

## Risk Factors Comparison 2023-08-22 to 2022-08-25 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

You should consider the following risks and uncertainties and all of the other information in this Annual Report on Form 10-K and our other filings in connection with evaluating our business and the forward-looking information contained in this Annual Report on Form 10-K. Our business and financial results may also be adversely affected by risks and uncertainties not presently known to us or that we currently believe to be immaterial. If any of the events contemplated by the following discussion of risks should occur or other risks arise or develop, our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities, may be materially and adversely affected. When used in this discussion, the term “includes” and “including” means, unless the context otherwise indicates, including without limitation and the terms “Coty,” the “Company,” “we,” “our,” or “us” mean, unless the context otherwise indicates, Coty Inc. and its majority and wholly-owned subsidiaries. Risk Factor Summary We are providing the following summary of the risk factors to enhance the readability and accessibility of our risk factor disclosures. We encourage you to carefully review the full risk factors discussed below in their entirety for additional information. Some of the factors that could materially and adversely affect our business, financial condition, results of operations or prospects include:

- The beauty industry is highly competitive, and if we are unable to compete effectively, our business, prospects, financial condition and results of operations could suffer.
- Further consolidation in the retail industry and shifting preferences in how and where consumers shop, including to e-commerce, may adversely affect our business, prospects, financial condition and results of operations.
- Changes in industry trends and consumer preferences could adversely affect our business, prospects, financial condition and results of operations.
- Our success depends, in part, on the quality, efficacy and safety of our products.
- Our failure to protect our reputation, or the failure of our brand partners or licensors to protect their reputations, could have a material adverse effect on our brand images.
- Our brand licenses may be terminated if specified conditions are not met, and we may not be able to renew expiring licenses on favorable terms or at all.
- If we are unable to obtain, maintain and protect our intellectual property rights, in particular trademarks, patents and copyrights, or if our brand partners and licensors are unable to maintain and protect their intellectual property rights that we use in connection with our products, our ability to compete could be negatively impacted.
- Our success depends on our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property of third parties.
- Our business is subject to seasonal variability.
- Our success depends on our ability to achieve our global business strategies.
- We have incurred significant costs in connection with the integration of acquisitions and simplifying our business, and expect to incur costs in connection with the implementation of our global business strategies, that could affect our period-to-period operating results.
- Our new product introductions may not be as successful as we anticipate, which could have a material adverse effect on our business, prospects, financial condition and results of operations.
- We may not be able to identify suitable acquisition targets and our acquisition activities and other strategic transactions may present managerial, integration, operational and financial risks, which may prevent us from realizing the full intended benefit of the acquisitions we undertake.
- We face risks associated with our joint ventures and strategic partnership investments.
- Our goodwill and other assets have been subject to impairment and may continue to be subject to impairment in the future.
- A disruption in operations could adversely affect our business.
- We outsource a number of functions to third-party service providers, and any failure to perform or other disruptions or delays at our third-party service providers could adversely impact our business, our results of operations or our financial condition.
- We are increasingly dependent on information technology, and if we are unable to protect against service interruptions, corruption of our data and privacy protections, cyber-based attacks or network security breaches, our operations could be disrupted.
- Our success depends, in part, on our employees, including our key personnel.
- If we underestimate or overestimate demand for our products and do not maintain appropriate inventory levels, our net revenues or working capital could be negatively impacted.
- We are subject to risks related to our international operations.
- We have taken on significant debt, and the agreements that govern such debt contain various covenants that impose restrictions on us, which may adversely affect our business.
- Our ability to service and repay our indebtedness will be dependent on the cash flow generated by our subsidiaries and events beyond our control.
- Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase.
- We must successfully manage the impact of a general economic downturn, credit constriction, uncertainty in global economic or political conditions or other global events or a sudden disruption in business conditions which may affect consumer spending, global supply chain conditions and inflationary pressures and adversely affect our financial results.
- **The Our operations and sales have been adversely impacted by the COVID-19 pandemic has had**, and **could continue to have** we must successfully manage the demand, supply a **negative impact on our business**, operational and financial **condition** challenges associated with COVID-19 and related variants, **results** as well as the occurrence of **operations and cash flows** outbreaks of other contagious diseases or similar widespread public health concerns.
- Price inflation for labor, materials and services, further exacerbated by volatility in energy and commodity markets by the war in Ukraine, could adversely affect our business, results of operations and financial condition.
- Volatility in the financial markets could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities.
- Fluctuations in currency exchange rates may negatively impact our financial condition and results of operations.
- We are subject to legal proceedings and legal compliance risks, **including talc-related litigation alleging bodily injury**.
- Changes in laws, regulations and policies that affect our business or products could adversely affect our business, financial condition, results of operations, cash flows, as well as the trading price of our securities.
- Our operations and acquisitions in certain foreign areas expose us to political, regulatory, economic and reputational risks.
- Our employees or

others may engage in misconduct or other improper activities including noncompliance with regulatory standards and regulatory requirements. • Violations of our prohibition on harassment, sexual or otherwise, could result in liabilities and / or litigation. • **If the Distribution (as defined below) or the acquisition of the P & G Beauty Business does not qualify for its intended tax treatment, in certain circumstances we are required to indemnify P & G for resulting tax- related losses under the tax matters agreement entered into in connection with the acquisition of the P & G Beauty Business dated October 1, 2016.** • We are subject to risks related to our common stock ~~and~~ our stock repurchase program ~~and our Stock Dividend Reinvestment Program~~. • JABC Cosmetics B. V. (“ JABC ”) and its affiliates, through their ownership of approximately ~~54~~**53**% of the outstanding shares of our Class A Common Stock, have the ability to effect and / or significantly influence certain decisions requiring stockholder approval, which may be inconsistent with the interests of our other stockholders. • We are a “ controlled company ” within the meaning of the New York Stock Exchange rules and, as a result, are entitled to rely on exemptions from certain corporate governance requirements that are designed to provide protection to stockholders of companies that are not “ controlled companies ”. • **The dual- listing of our Class A Common Stock on the NYSE and on Euronext Paris’ s Professional Segment may adversely affect the liquidity and value of our Class A Common Stock.** Risk Factors Risks related to our Business and Industry The beauty industry is highly competitive and can change rapidly due to consumer preferences and industry trends, such as the expansion of digital channels, direct- to- consumer channels, new “ disruptor ” trendy brands and advances in technology **such as artificial intelligence**. Competition in the beauty industry is based on several factors, including pricing, value and quality, product efficacy, packaging and brands, speed or quality of innovation and new product introductions, in- store presence and visibility, promotional activities (including influencers) and brand recognition, distribution channels, advertising, editorials and adaption to evolving technology and device trends, including via e- commerce initiatives. Our competitors include large multinational consumer products companies, private label brands and emerging companies, among others, and some have greater resources than we do or may be able to respond more quickly or effectively to changing business and economic conditions than we can. It is difficult for us to predict the timing and scale of our competitors’ actions and their impact on the industry or on our business. For example, the fragrance category is being influenced by new product introductions, niche brands and growing e- commerce distribution. The color cosmetics category has been influenced by entry by new competitors and smaller competitors that are fast to respond to trends and engage with their customers through digital platforms **, including using new or advancing technologies such as artificial intelligence** and innovative in- store activations. Furthermore, e- commerce and the online retail industry is characterized by rapid technological evolution, changes in consumer requirements and preferences, frequent introductions of new products and services embodying new technologies and the emergence of new industry standards and practices and evolving regulatory regimes, any of which could render our existing technologies and systems obsolete. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices in a cost- effective and timely way. If we are unable to compete effectively on a global basis or in our key product categories or geographies, it could have an adverse impact on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Significant consolidation in the retail industry has occurred during the last several years. The trend toward consolidation, particularly in developed markets such as the U. S. and Western Europe, has resulted in our becoming increasingly dependent on our relationships with, and the overall business health of, fewer key retailers that control an increasing percentage of retail locations, which trend may continue. For example, certain retailers account for over 10 % of our net revenues in certain geographies, including the U. S. Our success is dependent on our ability to manage our retailer relationships, including offering trade terms on mutually acceptable terms. Furthermore, increased online competition and declining in- store traffic has resulted, and may continue to result, in brick- and- mortar retailers closing physical stores, which could negatively impact our distribution strategies and / or sales if such retailers decide to significantly reduce their inventory levels for our products ~~(as occurred from time to time in connection with COVID- 19 as retailers faced store closures or reduced traffic)~~ or to designate more shelf space to our competitors. Additionally, these retailers periodically assess the allocation of shelf space and have elected (and could further elect) to reduce the shelf space allocated to our products. Some of our brands, including CoverGirl, have experienced shelf space losses in the past, and such declines may continue or resume. Further consolidation and store closures, or reduction in inventory levels of our products or shelf space devoted to our products, could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. We generally do not have long- term sales contracts or other sales assurances with our retail customers. Consumer shopping preferences have also shifted, ~~including as a result of COVID- 19~~, and may continue to shift in the future, to distribution channels other than traditional retail in which we have more limited experience, presence and development, such as direct- to- consumer sales and e- commerce. In particular, expansion of our direct- to- consumer business presents challenges for logistics and fulfillment as well as additional regulatory compliance. If we are not successful in our efforts to expand distribution channels, including growing our e- commerce activities, we will not be able to compete effectively. In addition, our entry into new categories and geographies has exposed, and may continue to expose, us to new distribution channels or risks about which we have less experience. Any change in our distribution channels, such as direct sales, could also expose us to disputes with distributors. If we are not successful in developing and utilizing these channels or other channels that future consumers may prefer, we may experience lower than expected revenues. Our success depends on our products’ appeal to a broad range of consumers whose preferences cannot be predicted with certainty and may change rapidly, and on our ability to anticipate and respond in a timely and cost- effective manner to industry trends through product innovations, product line extensions and marketing and promotional activities, among other things. Product life cycles and consumer preferences continue to be affected by the rapidly increasing use and proliferation of social and digital media by consumers, and the speed with which information and opinions are shared. As product life cycles shorten, we must continually work to develop, produce and market new products, maintain and enhance the recognition of our brands and shorten our product

