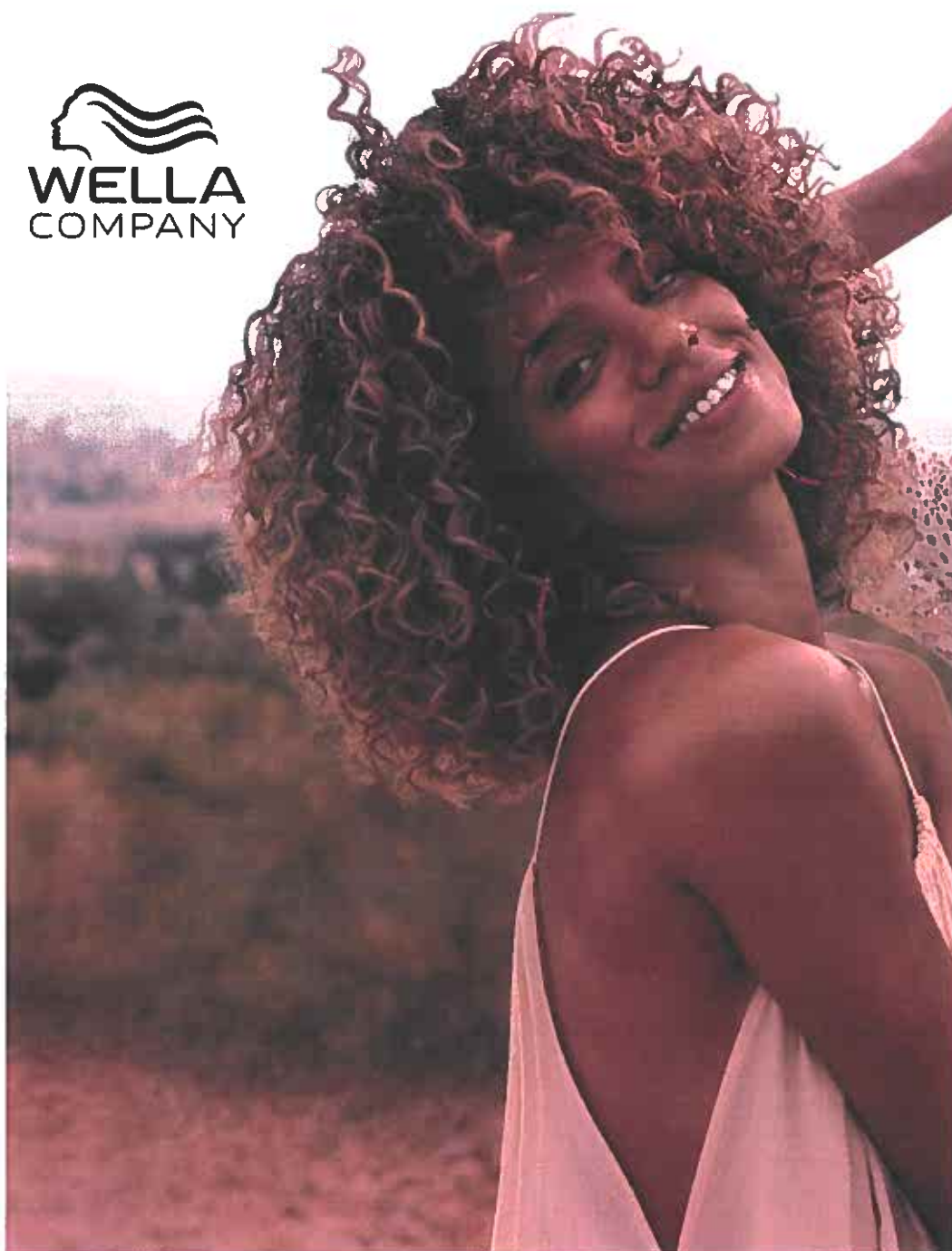




Wella Denmark ApS

Kirkebjerg Parkvej 11 B
2605 Brøndby
CVR No. 37293407

Annual report 01.07.2023 - 30.06.2024

The Annual General Meeting adopted the
annual report on 12.12.2024

A blue ink signature of Johan Björkman, consisting of several fluid, connected strokes.

Johan Björkman
Chairman of the General Meeting

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Entity details

Entity

Wella Denmark ApS

Kirkebjerg Parkvej 11 B

2605 Brøndby

Business Registration No.: 37293407

Registered office: Brøndby

Financial year: 01.07.2023 - 30.06.2024

Board of Directors

Johan Björkman, Chairman

Hanne Klausen Hamre

Michele Adorni

Executive Board

Michele Adorni, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Wella Denmark ApS for the financial year 01.07.2023 - 30.06.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2024 and of the results of its operations for the financial year 01.07.2023 - 30.06.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 12.12.2024

Executive Board

Michele Adorni
CEO

Board of Directors

Johan Björkman
Chairman

Michele Adorni

Hanne Klausen Hamre

Independent auditor's report

To the shareholders of Wella Denmark ApS

Opinion

We have audited the financial statements of Wella Denmark ApS for the financial year 01.07.2023- 30.06.2024, which comprise the income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant 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 Entity's financial position at 30.06.2024 and of the results of its operations for the financial year 01.07.2023- 30.06.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary. Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 12.12.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Jan Larsen

State Authorised Public Accountant

Identification No (MNE) mne16541

Management commentary

Primary activities

The Company is engaged in buying, selling, trading and distributing products and services including without limitations salon and retail hair care products and services and other products of every kind, promoting the marketing of such products and services, including consulting, and conducting any other related business.

