776
<b>Equity at 31 December 2023</b>	<b>501,000</b>	<b>6,230,438</b>	<b>0</b>	<b>6,731,438</b>

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of MATTEL NORTHERN EUROPE A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

#### Foreign currency translation

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

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

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

### Income statement

#### Revenue

Revenue consist of commission of the sales and marketing.

#### Other external costs

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

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

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

#### Staff costs

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

#### Financial income and expenses

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

##### Tax on profit for the year

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

##### Balance sheet

##### Property, plant and equipment

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

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

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures, fittings, tools and equipment	5 years
---	---------

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

##### Investments

Deposits are measured at cost.

##### Impairment of fixed assets

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

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

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

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

##### Receivables

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

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

##### Corporation tax and deferred tax

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

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

##### Prepayments

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

##### Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

##### Equity

###### Dividends

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

##### Liabilities

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

#### 2 Staff costs

DKK	2023	2022
Wages and salaries	6,852,839	6,452,022
Pensions	503,461	608,767
Other social security costs	133,540	-46,518
	<u>7,489,840</u>	<u>7,014,271</u>
Average number of full-time employees	<u>6</u>	<u>7</u>

## Financial statements 1 January – 31 December

### Notes

#### 3 Other financial income

DKK	2023	2022
Interest income from group entities	648,156	206,053
Other interest income	83,024	1,507
Exchange gains	-1,956	2,071
	<u>729,224</u>	<u>209,631</u>

#### 4 Tax on profit for the year

DKK	2023	2022
Current tax for the year	278,821	4,815
Deferred tax adjustment for the year	12,777	149,767
	<u>291,598</u>	<u>154,582</u>

#### 5 Property, plant and equipment

DKK	Fixtures, fittings, tools and equipment
Cost at 1 January 2023	94,635
Additions	13,381
Cost at 31 December 2023	<u>108,016</u>
Depreciation and impairment at 1 January 2023	-71,347
Depreciation for the year	-10,220
Depreciation and impairment at 31 December 2023	<u>-81,567</u>
<b>Carrying amount at 31 December 2023</b>	<u><b>26,449</b></u>

#### 6 Contractual obligations, contingencies, etc.

##### Contingent liabilities

Other rent and lease liabilities:

DKK	31/12 2023	31/12 2022
Rent and lease liabilities	<u>132,000</u>	<u>86,000</u>

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

**MATTEL NORTHERN EUROPE A/S**  
Annual report 2023  
CVR no. 16 27 88 31

## **Financial statements 1 January – 31 December**

### **Notes**

#### **7 Related parties**

MATTEL NORTHERN EUROPE A/S' related parties comprise the following:

##### **Control**

MATTEL NORTHERN EUROPE A/S is part of the consolidated financial statements of Mattel inc., Gondel 1, 1186 MJ Amstelveen, Holland, which is the smallest group in which the Company is included as a subsidiary.

#### **8 Events after the balance sheet date**

No events have occurred after the balance sheet date of material importance to the annual report for 2023.