development and supply chain cycles. In addition, net revenues and margins on beauty products tend to decline as they advance in their life cycles, so our net revenues and margins could suffer if we do not successfully and continuously develop new products. This product innovation also can place a strain on our employees and our financial resources, including incurring expenses in connection with product innovation and development, marketing and advertising that are not subsequently supported by a sufficient level of sales. Furthermore, we cannot predict how consumers will react to any new products that we launch or to repositioning of our brands. Our successful product launches may not continue. The amount of positive or negative sales contribution of any of our products may change significantly within a period or from period to period. The above-referenced factors, as well as new product risks, could have an adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. These risks have been exacerbated by the impact of **general economic conditions such as inflationary pressures and the ongoing effects of COVID-19 on our business and general economic conditions**. Consumer spending habits and consumer confidence have shifted and may continue to change in light of re-imposition of containment measures (such as the lockdowns imposed in China in March 2022), inflationary pressures, as well as changes in work practices and travel trends impacting the demand for our products. Product safety or quality failures, actual or perceived, or allegations of product contamination, even when false or unfounded, or inclusion of regulated ingredients could tarnish the image of our brands and could cause consumers to choose other products. Allegations of contamination, allergens or other adverse effects on product safety or suitability for use by a particular consumer, even if untrue, may require us from time to time to recall a product from all of the markets in which the affected production was distributed. Such issues or recalls and any related litigation could negatively affect our profitability and brand image. In addition, government authorities and self-regulatory bodies regulate advertising and product claims regarding the performance and benefits of our products. These regulatory authorities typically require a reasonable basis to support any marketing claims. What constitutes a reasonable basis for substantiation can vary widely based on geography, and the efforts that we undertake to support our claims may not be deemed adequate for any particular product or claim. If we are unable to show adequate substantiation for our product claims, or our promotional materials make claims that exceed the scope of allowed claims for the classification of the specific product, regulatory authorities could take enforcement action or impose penalties, such as monetary consumer redress, requiring us to revise our marketing materials, amend our claims or stop selling or recalling certain products, all of which could harm our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Any regulatory action or penalty could lead to private party actions, which could further harm our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. If our products are perceived to be defective or unsafe, or if they otherwise fail to meet our consumers' expectations, our relationships with customers or consumers could suffer, the appeal of one or more of our brands could be diminished, and we could lose sales or become subject to liability claims. In addition, safety or other defects in our competitors' products could reduce consumer demand for our own products if consumers view them to be similar or view the defects as symptomatic of the product category. Any of these outcomes could result in a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Our ability to maintain our reputation is critical to our business and our various brand images. Our reputation could be jeopardized if we fail to maintain high standards for product quality and integrity (including should we be perceived as violating the law) or if we, or the third parties with whom we do business, do not comply with regulations or accepted practices and are subject to a significant product recall, litigation, or allegations of tampering, animal testing, use of certain ingredients (such as certain palm oil) or misconduct by executives, founders or influencers. Any negative publicity about these types of concerns or other concerns, whether actual or perceived or directed towards us or our competitors, may reduce demand for our products. Failure to comply with ethical, social, product, labor and environmental standards, or related political considerations, could also jeopardize our reputation and potentially lead to various adverse consumer actions, including boycotts. In addition, the behavior of our employees, including with respect to our employees' use of social media subjects us to potential negative publicity if such use does not align with our high standards and integrity or fails to comply with regulations or accepted practices. Furthermore, widespread use of digital and social media by consumers has greatly increased the accessibility of information and the speed of its dissemination. Negative or inaccurate publicity, posts or comments on social media, whether accurate or inaccurate, about us, our employees or our brand partners (including influencers) and licensors, our respective brands or our respective products, whether true or untrue, could damage our respective brands and our reputation. We also devote time and resources to citizenship efforts that are consistent with our corporate values and are designed to strengthen our business and protect and preserve our reputation, including programs driving diversity, equity and inclusion, responsible sourcing, packaging and environmental sustainability. If these programs are not executed as planned, fail or be perceived to fail in our achievement of announced goals or initiatives (or are unable to accurately report on our progress) or suffer negative publicity, our reputation and results of operations or cash flows could be adversely impacted. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters. Additionally, our success is also partially dependent on the reputations of our brand partners, influencers and licensors and the goodwill associated with their intellectual property. We often rely on our brand partners, influencers or licensors to manage and maintain their brands, but these licensors' reputation or goodwill may be harmed due to factors outside our control, which could be attributed to our other brands and have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Many of these brand licenses are with fashion houses, whose popularity may decline due to mismanagement, changes in fashion or consumer preferences, allegations against their management or designers or other factors beyond our control. Similarly, certain of our products bear the names and likeness of celebrities, whose brand or image may change without notice and who may not maintain the appropriate celebrity status or positive association among the consumer public to support projected sales levels. In addition, in the event that any of these licensors were to enter bankruptcy proceedings, we could lose our rights to use the

intellectual property that the applicable licensors license to us. Damage to our reputation or the reputations of our brand partners or licensors or loss of consumer confidence for any of these or other reasons could have a material adverse effect on our results of operations, financial condition and cash flows, as well as require additional resources to rebuild our reputation. We license trademarks for many of our product lines. Our brand licenses typically impose various obligations on us, including the payment of annual royalties, maintenance of the quality of the licensed products, achievement of minimum sales levels, promotion of sales and qualifications and behavior of our suppliers, distributors and retailers. We have breached, and may in the future breach, certain terms of our brand licenses. If we breach our obligations, our rights under the applicable brand license agreements could be terminated by the licensor and we could, among other things, have to pay damages, lose our ability to sell products related to that brand, lose any upfront investments made in connection with such license and sustain reputational damage. In addition, most brand licenses have renewal options for one or more terms, which can range from three to ten years. Certain brand licenses provide for automatic extensions, so long as minimum annual royalty payments are made, while renewal of others is contingent upon attaining specified sales levels or upon agreement of the licensor. While many of our licenses are long term, licenses relating to certain of our brands are up for renewal in the next few years, including ~~three one licenses-~~ **license** up for renewal in fiscal 2024. We may not be able to renew expiring licenses on terms that are favorable to us or at all. We may also face difficulties in finding replacements for terminated or expired licenses. Each of the aforementioned risks could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Our intellectual property is a valuable asset of our business. Although certain of the intellectual property we use is registered in the U. S. and in many of the foreign countries in which we operate, 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 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 substantially harm our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Patent expirations may also affect our business. As patents expire, competitors may be able to legally produce and market products similar to the ones that were patented, which could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. In addition, third parties may distribute and sell counterfeit ~~(or other infringing grey 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. In recent years, there has been an increase in the availability of counterfeit goods, including fragrances, in various markets by street vendors and small retailers, as well as on the Internet. The presence of counterfeit versions of our products in the market and of prestige products in mass distribution channels **, including grey market products,** 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. We are engaged in efforts to rationalize our wholesale distribution channel and continue efforts to reduce the amount of product diversion to the value and mass channels; however, stopping or significantly reducing such commerce could result in a potential adverse impact to our sales and net revenues, including to those customers who are selling our products to unauthorized retailers, or an increase in returns over historical levels. ~~To 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 **. In addition, while we maintain a robust anti- counterfeiting and brand enforcement program, bringing numerous actions against infringers every year, such efforts may not be successful.** The occurrence of any of these events may have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. In addition, many of our products bear, and the value of our brands is affected by, the trademarks and other intellectual property rights of our brand and joint venture partners and licensors. Our brand and joint venture partners' and licensors' ability to maintain and protect their trademark and other intellectual property rights is subject to risks similar to those described above with respect to our intellectual property. We do not control the protection of the trademarks and other intellectual property rights of our brand and joint venture partners and licensors and cannot ensure that our brand and joint venture partners and licensors will be able to secure or protect their trademarks and other intellectual property rights, which could 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 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, our acquisition targets and other businesses in which we 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 sales generally increase during our second fiscal quarter as a result of increased demand by retailers associated with the winter holiday season. Accordingly, our financial performance, sales, working capital requirements, cash flow and borrowings generally experience variability during the three to six months preceding and during the holiday period. As a result of this seasonality, our expenses, including working capital expenditures and advertising spend, are typically higher during the period before a high- demand season. Consequently, any substantial decrease in, or inaccurate forecasting with respect to, net revenues during such periods of high demand including as a result of decreased customer purchases, increased product returns, production or distribution disruptions or other events (many of which are outside of our control), would prevent us from being able to recoup our earlier expenses and could have a material adverse effect on our financial condition, results of operations and cash flows, as well as the trading price of our securities. Risks Related to our Business Strategy and Organization Our future performance and growth depends on the success of our global business strategies, including our management team's ability to successfully implement them, including a focus on improving gross margin, deleveraging, and simplifying our business. The multi- year implementation of our transformation agenda and our global business strategies has resulted and is expected to continue to result in changes to business priorities and operations, capital allocation priorities, operational and organizational structure, and increased demands on management. Such changes could result in short- term and one- time costs without any current revenues, lost customers, reduced sales volume, higher than expected restructuring costs, loss of key personnel, additional supply chain disruptions, higher costs of supply and other negative impacts on our business. Implementation of our global business strategy may take longer than anticipated, and, once implemented, we may not realize, in full or in part, the anticipated benefits or such benefits may be realized more slowly than anticipated. The failure to realize benefits, which may be due to our inability to execute plans, delays in the implementation of our global business strategy, global or local economic conditions, competition, changes in the beauty industry and the other risks described herein, could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Our strategy includes executing on our brand repositioning and continuing to focus our brand- building efforts on priority categories, channels and markets. In addition, we continue to prioritize our deleveraging objectives. In the future, we may dispose of or discontinue select brands and / or streamline operations, and dispose of select businesses or interests therein (including through strategic transactions or public offerings) and incur costs or restructuring and / or other charges in doing so. We may face risks of declines in brand performance and license terminations, due to expirations and / or allegations of breach or for other reasons, including with regard to any potentially divested or discontinued brands. If and when we decide to divest or discontinue any brands or lines of business, we cannot be sure that we will be able to locate suitable buyers or that we will be able to complete such divestitures (including through strategic transactions or public offerings) or discontinuances successfully, timely, at appropriate valuations and on commercially advantageous terms, or without significant costs, including relating to any post- closing purchase price adjustments or claims for indemnification. Any future divestitures and discontinuances could have, a dilutive impact on our earnings, create dis- synergies, and divert significant financial, operational and managerial resources from our existing operations and make it more difficult to achieve our operating and strategic objectives. We also cannot be sure of the effect such divestitures or discontinuances would have on the performance of our remaining business or ability to execute our global business strategies. We have incurred significant restructuring costs in the past, and, as we continue to implement our global business strategies and any future restructuring initiatives, we expect to continue to incur one- time cash costs. In the past, as we integrated acquisitions, including the transformational acquisition of the P & G Beauty Business, we experienced challenges, including supply chain disruptions, higher than expected costs and lost customers and related revenue and profits, and we could experience these or other challenges arising from the implementation of our global business strategies and any future restructuring initiatives. The cash usage associated with such, and similar, expenses has impacted and could continue to impact our ability to execute our business strategies, improve operating results and deleverage our balance sheet. If our management is not able to effectively manage these initiatives, address fixed and other costs, we incur additional operating expenses or capital expenditures to realize synergies, simplifications and cost savings, or if any significant business activities are interrupted as a result of these initiatives, our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities may be materially adversely affected. The amount and timing of the above- referenced charges and management distraction could further adversely affect our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. In addition, the implementation of our global business strategies, any continuing or future restructuring initiatives and the integration of acquisitions may impact our ability to anticipate future business trends and accurately forecast future results. The diversion of resources to the integration of the P & G Beauty Business, together with changes and turnover in our management teams as we reorganized our business, negatively impacted our fiscal 2018 and 2019 results. The implementation of our global business strategies could result in similar challenges. Although our global business strategies are intended to deliver meaningful, sustainable expense and cost management improvement, events and circumstances such as financial or strategic difficulties, significant employee turnover, business disruption and delays may occur or continue, resulting in new, unexpected or increased costs that could result in us not realizing all of the anticipated benefits of our global business strategies on our expected timetable or at all. In addition, we are executing many initiatives simultaneously, including changes to our operations and global strategy, which may result in further diversion of our resources, employee attrition and business disruption (including supply chain disruptions), and may adversely impact the execution of such initiatives. Any failure to implement our global business strategies and other initiatives in accordance with our expectations could adversely affect our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. We must