Development in activities and finances

Result for the year after tax is a profit of DKK 809k against a profit of DKK 809k in 2023.

FY 2024 has been a year of stabilization in global markets, with inflationary pressures easing and energy costs significantly reduced. Even though this environment has fostered a more positive consumer outlook and a gradual recovery in spending, the market landscape has remained challenging for our customers, which has impacted our sales. Despite the decline in net revenue, Wella Denmark ApS is maintaining the profitability level in relation to prior year. The company remains focused on adapting to evolving customer behaviours, particularly in the expanding digital and e-commerce segments, where innovation and flexibility continue to be critical to sustaining momentum in a competitive market.

Wella Denmark ApS is a wholly owned subsidiary of Waves UK Divestco Ltd with corporate identity number 12625660. The holding company is headquartered in London, United Kingdom. The company is partly owned by KKR & Co Inc., New York City, USA, listed on the NYSE (74,1%) and Coty Inc (25,9%).

Events after the balance sheet date

Since the balance sheet date, the business has seen encouraging results in all sectors, whilst continuing to strongly control expenditure and cash management activities to protect against the impact of future uncertainties in the global marketplace.

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Revenue		63,735,540	70,721,956
Cost of goods sold		(36,669,218)	(40,829,302)
Gross profit/loss		27,066,322	29,892,654
Staff costs	1	(11,577,888)	(13,562,162)
Other external expenses		(14,167,857)	(15,186,485)
Depreciation, amortisation and impairment losses	2	(387,844)	(28,097)
Operating profit/loss		932,733	1,115,910
Other financial income		108,382	188,258
Other financial expenses		12,986	(80,164)
Profit/loss before tax		1,054,101	1,224,004
Tax on profit/loss for the year	3	(245,536)	(415,124)
Profit/loss for the year		808,565	808,880
Proposed distribution of profit and loss			
Retained earnings		808,565	808,880
Proposed distribution of profit and loss		808,565	808,880

Balance sheet at 30.06.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Other fixtures and fittings, tools and equipment		1,014,936	92,434
Construction in progress		225,452	1,036,671
Property, plant and equipment	4	1,240,388	1,129,105
Other receivables		190,531	276,382
Deferred tax		65,302	161,424
Financial assets		255,833	437,806
Fixed assets		1,496,221	1,566,911
Trade receivables		6,958,964	8,122,119
Receivables from group enterprises		2,029,539	978,770
Income tax receivable		—	90,197
Other receivables		82,495	392,062
Receivables		9,070,998	9,583,148
Cash		4,458,446	1,117,835
Current assets		13,529,444	10,700,983
Assets		15,025,665	12,267,894

Equity and liabilities

	Notes	2023/24 DKK	2022/23 DKK
Contributed capital		50,001	50,001
Retained earnings		3,346,340	2,537,775
Equity		3,396,341	2,587,776
Trade payables		977,242	1,395,513
Payables to group enterprises		4,915,563	1,609,695
Income tax payable		227,664	—
Other payables		5,508,854	6,674,910
Current liabilities other than provisions		11,629,324	9,680,118
Liabilities other than provisions		11,629,324	9,680,118
Equity and liabilities		15,025,665	12,267,894
Group relations	5		

Statement of changes in equity for 2023/24

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,001	2,537,775	2,587,776
Profit/loss for the year		808,565	808,565
Equity end of year	50,001	3,346,340	3,396,341

Notes

1 Staff costs

	2023/24 DKK	2022/23 DKK
Wages and salaries	10,120,919	11,726,625
Pension costs	1,119,108	1,206,612
Other social security costs	247,954	502,640
Other staff costs	89,907	126,285
	11,577,888	13,562,162
Average number of full-time employees	16	20

2 Depreciation, amortisation and impairment losses

	2023/24 DKK	2022/23 DKK
Amortisation of intangible assets	—	—
Depreciation of property, plant and equipment	387,844	28,097
	387,844	28,097

3 Tax on profit/loss for the year

	2023/24 DKK	2022/23 DKK
Current tax	140,765	258,401
Change in deferred tax	96,121	19,992
Corrections previous years	8,650	136,731
	245,536	415,124

4 Property, plant and equipment

	Construction in progress DKK	Other fixtures and fittings, tools and equipment DKK	Total property, plant and equipment DKK
Cost beginning of year	1,036,671	757,626	1,794,297
Additions	499,127	—	499,127
Disposals	—	(7,821)	(7,821)
Reclassifications	(1,310,346)	1,310,346	—
Cost end of year	225,452	2,060,151	2,285,603
Depreciation and impairment losses beginning of year		(665,192)	(665,192)
Depreciation for the year		(387,844)	(387,844)
Reversal regarding disposals		7,821	7,821
Depreciation and impairment losses end of year	—	(1,045,215)	(1,045,215)
Carrying amount end of year	225,452	1,014,936	1,240,388

5 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Rainbow UK Midco 2 Ltd, based in 11th Floor 200 Aldersgate, London, United Kingdom, EC1A 4HD.

6 Contingent liabilities

Lease obligations

	DKK
Within one year	1,119,744
Between 1 and 5 years	835,929
After 5 years	—
Total	1,955,673

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
--	-----------

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.