continually work to develop, produce and market new products and maintain a favorable mix of products in order to respond in an effective manner to changing consumer preferences. We continually develop our approach as to how and where we market and sell our products. In addition, we believe that we must maintain and enhance the recognition of our brands, which may require us to quickly and continuously adapt in a highly competitive industry to deliver desirable products and branding to our consumers. For example, as part of our global business strategies, we are instituting new objectives for our innovation efforts to support expansion of category coverage and sustainability. If these or other initiatives are not successful, our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities could be adversely impacted. We have made changes and may continue to change our process for the continuous development and evaluation of new product concepts. In addition, each new product launch carries risks. For example, we may incur costs exceeding our expectations, our advertising, promotional and marketing strategies may be less effective than planned or customer purchases may not be as high as anticipated. In addition, we may experience a decrease in sales of certain of our existing products as a result of consumer preferences shifting to our newly- launched products or to the products of our competitors as a result of unsuccessful or unpopular product launches harming our brands. Also, initially successful launches may not be sustained. Any of these could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. As part of our ongoing business strategy we expect that we will need to continue to introduce new products in our traditional product categories and channels, while also expanding our product launches into adjacent categories and channels in which we may have less operating experience. For example, we entered into strategic partnerships with Kylie Jenner and Kim Kardashian ~~West~~, both digital- native beauty businesses, we are continuing our expansion into prestige cosmetics, and we are building a comprehensive skincare portfolio leveraging existing and new brands. The success of product launches in these or adjacent product categories could be hampered by our relative inexperience operating in such categories and channels, the strength of our competitors or any of the other risks referred to herein. Our inability to introduce successful products in our traditional categories and channels or in these or other adjacent categories and channels could limit our future growth and have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Our acquisition activities and other strategic transactions expose us to certain risks related to integration, including diversion of management attention from existing core businesses and substantial investment of resources to support integration. During the past several years, we have explored and undertaken opportunities to acquire other companies and assets as part of our growth strategy. For example, we completed five significant acquisitions in fiscal 2016 through fiscal 2018 (including the acquisition of the P & G Beauty Business in October 2016). We entered into a joint venture with Kylie Jenner in fiscal 2020 and a strategic partnership with Kim Kardashian ~~West~~ in fiscal 2021. These assets represent a significant portion of our net assets, particularly the P & G Beauty Business. As we consider growth opportunities, we may continue to seek acquisitions that we believe strengthen our competitive position in our key segments and geographies or accelerate our ability to grow into adjacent product categories and channels and emerging markets or which otherwise fit our strategy. There can be no assurance that we will be able to identify suitable acquisition candidates, be the successful bidder or consummate acquisitions on favorable terms, have the funds to acquire desirable acquisitions or otherwise realize the full intended benefit of such transactions. In addition, acquisitions could adversely impact our deleveraging strategy. The assumptions we use to evaluate acquisition opportunities may prove to be inaccurate, and intended benefits may not be realized. Our due diligence investigations may fail to identify all of the problems, liabilities or other challenges associated with an acquired business which could result in increased risk of unanticipated or unknown issues or liabilities, including with respect to environmental, competition and other regulatory matters, and our mitigation strategies for such risks that are identified may not be effective. As a result, we may not achieve some or any of the benefits, including anticipated synergies or accretion to earnings or other financial measures, that we expect to achieve in connection with our acquisitions and joint ventures, or we may not accurately anticipate the fixed and other costs associated with such acquisitions and joint ventures, or the business may not achieve the performance we anticipated, which may materially adversely affect our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Any financing for an acquisition could increase our indebtedness or result in a potential violation of the debt covenants under our existing facilities requiring consent or waiver from our lenders, which could delay or prevent the acquisition, or dilute the interests of our stockholders. For example, in connection with the acquisition of the P & G Beauty Business, Green Acquisition Sub Inc., a wholly- owned subsidiary of the Company, was merged with and into Galleria, with Galleria continuing as the surviving corporation and a direct wholly- owned subsidiary of the Company (the “ Green Merger ”) and pre- Green Merger holders of our stock were diluted to 46 % of the fully diluted shares of common stock immediately following the Green Merger. In addition, acquisitions of foreign businesses, new entrepreneurial businesses and businesses in new distribution channels, such as our acquisition of the Brazilian personal care and beauty business of Hypermarcas S. A. (the “ Hypermarcas Brands ”) and our joint venture with Kylie Jenner and our investment in the Kim Kardashian ~~West~~ beauty business, entail certain particular risks, including potential difficulties in geographies and channels in which we lack a significant presence, difficulty in seizing business opportunities compared to local or other global competitors, difficulty in complying with new regulatory frameworks, the acquisition of new or unexpected liabilities, the adverse impact of fluctuating exchange rates and entering lines of business where we have limited or no direct experience. See “ — Fluctuations in currency exchange rates may negatively impact our financial condition and results of operations ” and “ — We are subject to risks related to our international operations. ” We are party to several joint ventures and strategic partnership investments in both the U. S. and abroad. Going forward, we may acquire interests in more joint venture enterprises or other strategic partnerships to execute our business strategy by utilizing our partners’ skills, experiences and resources. These joint ventures and investments involve risks that our joint venture or strategic investment partners may: • have economic or business interests or goals that are inconsistent with or adverse to ours; • take actions contrary to our requests or contrary to our policies or objectives, including actions that may violate applicable law; • be unable or unwilling to fulfill their

obligations under the relevant joint venture agreements; • have financial or business difficulties; • take actions that may harm our reputation; or • have disputes with us as to the scope of their rights, responsibilities and obligations. In certain cases, joint ventures and strategic partnership investments may present us with a lack of ability to fully control all aspects of their operations, including due to veto rights, and we may not have full visibility with respect to all operations, customer relations and compliance practices, among others. Our present or future joint venture and strategic partnership investment projects may not be successful. We have had, and in the future may have, disputes or encounter other problems with respect to our present or future joint venture or strategic investment partners or our joint venture or strategic partnership investment agreements may not be effective or enforceable in resolving these disputes or we may not be able to resolve such disputes and solve such problems in a timely manner or on favorable economic terms, or at all. Any failure by us to address these potential disputes or conflicts of interest effectively could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. We are required, at least annually and sometimes on an interim basis, to test goodwill and indefinite-lived intangible assets to determine if any impairment has occurred. Impairment may result from various factors, including adverse changes in assumptions used for valuation purposes, such as actual or projected revenue growth rates, profitability or discount rates. If the testing indicates that an impairment has occurred, we are required to record a non-cash impairment charge for the difference between the carrying value of the goodwill or indefinite-lived intangible assets and the fair value of the goodwill or of indefinite-lived intangible assets. We cannot predict the amount and timing of any future impairments, if any. We have experienced impairment charges with respect to goodwill, intangible assets or other items in connection with past acquisitions, and we may experience such charges in connection with such acquisitions or future acquisitions, particularly if business performance declines or expected growth is not realized or the applicable discount rate changes adversely. For example, in our continuing operations in fiscal 2022, we incurred impairment charges of \$ 31. 4, primarily related to impairments on indefinite-lived other intangible assets. It is possible that material changes in our business, market conditions, or market assumptions could occur over time. Any future impairment of our goodwill or other intangible assets could have an adverse effect on our financial condition and results of operations, as well as the trading price of our securities. For a further discussion of our impairment testing, please refer to “ Management ’ s Discussion and Analysis of Financial Condition and Results of Operations- Financial Condition- Liquidity and Capital Resources- Goodwill, Other Intangible Assets and Long- Lived Assets ”. Risks related to our Business Operations As a company engaged in manufacturing and distribution on a global scale, we are subject to the risks inherent in such activities, including industrial accidents, environmental events, strikes and other labor disputes (including as to works councils), disruptions in supply chain or information systems, loss or impairment of key manufacturing sites or distribution centers, product quality control, safety, licensing requirements and other regulatory issues, as well as natural disasters, pandemics or outbreaks of contagious diseases, border disputes, acts of terrorism, armed conflicts such as the war in Ukraine and other geopolitical tensions, possible dawn raids, and other external factors over which we have no control. For example, in fiscal 2022, limited driver capacity and transportation delays impacted our U. S. distribution centers resulting in increased costs, including penalty payments to retailers for delayed product delivery. As we continue our implementation of our global business strategies (including our cost discipline activities and sustainability initiatives) and other restructuring activities, any additional or ongoing supply chain disruptions or delay in securing applicable approvals or consultations for such activities may impact our quarterly results. The loss of, or damage or disruption to, any of our manufacturing facilities or distribution centers could have a material adverse effect on our business, prospects, results of operations, financial condition, results of operations, cash flows, as well as the trading price of our securities. We manufacture and package a majority of our products. Raw materials, consisting chiefly of essential oils, alcohols, chemicals, containers and packaging components, are purchased from various third-party suppliers. The loss of multiple suppliers or a significant disruption or interruption in the supply chain, or our relationships with key suppliers due to our payment terms or otherwise, could have a material adverse effect on the manufacturing and packaging of our products. In recent months the past year, global inflationary pressures as well as global supply chain disruptions have caused significant volatility in the cost and availability of the raw materials and services (such as transportation) that we need to manufacture and distribute our products. In particular, increases in energy costs due to global geopolitical conditions, particularly in Europe, have impacted the cost and availability of raw materials, including glass and glass components and certain resins. Increases in the costs of raw materials or other commodities and transportation services may adversely affect our profit margins if we are unable to pass along any higher costs in the form of price increases or otherwise achieve cost efficiencies in manufacturing and distribution. In addition, failure by our third-party suppliers to comply with ethical, social, product, labor and environmental laws, regulations or standards, or their engagement in politically or socially controversial conduct, such as animal testing, could negatively impact our reputations and lead to various adverse consequences, including decreased sales and consumer boycotts. We are also subject to reporting requirements under The Dodd- Frank Wall Street Reform and Consumer Protection Act regarding the use of certain minerals mined from the Democratic Republic of Congo and adjoining countries and procedures pertaining to a manufacturer ’ s efforts regarding the source of such minerals. SEC rules implementing these requirements may have the effect of reducing the pool of suppliers who can supply “ conflict free ” products, and we may not be able to obtain conflict free products or supplies in sufficient quantities for our operations. Likewise, we have faced, and may continue to face, constraints in the availability of certain raw materials that align with our sustainability goals, including responsibly sourced palm oil, mica and recycled materials. Since our supply chain is complex, we may face operational obstacles and reputational challenges with our customers and stockholders if we are unable to continue to sufficiently verify the origins for materials the minerals used in our products and packaging or if we are subject to additional supply chain diligence and disclosure regulations or other reporting obligations. The above risks have been and may continue to be exacerbated by the impact of inflationary pressures, global supply chain disruptions and the ongoing effects of COVID- 19 on our business, inflationary pressures and global supply chain issues, and our efforts to manage and remedy these impacts to the Company may not achieve results in accordance with

our expectations or on the timelines we anticipate. We have outsourced and may continue to outsource certain functions, including outsourcing of distribution functions, outsourcing of business processes (including certain financing and accounting functions), and third- party manufacturers, logistics and supply chain suppliers, and other suppliers, including third- party software providers, web- hosting and e- commerce providers, and we are dependent on the entities performing those functions. The failure of one or more such providers to provide the expected services, provide them on a timely basis or provide them at the prices we expect, the failure of one or more of such providers to meet our performance standards and expectations, including with respect to data security, compliance with data protection and privacy laws, disruptions arising from the transition of functions to an outsourcing provider, or the costs incurred in returning these outsourced functions to being performed under our management and direct control, may have a material adverse effect on our results of operations or financial condition. We rely on information technology networks and systems, including the Internet, to process, transmit and store electronic and financial information, to manage a variety of business processes and activities, and to comply with regulatory, legal and tax requirements. We also increasingly depend on our information technology infrastructure for digital marketing activities, e - commerce and for electronic communications among our locations, personnel, customers and suppliers around the world, including as a result of remote working in **connection with response to COVID-19 and** flexible working arrangements. These information technology systems, some of which are managed by third parties that we do not control, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components thereof, cutover activities in our restructuring and simplification initiatives, power outages, hardware failures, telecommunication failures, user errors, catastrophic events or other problems. In addition, our databases and systems and our third- party providers' databases and systems have been, and will likely continue to be, subject to advanced computer viruses or other malicious codes, ransomware, unauthorized access attempts, denial of service attacks, phishing, social engineering, hacking and other cyber-attacks, the threat of which is increasing in frequency, intensity and duration. Such attacks **have become increasingly difficult to detect, defend against or prevent and** may originate from outside parties, hackers, criminal organizations or other threat actors, including nation states . **As artificial intelligence (“ AI ”) capabilities improve and gain widespread use, we may experience cyberattacks created using artificial intelligence, which may be difficult to detect and mitigate against. These attacks could be designed with an AI tool to directly attack information systems with increased speed and / or efficiency than a human or create more effective phishing techniques. It is also possible for a threat to be introduced as a result of our customers and third- party providers using the output of an AI tool that includes a threat, such as introducing malicious code by incorporating AI generated source code** . In addition, insider actors (malicious or otherwise) could cause technical disruptions and / or confidential data leakage. Our security efforts or the security efforts of our third- party providers may not be sufficient to prevent material breaches, operational incidents or other breakdowns to our or our third- party providers' information technology databases or systems. If our information technology systems otherwise suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, our product sales, financial condition and results of operations may be materially and adversely affected, and we could experience delays in reporting our financial results. If not managed and mitigated effectively, these risks could increase in the future as we expand our digital capabilities and e- commerce activities, including through the use of new digital applications and technologies. There are further risks associated with the information systems of our joint ventures and of the companies we acquire, both in terms of systems compatibility, process controls, level of security and functionality. It may cost us significant time, money and resources to address these risks and if our systems were to fail or we are unable to successfully expand the capacity of these systems, or we are unable to integrate new technologies into our existing systems, our financial condition, results of operations and cash flows, as well as the trading price of our securities, may be adversely affected. We are subject to an evolving body of federal, state and non- U. S. laws, regulations, guidelines, and principles regarding data privacy and security. A data breach or inability on our part to comply with such laws, regulations, guidelines, and principles or to quickly adapt our practices to reflect them as they develop, could potentially subject us to significant liabilities and reputational harm. Several governments, including the E. U., have regulations dealing with the collection and use of personal information obtained from their citizens, and regulators globally are also imposing greater monetary fines for privacy violations. For example, in the E. U. the GDPR became effective in May 2018, establishing requirements regarding the handling of personal data, and non- compliance with the GDPR may result in monetary penalties of up to 4 % of worldwide revenue. Regulators, including the U. K.' s Information Commissioner' s Office, have actively enforced the law and imposed substantial fines, and are expected to continue to do so. In addition, five states in the United States (California, Virginia, Colorado, Utah and Connecticut) enacted a data privacy laws in 2020 and 2021 applicable to entities serving or employing state residents. Brazil enacted the General Data Protection Law (“ Brazil LGPD ”) regulating the processing of personal data, which became effective in August 2020. More recently, China enacted the Data Security Law and Personal Information Protection Law, which became effective in September 2021 and November 2021, respectively. These existing laws and other changes in laws or regulations associated with the enhanced protection of certain types of sensitive data and other personal information, require us to evaluate our current operations, information technology systems and data handling practices and implement enhancements and adaptations where necessary to comply. Compliance with these laws, could greatly increase our operational costs or require us to adapt certain products, operations, processes or activities in otherwise suboptimal ways, to comply with the stricter regulatory requirements, such as efforts to meet consumer demand for personalized products and services, in jurisdictions where we operate. The regulations are complex and likely require adjustments to our operations. Any failure to comply with all such laws by us, our business partners or third- parties engaged by us could result in significant liabilities and reputational harm. In addition, if we are unable to prevent or detect security breaches, or properly remedy them, we may suffer financial and reputational damage or penalties because of the unauthorized disclosure of confidential information belonging to us or to our partners, customers or suppliers, including personal employee, consumer or presenter information stored in our or third- party systems or as a result of the dissemination of inaccurate information. In



addition, the unauthorized disclosure of nonpublic sensitive information could lead to the loss of intellectual property or damage our reputation and brand image or otherwise adversely affect our ability to compete. Our information technology systems, operations and security control frameworks require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems to keep pace with continuing changes in technology, legal and regulatory standards, cyber threats and the commercial opportunities that accompany the changing digital and data driven economy. From time to time, we undertake significant information technology systems projects, including enterprise resource planning updates, modifications, integrations and roll-outs, as well as separation and carve-out activities relating to dispositions. These projects may be subject to cost overruns and delays and may cause disruptions in our daily business operations. These cost overruns and delays and distractions as well as our reliance on certain third parties for certain business and financial information could impact our financial statements and could adversely impact our ability to run our business, correctly forecast future performance and make fully informed decisions. Our success depends, in part, on our ability to identify, hire, train and retain our employees, including our key personnel, such as our executive officers and senior management team and our research and development and marketing personnel. Over the past few years we have experienced several changes to senior management and the composition of our board of directors, as well as the separation of the Wella Business, and we are still in the process of implementing our global business strategies, including cost reduction activities. Transition periods accompanying changes in leadership and changes due to business reorganization may result in uncertainty, impact business performance and strategies and retention of personnel. The unexpected loss of one or more of our key employees could adversely affect our business. Competition for highly qualified individuals can be intense, and although many of our key personnel have signed non-compete agreements, it is possible that these agreements would be unenforceable, in whole or in part, in some jurisdictions, permitting employees in those jurisdictions to transfer their skills and knowledge to the benefit of our competitors with little or no restriction. We may not be able to attract, assimilate or retain qualified personnel in the future, and our failure to do so could adversely affect our business. Further, other companies may attempt to recruit our key personnel and we may attempt to recruit their key personnel, even if bound by non-competes, which could result in diversion of management attention and our resources to litigation related to such recruitment. These risks may be exacerbated by the stresses associated with changes in our global business strategy, the implementation of our restructuring activities, any continued changes in our senior management team and other key personnel, and other initiatives. During fiscal 2022-2023, we **continued to experience** an increasingly competitive labor market, increased employee turnover, ~~changes in the availability of our workers, including COVID-19 related absences,~~ and labor shortages in our extended supply chain. These challenges have resulted in, and could continue to result in, increased costs and could impact our ability to meet consumer demand, each of which may adversely affect our business and financial results. As we continue to restructure our workforce from time to time (including with respect to our global business strategies and other business restructuring initiatives, ~~our efforts to manage the impact of COVID-19,~~ as well as acquisitions and our overall growth strategy) and work with more brand partners and licensors, the risk of potential employment-related claims and disputes will also increase. As such, we or our partners may be subject to claims, allegations or legal proceedings related to employment matters including discrimination, harassment (sexual or otherwise), wrongful termination or retaliation, local, state, federal and non-U. S. labor law violations, injury, and wage violations. In addition, our employees in certain countries in Europe are subject to works council arrangements, exposing us to associated delays, works council claims and associated litigation. In the event we or our partners are subject to one or more employment-related claims, allegations or legal proceedings, we or our partners may incur substantial costs, losses or other liabilities in the defense, investigation, settlement, delays associated with, or other disposition of such claims. In addition to the economic impact, we or our partners may also suffer reputational harm as a result of such claims, allegations and legal proceedings and the investigation, defense and prosecution of such claims, allegations and legal proceedings could cause substantial disruption in our or our partners' business and operations, including delaying and reducing the expected benefits of any associated restructuring activities. We have policies and procedures in place to reduce our exposure to these risks, but such policies and procedures may not be effective and we may be exposed to such claims, allegations or legal proceedings. We currently engage in a program seeking to improve control over our product demand and inventories. We have identified, and may continue to identify, inventories that are not saleable in the ordinary course, but our existing program or any future inventory management program may not be successful in improving our inventory control. Our ability to manage our inventory levels to meet demand for our products is important for our business. If we overestimate or underestimate demand for any of our products, we may not maintain appropriate inventory levels, we could have excess inventory that we may need to hold for a long period of time, write down, sell at prices lower than expected or discard, which could negatively impact our reputation, net sales, working capital or cash flows from working capital, or cause us to incur excess and obsolete inventory charges. We also could have inadequate inventories which could hinder our ability to meet demand. We have sought and continue to seek to improve our payable terms, which could adversely affect our relations with our suppliers. In addition, we have significant working capital needs, as the nature of our business requires us to maintain inventories that enable us to fulfill customer demand. We generally finance our working capital needs through cash flows from operations and borrowings under our credit facilities. If we are unable to finance our working capital needs on the same or more favorable terms going forward, or if our working capital requirements increase and we are unable to finance the increase, we may not be able to produce the inventories required by demand, which could result in a loss of sales. In addition, we are reliant on our cash flows from operations to repay our indebtedness, which may impact the cash flows that are available for working capital needs. Our ability to generate and maintain sufficient cash levels also could impact our ability to reduce our indebtedness. The above risks have been and may continue to be exacerbated by the impact of **inflationary pressures and global supply chain disruptions and the ongoing effects of COVID-19 on our business**, ~~inflationary pressures and global supply chain disruption~~, and our efforts to manage and remedy these impacts to the Company may not achieve results in accordance with our expectations or on the timelines we anticipate. We operate on a global basis, and approximately 69 % of our

net revenues from continuing operations in fiscal 2022-2023, were generated outside North America. We have employees in more than 36 countries, and we market, sell and distribute our products in over 125-126 countries and territories. Our presence in such geographies has expanded as a result of our acquisitions, as well as organic growth, and we are exposed to risks inherent in operating in geographies in which we have not operated in or have been less present in the past. Non- U. S. operations are subject to many risks and uncertainties, including ongoing instability or changes in a country's or region's economic, regulatory or political conditions, including inflation, recession, interest rate fluctuations, sovereign default risk and actual or anticipated military or political conflicts (including any other change resulting from Brexit), labor market disruptions, sanctions, boycotts, new or increased tariffs, quotas, exchange or price controls, trade barriers or other restrictions on foreign businesses, our failure to effectively and timely implement processes and policies across our diverse operations and employee base and difficulties and costs associated with complying with a wide variety of complex and potentially conflicting regulations across multiple jurisdictions. Non- U. S. operations also increase the risk of non- compliance with U. S. laws and regulations applicable to such non- U. S. operations, such as those relating to sanctions, boycotts and improper payments. In addition, sudden disruptions in business conditions as a consequence of events such as terrorist attacks, war or other military action or the threat of further attacks, pandemics or other crises or vulnerabilities or as a result of adverse weather conditions or climate changes, may have an impact on consumer spending, which could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. The U. S. and the other countries in which our products are manufactured or sold have imposed and may impose additional quotas, duties, tariffs, retaliatory or trade protection measures, or other restrictions or regulations, or may adversely adjust prevailing quota, duty or tariff levels, which can affect both the materials that we use to manufacture or package our products and the sale of finished products. For example, in 2018, the E. U. imposed tariffs on certain prestige category products imported from the U. S., which impact the sale in the E. U. of certain of our products that are manufactured in the U. S. Similarly, the tariffs imposed by the U. S. on goods and materials from China are impacting materials we import for use in manufacturing or packaging in the U. S. Measures to reduce the impact of tariff increases or trade restrictions, including shifts of production among countries and manufacturers, geographical diversification of our sources of supply, adjustments in product or packaging design and fabrication, or increased prices, could increase our costs and delay our time to market or decrease sales. Other governmental action related to tariffs or international trade agreements has the potential to adversely impact demand for our products, our costs, customers, suppliers and global economic conditions and cause higher volatility in financial markets. The beauty industry has been impacted by ongoing uncertainty surrounding tariffs and import duties, and international trade relations generally. While we actively review existing and proposed measures to seek to assess the impact of them on our business, changes in tariff rates, import duties and other new or augmented trade restrictions could have a number of negative impacts on our business, including higher consumer prices and reduced demand for our products and higher input costs. On December 22, 2017, the President of the U. S. signed the Tax Act which made broad and complex changes to the U. S. tax laws that affect businesses operating internationally, and, as a result of elections in the United States, there could be additional significant changes in tax laws and regulations in the future. In addition, some foreign governments may enact tax laws in response to the Tax Act or other U. S. tax law changes that could result in further changes to global taxation and that could materially adversely affect our financial results, which could have a material adverse effect on our results of operations, financial condition and cash flows, as well as the trading price of our securities. Risks related to our Indebtedness We have taken on significant debt, and the agreements that govern such debt contain various covenants that impose significant operating and financial restrictions on us, which may adversely affect our business. We have a substantial amount of indebtedness. We may not be able to refinance our indebtedness in the future (1) on commercially reasonable terms, (2) on terms, including with respect to interest rates, as favorable as our current debt or (3) at all. Agreements that govern our indebtedness, including our credit agreement (as amended, the "2018 Coty Credit Agreement"), and the indentures governing our senior secured notes and our senior unsecured notes, impose significant operating and financial restrictions on our activities. These restrictions may limit or prohibit our ability and the ability of our restricted subsidiaries to, among other things: • incur indebtedness or grant liens on our property; • dispose of assets or equity; • make acquisitions or investments; • make dividends, distributions or other restricted payments; • effect affiliate transactions; • enter into sale and leaseback transactions; and • enter into mergers, consolidations or sales of substantially all of our assets and the assets of our subsidiaries. In addition, we are required to maintain certain financial ratios calculated pursuant to a financial maintenance covenant under the 2018 Coty Credit Agreement on a quarterly basis. For a further description of the 2018 Coty Credit Agreement and the covenants thereunder please refer to Note 15, "Debt" in the notes to our Consolidated Financial Statements. Our debt burden and the restrictions in the agreements that govern our debt could have important consequences, including increasing our vulnerability to general adverse economic and industry conditions; limiting our flexibility in planning for, or reacting to, changes in our business and our industry; requiring the dedication of a substantial portion of any cash flow from operations and capital investments to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund our operations, turnaround strategy, working capital, capital expenditures, future business opportunities and other general corporate purposes; exposing us to the risk of increased interest rates with respect to any borrowings that are at variable rates of interest; restricting us from making strategic acquisitions or causing us to make non- strategic divestitures; limiting our ability to obtain additional financing for working capital, capital expenditures, research and development, debt service requirements, acquisitions and general corporate or other purposes; limiting our ability to adjust to changing market conditions; limiting our ability to take advantage of financing and other corporate opportunities; and placing us at a competitive disadvantage relative to our competitors who are less highly leveraged. Moreover, a material breach of the 2018 Coty Credit Agreement could result in the acceleration of all obligations outstanding under that agreement. Prevailing economic conditions and financial, business and other factors, many of which are beyond our control, may affect our ability to make payments on our debt and comply with other requirements under the 2018 Coty Credit

Agreement and to meet our deleveraging objectives. In particular, due to the seasonal nature of the beauty industry, with the highest levels of consumer demand generally occurring during the holiday buying season in our second fiscal quarter, our subsidiaries' cash flow in the second half of the fiscal year may be less than in the first half of the fiscal year, which may affect our ability to satisfy our debt service obligations, including to service our senior secured notes, senior unsecured notes and the 2018 Coty Credit Agreement, and to meet our deleveraging objectives. If we do not generate sufficient cash flow to satisfy our covenants and debt service obligations, including payments on our senior secured notes, senior unsecured notes and under the 2018 Coty Credit Agreement, we may have to undertake additional cost reduction measures or alternative financing plans, such as refinancing or restructuring our debt; selling assets; reducing or delaying capital investments; modifying terms of agreements, including timing of payments, with vendors, customers, and other third parties; or seeking to raise additional capital. The terms of the indentures governing our senior secured notes and senior unsecured notes, the 2018 Coty Credit Agreement or any existing debt instruments or future debt instruments that we may enter into may restrict us from adopting some of these alternatives. Our ability to restructure or refinance our debt will depend on the capital markets and other macroeconomic conditions and our financial condition at such time. Recent refinancings of our debt have resulted, and future refinancings or modifications of our debt could result, in higher interest rates and may require us to comply with more onerous covenants or reduce our borrowing capacity, which could further restrict our business operations. For example, the refinancing of certain portions of our debt in 2021 resulted in higher interest rates applicable to the newly issued senior secured notes, in part due to prevailing macroeconomic conditions and a decline in our credit ratings since our previous refinancing transactions in 2018. The inability of our subsidiaries to generate sufficient cash flow to satisfy our covenants and debt service obligations, including the inability to service our senior secured notes, senior unsecured notes and the 2018 Coty Credit Agreement, or to refinance our obligations on commercially reasonable terms, could have a material adverse effect on our business, financial condition, results of operations, profitability, cash flows or liquidity, as well as the trading price of our securities, and may impact our ability to satisfy our obligations in respect of our senior secured notes, senior unsecured notes and the 2018 Coty Credit Agreement. Borrowings under the 2018 Coty Credit Agreement are at variable rates of interest and expose us to interest rate risk. In ~~recent months~~ **the past year**, ~~global~~ inflation and other factors have resulted in an increase in interest rates generally, which has impacted our borrowing costs. If interest rates were to continue to increase, our debt service obligations on the variable rate indebtedness referred to above would increase even if the principal amount borrowed remained the same, and our net income and cash flows will correspondingly decrease. We are currently party to, and in the future, we may enter into additional, interest rate swaps that involve the exchange of floating for fixed rate interest payments, in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk. In addition, ~~in 2021~~ we **have** amended our 2018 Credit Agreement to allow us to reference the Secured Overnight Financing Rate ("SOFR") as the primary benchmark rate for our variable rate indebtedness, in lieu of the London Interbank Offered Rate ("LIBOR"). SOFR is a relatively new reference rate and with a limited history, and changes in SOFR have, on occasion, been more volatile than changes in other benchmark or market rates. As a result, the amount of interest we may pay on our ~~our~~ variable rate indebtedness is difficult to predict. Risks related to Macroeconomic Conditions and Market Risks Global events may impact our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities, and, as demonstrated by the impacts of COVID-19 and the war in Ukraine, such events can evolve rapidly and cause significant and pervasive disruptions to global economic and business conditions. We operate in an environment of slow overall growth in the segments and geographies in which we compete with increasing competitive pressure and changing consumer preferences, and global economic activity ~~is~~ **has been** in decline as a result of **higher levels of unemployment, unprecedented levels of inflation, recessionary conditions and geopolitical conditions including the war in Ukraine and the ongoing effects of** COVID-19, ~~higher levels of unemployment, unprecedented levels of inflation, recessionary conditions and geopolitical conditions including the war in Ukraine~~. While prestige fragrances and skin care categories have experienced strong growth, declines in the retail mass color cosmetics, mass nail and mass fragrance categories in the U. S. and certain key markets in Western Europe continue to impact our business and financial results. Deterioration of social or economic conditions in Europe or elsewhere could reduce sales and could also impair collections on accounts receivable. For example, ~~recent~~ political and economic developments in the U. S., the U. K., Europe, Brazil and China have introduced uncertainty in the regulatory and business environment in which we operate (including potential increases in tariffs). These political and economic developments have resulted and could continue to result in changes to legislation or reformation of government policies, rules and regulations pertaining to trade. Such changes could have a significant impact on our business by increasing the cost of doing business, affecting our ability to sell our products and negatively impacting our profitability. Abrupt political change, terrorist activity, and armed conflict, such as the ongoing war in Ukraine and any escalation or expansion thereof, pose a risk of further general economic disruption in affected regions. Geopolitical change may result in changing regulatory systems and requirements and market interventions that could impact our operating strategies, access to national, regional and global markets (due to sanctions or otherwise), hiring, and profitability. For example, changes in the regulatory environment in China or geopolitical tensions impacting trade or operations in China could impact our growth strategy. Any of these changes may negatively impact our revenues. In addition, our sales are affected by the overall level of consumer spending. The general level of consumer spending is affected by a number of factors, including general economic conditions (including potential recessions in one or more significant economies), inflation, interest rates, government policies that affect consumers (such as those relating to medical insurance or income tax), energy costs and consumer confidence, each of which is beyond our control. Consumer purchases of discretionary and other items and services, including beauty products, tend to decline during recessionary periods, periods of high inflation and otherwise weak economic environments, when disposable income is lower. A decline in consumer spending would likely have a negative impact on our direct sales and could cause financial difficulties at our retailer and other customers. If consumer purchases decrease, we may not be able to generate

enough cash flow to meet our debt obligations and other commitments and may need to refinance our debt, dispose of assets or issue equity to raise necessary funds. We cannot predict whether we would be able to undertake any of these actions to raise funds on a timely basis or on satisfactory terms or at all. The financial difficulties of a customer or retailer could also cause us to curtail or eliminate business with that customer or retailer. We may also decide to assume more credit risk relating to the receivables from our customers or retailers, which increases the possibility of late or non-payment of receivables. Our inability to collect receivables from a significant retailer or customer, or from a group of these customers, could have a material adverse effect on our business, prospects, results of operations, financial condition, results of operations, cash flows, as well as the trading price of our securities. If a retailer or customer were to go into liquidation, we could incur additional costs if we choose to purchase the retailer's or customer's inventory of our products to protect brand equity. These risks have been, and may continue to be, amplified by COVID-19, the war in Ukraine and related geopolitical conditions. ~~Our operations and sales have been adversely impacted by the COVID-19 pandemic, and we must successfully manage the demand, supply, operational and financial challenges associated with COVID-19 and related variants, as well as the occurrence of outbreaks of other contagious diseases or similar related widespread public health concerns.~~ The COVID-19 pandemic has **and the actions taken by governments and third-parties in response have** had, and continues ~~to have widespread, evolving, and unpredictable impacts on global society, economies, financial markets and business practices.~~ **continue** to have widespread, evolving, and unpredictable impacts on global society, economies, financial markets and business practices. **A resurgence of COVID-19, including any variants of the virus, or the outbreak of another pandemic, epidemic or infectious disease in one or more of the countries where we operate or our customers are located could result in varied government and third-party actions relating to, among other things, quarantines, facility closures, store closures or social distancing, resulting in further volatility and disparity in our results and operations across geographies and creating challenges for our ability to forecast demand.** Our business has been, and may continue to be, negatively impacted by the COVID-19 pandemic in **such** countries where we operate or our customers are located. Easing of containment measures and recovery of the impacted sectors of the economy has been, and may continue to be, gradual and uneven, as regions face resurgence of COVID-19 or variants of the virus and outbreaks of other contagious diseases and related uncertainties. These impacts include, but are not limited to: • Significant reductions **Reductions** in demand or significant volatility in demand for one or more of our products, which may be caused by, among other things: the temporary inability of consumers to purchase our products due to illness, quarantine or other travel restrictions, store closures, or financial hardship, shifts in demand away from one or more of our more discretionary or higher priced products to lower priced products, or stockpiling or similar activity, supply chain and shipping constraints, reduced options for marketing and promotion of products or other restrictions in connection with outbreaks of contagious diseases; if prolonged, ~~such impacts~~ can further increase the difficulty of operating our business, including accurately planning and forecasting, and may adversely impact our results; • Inability to meet our customers' needs and achieve costs targets due to disruptions in our manufacturing and supply arrangements caused by the loss or disruption of essential manufacturing and supply elements such as raw materials or other finished product components, transportation, workforce, or other manufacturing and distribution capability, ~~or the allocation of manufacturing capacity towards medical supplies such as hydro-alcoholic gel (which is used as hand sanitizer);~~ • Failure of third parties on which we rely, including our suppliers, our customers, contract manufacturers, distributors, contractors, commercial banks, joint venture partners and external business partners, to meet their obligations to us or to timely meet those obligations, or significant disruptions in their ability to do so, which may be caused by their own financial or operational difficulties and may adversely impact our operations; or • Significant changes in the political conditions in markets in which we manufacture, sell or distribute our products, including ~~quarantines, governmental~~ **government** or regulatory ~~third-party~~ **third-party** actions, ~~closures or other restrictions that limit or close our operating and manufacturing facilities, restrict our~~ **or otherwise** employees' ability to travel or perform necessary business functions, ~~restrict or prevent consumers from having access to our products,~~ **restrict our employees' ability to travel or perform necessary business functions** or otherwise prevent our third-party partners, suppliers, or customers from sufficiently staffing operations, including operations necessary for the production, distribution, sale, and support of our products, which could adversely impact our results. These impacts have had, and could continue to have, a negative **effect/impact** on our business, financial condition, results of operations and cash flows, as well as the trading price of our securities, and the duration and extent to which our future results of operations and overall financial performance ~~will may~~ be impacted ~~remains uncertain~~ **cannot be determined**. Despite our ~~efforts~~ **ability** to manage and remedy these impacts to the Company, their ultimate impact also depends on factors beyond our knowledge or control, including the duration and severity of any such disease outbreak, as well as **the actions taken by governments or third-parties** party actions taken to contain its spread and mitigate its public health effects. ~~In the case of COVID-19, the emergence of variants may continue to occur across regions and countries where we operate, leading to varied government responses and the potential for decreased vaccine effectiveness, resulting in further volatility and disparity in our results and operations across geographies and creating challenges for our ability to forecast demand.~~ For example, an increase of COVID-19 related cases in certain parts of China resulted in the re-imposition of widespread lockdowns and restrictions in mid-March 2022, which negatively impacted our results in China in the fourth quarter of fiscal 2022 due to reduced customer traffic and supply chain constraints. **Ongoing impacts of COVID-19 have continued in China during fiscal 2023, and economic recovery in the region has been slower than predicted and may continue to be below pre-pandemic levels, which could adversely affect our strategy to expand our presence in China.** We experienced considerable price inflation in costs for labor, materials and services during fiscal 2022. We may not be able to continue to pass through inflationary cost increases and, if inflationary pressures are sustained, we may only be able to recoup a portion of our increased costs in future periods. Our ability to raise prices to reflect increased costs may also be limited by competitive conditions in the market for our products. The war in Ukraine and prolonged geopolitical conflict globally may continue to result in increased **price** inflation, escalating energy and commodity prices and increasing costs of materials and services (together with shortages or inconsistent availability of materials and services), which may also have the effect of heightening many of our other risks, such as those

relating to cyber security, supply chain disruption, volatility in prices and market conditions, our ability to forecast demand, and our ability to successfully implement our global business strategies, any of which could negatively affect our business, results of operations and financial condition. While we currently generate significant cash flows from our ongoing operations and have access to global credit markets through our various financing activities, credit markets may experience significant disruptions. Deterioration in global financial markets, including as a result of **global and regional economic conditions**, COVID- 19, the war in Ukraine and related geopolitical conditions, could make future financing difficult or more expensive. If any financial institutions that are parties to our credit facilities or other financing arrangements, such as interest rate or foreign currency exchange hedging instruments, were to declare bankruptcy or become insolvent, or experience other financial difficulty, they may be unable to perform under their agreements with us. In addition, the deterioration of the financial condition of any of the financial institutions that hold our short- term investments and cash deposits could negatively impact the value and liquidity of such investments and deposits. This could leave us with reduced borrowing capacity, could leave us unhedged against certain interest rate or foreign currency exposures or could reduce our access to our cash deposits, which could have an adverse impact on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. Exchange rate fluctuations have affected and may in the future affect our results of operations, financial condition, reported earnings, the value of our foreign assets, the relative prices at which we and foreign competitors sell products in the same markets and the cost of certain inventory and non- inventory items required by our operations. The currencies to which we are exposed include the euro, the British pound, the Chinese yuan, the Polish zloty, the ~~Russian ruble~~, the Brazilian real, the Australian dollar and the Canadian dollar. The exchange rates between these currencies and the U. S. dollar in recent years have fluctuated significantly and may continue to do so in the future. A depreciation of these currencies against the U. S. dollar would decrease the U. S. dollar equivalent of the amounts derived from foreign operations reported in our consolidated financial statements and an appreciation of these currencies would result in a corresponding increase in such amounts. The cost of certain items, such as raw materials, transportation and freight, required by our operations may be affected by changes in the value of the various relevant currencies. To the extent that we are required to pay for goods or services in foreign currencies, the appreciation of such currencies against the U. S. dollar would tend to negatively impact our financial condition and results of operations. Our efforts to hedge certain exposures to foreign currency exchange rates arising in the ordinary course of business may not successfully hedge the effect of such fluctuations. In addition, a portion of our borrowings under the 2018 Coty Credit Agreement and senior notes indentures are denominated in euros and expose us to currency exchange rate risk. We have entered into derivative transactions in order to reduce currency exchange rate volatility. However, we may not enter into or maintain such derivatives with respect to all of our euro- denominated indebtedness, and any derivative transactions we enter into may not fully mitigate our currency exchange rate risk.

**Legal and Regulatory Risks** We are subject to a variety of legal proceedings and legal compliance risks in the countries in which we do business, including the matters described under the heading “ Legal Proceedings ” in Part I, Item 3 of this report. We are under the jurisdiction of regulators and other governmental authorities which may, in certain circumstances, lead to enforcement actions, changes in business practices, fines and penalties, the assertion of private litigation claims and damages ~~and~~. **Some of these actions may also** adversely impact our customer relationships, particularly to the extent customers were implicated by such proceedings. We are also subject to legal proceedings and legal compliance risks in connection with legacy matters involving the P & G Beauty Business, the Burberry fragrance business, Hypermarcas Brands, the Kylie Jenner business and the Kim Kardashian ~~West~~ business that were previously outside our control and that we are now independently addressing, as well as retained liabilities relating to divested businesses, which may result in unanticipated or new liabilities. We also are involved in numerous lawsuits involving product liability issues, **including most involving** allegations related to alleged asbestos in our talc- based cosmetic products **, allegedly leading to mesothelioma**. While we believe that we have valid defenses to these **lawsuits** risks and have adopted, and / or will adopt, **appropriate risk management and compliance programs, such adoptions take time and, given the global nature of our operations and many laws and regulations to which we are subject,** these **legal and compliance** risks will continue to exist with respect to our business, and additional legal proceedings and other contingencies, the outcome and impact of which **(including legal fees)** cannot be predicted with certainty, will arise from time to time. In particular, the potential impact of talc- related litigation is highly uncertain, as nationwide trial results in similar cases filed against **Coty and** other manufacturers or retailers of cosmetic talc products have ranged from outright dismissals to very large **settlements and** jury awards of both compensatory and punitive damages. **Additionally, our continued production and sale of talc- based cosmetic products could in the future subject us to additional legal claims related to the sale of one or more of our talc- based cosmetics products, including potential governmental inquiries, investigations, claims and consumer protection cases from state attorneys general. Any negative resolution of litigation to which we are subject to could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows**.

As described under “ Legal Proceedings ” in this report, ~~a the~~ consolidated putative class action lawsuit ~~has been filed~~ in connection with the Cottage Tender Offer and related Schedule 14D- 9 **has been resolved**. In addition, we are subject to pending tax assessment matters in Brazil relating to local sales tax credits for the 2016- 2017 tax periods. Although we are seeking a favorable administrative decision on the related tax enforcement action, we may not be successful. See Note 26 — Legal and Other Contingencies for more information regarding our potential tax obligations in Brazil. Our business is subject to numerous laws, regulations and policies. Changes in the laws (both foreign and domestic), regulations and policies, including the interpretation or enforcement thereof, that affect, or will affect, our business or products, including those related to intellectual property, marketing, antitrust and competition, product liability, restrictions or requirements related to product content or formulation, labeling and packaging (including end- of- product- life responsibility), corruption, the environment or climate change (including increasing focus on the climate, water and waste impacts of operations and products), immigration, privacy, data protection, taxes, tariffs, trade and customs (including, among others, import and export license requirements, sanctions, boycotts, quotas, trade barriers, and other measures imposed by U. S. and foreign

countries), restrictions on foreign investment, the outcome and expense of legal or regulatory proceedings, and any action we may take as a result, and changes in accounting standards, could adversely affect our financial results as well as the trading price of our securities. For example, the Tax Act, enacted in 2017, introduced broad and complex changes to the U. S. tax laws that affect businesses operating internationally, and future tax law changes and regulatory, administrative or legislative guidance could adversely affect our financial results. See “ — We are subject to risks related to our international operations ”. In addition, increasing governmental and societal attention to environmental, social and governance matters, including expanding mandatory and voluntary reporting, diligence and disclosure on topics such as climate change, waste production, water usage, biodiversity, emerging technologies, human capital, labor, supply chain, and risk oversight, could expand the nature, scope and complexity of matters that we are required to control, assess and report. These and other rapidly changing laws, regulations, policies and related interpretations, as well as increased enforcement actions by various governmental and regulatory agencies, create challenges for us, including our compliance and ethics programs, may alter the environment in which we do business and may increase the ongoing costs of compliance, which could adversely impact our results of operations and cash flows. If we are unable to continue to meet these challenges and comply with all laws, regulations, policies and related interpretations, our reputation and our business results could be adversely impacted. We are also subject to legal proceedings and legal compliance risks in connection with legacy matters related to acquired companies that were previously outside our control. Such matters may result in our incurring unanticipated costs that may negatively impact the financial contributions of such acquisitions at least in the periods in which such liability is incurred or require operational adjustments that affect our results of operations with respect to such investments. We may not have adequate or any insurance coverage for some of these legacy matters, including matters assumed in the acquisition of the P & G Beauty Business, the Hypermecas Brands and the Burberry fragrance business, the joint venture with Kylie Jenner and the strategic partnership with Kim Kardashian West. While we believe that we have adopted, and will adopt, appropriate risk management and compliance programs, the global nature of our operations and many laws and regulations to which we are subject mean that legal and compliance risks will continue to exist with respect to our business, and additional legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time, which could adversely affect our business, prospects, financial condition, results of operations and cash flows, as well as the trading price of our securities. We operate on a global basis. Our employees, contractors and agents, business partners, joint ventures and joint venture partners and companies to which we outsource certain of our business operations, may take actions in violation of our compliance policies or applicable law. In addition, some of our acquisitions have required us to integrate non- U. S. companies that had not, until our acquisition, been subject to U. S. law or other laws to which we are subject. In many countries, particularly in those with developing economies, it may be common for persons to engage in business practices prohibited by the laws and regulations applicable to us. In addition, certain countries have laws that differ with those in the US, including relating to competition and product distribution, with which US and other personnel may be unfamiliar, thereby increasing the risk of non- compliance. We continue to enhance our compliance program, including as a result of acquisitions and changes in the regulatory environment, but our compliance program may encounter problems or may not be effective in ensuring compliance. Failure by us or our subsidiaries to comply with applicable laws or policies could subject us to civil and criminal penalties, cause us to be in breach of contract or damage to our or our licensors’ reputation, each of which could materially and adversely affect our business, prospects, financial condition, cash flows, results of operations, as well as the trading price of our securities. In addition, the U. S. has imposed and may impose additional sanctions at any time on countries where we sell our products. If so, our existing activities may be adversely affected, we may incur costs in order to come into compliance with future sanctions, depending on the nature of any further sanctions that may be imposed, or we may experience reputational harm and increased regulatory scrutiny. For example, in April 2022, following the imposition of additional sanctions against Russia and Russian interests in connection with the war in Ukraine, we announced our Board’ s decision to wind down the operations of our Russian subsidiary as a result of the war and the related sanctions. For a further discussion of the impact of the wind down, please refer to “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Overview — Russia- Ukraine War. ” We are subject to the interpretation and enforcement by governmental agencies of other foreign laws, rules, regulations or policies, including any changes thereto, such as restrictions on trade, import and export license requirements, and tariffs and taxes (including assessments and disputes related thereto), which may require us to adjust our operations in certain areas where we do business. We face legal and regulatory risks in the U. S. and abroad and, in particular, cannot predict with certainty the outcome of various contingencies or the impact that pending or future legislative and regulatory changes may have on our business. It is not possible to gauge what any final regulation may provide, its effective date or its impact at this time. These risks could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities. We are exposed to the risk of fraud or other misconduct by our personnel or third parties such as independent contractors, agents or influencers. Misconduct by employees, independent contractors, influencers or agents could include inadvertent or intentional failures to comply with the laws and regulations to which we are subject or with our policies, provide accurate information to regulatory authorities, comply with ethical, social, product, labor and environmental standards, comply with fraud and abuse laws and regulations, report financial information or data accurately, or disclose unauthorized activities to us. In particular, our business is subject to laws, regulations and policies intended to prevent fraud, kickbacks, self- dealing, resale price maintenance and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs, and other business arrangements. Our current and former employees, influencers or independent contractors may also become subject to allegations of sexual harassment, racial and gender discrimination or other similar misconduct, which, regardless of the ultimate outcome, may result in adverse publicity that could significantly harm our company’ s brand, reputation and operations. Employee misconduct could also involve improper use of information obtained in the course of the employee’ s prior or current employment, which could result in legal or regulatory action and serious harm to

our reputation. We prohibit harassment or discrimination in the workplace, in sexual or in any other form. This policy applies to all aspects of employment. Notwithstanding our conducting training and taking disciplinary action against alleged violations, we may encounter additional costs from claims made and / or legal proceedings brought against us, and, **regardless of the ultimate outcome,** we could suffer reputational harm. If the Distribution (as defined below) or the acquisition of the P & G Beauty Business does not qualify for its intended tax treatment, in certain circumstances we are required to ~~indemnify~~ **indemnify** P & G for resulting tax- related losses under the tax matters agreement entered into in connection with the acquisition of the P & G Beauty Business dated October 1, 2016 (the “ Tax Matters Agreement ”). In connection with the closing of the acquisition of the P & G Beauty Business on October 1, 2016, we and P & G received written opinions from special tax counsel regarding the intended tax treatment of the merger, and The Procter & Gamble Company (“ P & G ”) received an additional written opinion from special tax counsel regarding the intended tax treatment of the distribution by P & G of its shares of Galleria Co. (“ Galleria ”) common stock to P & G shareholders by way of an exchange offer (the “ Distribution ”). The opinions were based on, among other things, certain assumptions and representations as to factual matters and certain covenants made by us, P & G, Galleria and Green Acquisition Sub Inc. The opinions are not binding on the Internal Revenue Service (“ IRS ”) or a court, and the IRS or a court may not agree with the opinions. Under the Tax Matters Agreement, in certain circumstances and subject to certain limitations, we are required to indemnify P & G against tax- related losses (e. g., increased taxes, penalties and interest required to be paid by P & G) if the Distribution or the merger fails to qualify for its intended tax treatment, including if the Distribution becomes taxable to P & G as a result of the acquisition of a 50 % or greater interest (by vote or value) in us as part of a plan or series of related transactions that included the Distribution or if such failure is attributable to a breach of certain representations and warranties by us or certain actions or omissions by us. If we are required to indemnify P & G in the event of a taxable Distribution, this indemnification obligation would be substantial and could have a material adverse effect on us, including with respect to our financial condition and results of operations. Risks Related to Ownership of Our Common Stock Any repurchases pursuant to our stock repurchase program, or a decision to discontinue our stock repurchase program, which may be discontinued at any time, could affect our stock price and increase volatility. In addition, the timing and actual number of any shares repurchased will depend on a variety of factors including the timing of open trading windows, price, corporate and regulatory requirements, an assessment by management and our board of directors of cash availability, capital allocation priorities, including deleveraging, and other market conditions. In addition, we have entered into forward repurchase transactions to begin hedging for a potential \$ 200 million repurchase under our stock repurchase program currently planned for 2024 **and an additional potential \$ 196 million repurchase planned for 2025**. These forward repurchase transactions expose us to additional risks related to the price of our common stock, including a potential true- up in cash upon specified changes in the price of our common stock. ~~In the event that our Board declares a dividend on our common stock, our Stock Dividend Reinvestment Program allows stockholders to elect to receive 50 % of their dividend in cash and reinvest 50 % of their dividend in newly issued shares of our common stock. As a result, stockholders who do not elect to participate in the Stock Dividend Reinvestment Program may experience dilution in their ownership percentage over time.~~ JAB Cosmetics B. V. (“ JABC ”) and its affiliates beneficially own approximately ~~54-53~~ **54-53** % of the fully diluted shares of our Class A Common Stock and, as such, have the ability to effect certain decisions requiring stockholder approval, which may be inconsistent with the interests of our other stockholders. As a result of the completion of the Cottage Tender Offer in May 2019, JABC, through an affiliate, ~~Cottage Holdco~~ **JAB Beauty** B. V., owns approximately ~~54-53~~ **54-53** % of the outstanding shares of our Class A Common Stock. As a result, JABC has the ability to exercise control over certain decisions requiring stockholder approval, including the election of directors, amendments to our certificate of incorporation and approval of significant corporate transactions, such as a merger or other sale of the Company or our assets. In addition, several of the members of our Board of Directors are affiliated with JABC. Accordingly, JAB has significant influence over us and our decisions, including the appointment of management and any other action requiring a vote of our Board of Directors. In addition, this concentration of ownership may have the effect of delaying, preventing or deterring a change in control of us and may negatively affect the market price of our stock. JABC’ s interests may be different from or conflict with our interests or the interests of our other stockholders. JABC and its affiliates are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete indirectly with us. JABC or its affiliates may also pursue acquisition opportunities that are complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, JABC’ s obligations under its credit facility may cause JABC to take actions which may be inconsistent with your interests. Accordingly, the interests of JABC may not always coincide with our interests or the interests of other stockholders, and JABC may seek to cause us to take courses of action that, in its judgment, could enhance its investment in the Company but which might involve risks to our other stockholders or adversely affect us or our other stockholders. For so long as JABC and its affiliates own more than 50 % of the total voting power of our common shares, we are a “ controlled company ” within the meaning of the New York Stock Exchange (“ NYSE ”) corporate governance standards. As a controlled company, we are exempt under the NYSE standards from the obligation to comply with certain NYSE corporate governance requirements, including the requirements: • that a majority of our board of directors consists of independent directors; • that we have a nominating committee that is composed entirely of independent directors with a written charter addressing the committee’ s purpose and responsibilities; and • that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’ s purpose and responsibilities. If we elect to rely on the controlled company exemptions, the procedures for approving significant corporate decisions could be determined by directors who have a direct or indirect interest in such decisions, and our stockholders would not have the same protections afforded to stockholders of other companies that are required to comply with all of the independence rules of the NYSE. **We have announced our intention to apply to list our Class A Common Stock on Euronext Paris’ s Professional Segment. While the dual- listing of our Class A Common Stock is intended to promote additional liquidity for investors and provide greater access to our Class A Common Stock among investors in Europe**

who may be required to invest in Eurozone markets or certain currencies only, we cannot predict the effect of this dual-listing on the value of our Class A Common Stock on the NYSE and Euronext Paris' s Professional Segment. To the contrary, the dual- listing of our Class A Common Stock may dilute the liquidity of these securities in one or both markets and may adversely affect the development of an active trading market for Class A Common Stock on Euronext Paris' s Professional Segment. The price of our Class A Common Stock listed on Euronext Paris' s Professional Segment could also be adversely affected by trading in our Class A Common Stock on the NYSE. In addition, currency fluctuations between the Euro and U. S. dollar may have an adverse impact on the value of our Class A Common Stock traded on Euronext Paris' s Professional Segment. Upon the completion of the dual- listing, it is expected that there will be, at least initially, limited liquidity on the Euronext Paris market insofar as the probability is very low that a counterparty for a transaction in euros will arise. As of the date of this Annual Report, we have not appointed any market maker on the Euronext Paris market but may do so in the future. On this basis, the liquidity of our Class A Common Stock traded on Euronext Paris may be uncertain and investors on the Euronext Paris market may need to assess their ability to adjust the size of their position given the then trading liquidity prior to investing in our securities.