



Estée Lauder Cosmetics A/S

Franciska Clausens Plads 20, DK-1799 København V

**Annual Report for
1 July 2024 - 30 June 2025**

CVR No. 65 59 78 10

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
24/11/2025

Peter Kim Ketelsen
Chairman of the general meeting





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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Estée Lauder Cosmetics A/S for the financial year 1 July 2024 - 30 June 2025.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2025 of the Company and of the results of the Company operations for 2024/25.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 24 November 2025

Executive Board

Jesper Abildgaard
General Manager

Tina Kaas Breitenstein
Finance Director

Board of Directors

Akhil Shrivastava
Chairman

Jesper Abildgaard

Peter Kim Ketelsen



Independent Auditor's report

To the shareholder of Estée Lauder Cosmetics A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2025 and of the results of the Company's operations for the financial year 1 July 2024 - 30 June 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Estée Lauder Cosmetics A/S for the financial year 1 July 2024 - 30 June 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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



Independent Auditor's report

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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

Hellerup, 24 November 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden
State Authorised Public Accountant
mne32209

Lone Vindbjerg Larsen
State Authorised Public Accountant
mne34548



Company information

The Company	Estée Lauder Cosmetics A/S Franciska Clausens Plads 20 DK-1799 København V CVR No: 65 59 78 10 Financial period: 1 July 2024 - 30 June 2025 Municipality of reg. office: Copenhagen
Board of Directors	Akhil Shrivastava, chairman Jesper Abildgaard Peter Kim Ketelsen
Executive Board	Jesper Abildgaard Tina Kaas Breitenstein
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup



Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

(TDKK)	2024/25	2023/24	2022/23	2021/22	2020/21
Key figures					
Profit/loss					
Revenue	923,804	899,132	696,727	747,642	713,918
Gross profit	311,831	317,570	251,396	308,133	297,531
Profit/loss of primary operations	125,244	134,692	92,318	133,193	91,925
Profit/loss of financial income and expenses	17,728	19,497	7,637	-130	234
Net profit/loss for the year	113,125	122,780	78,341	110,192	70,379
Balance sheet					
Balance sheet total	838,509	745,805	562,360	519,101	410,849
Investment in property, plant and equipment	29,013	42,076	23,770	27,550	9,674
Equity	673,605	563,482	435,432	381,341	273,755
Number of employees	391	456	454	363	402
Ratios					
Gross margin	33.8%	35.3%	36.1%	41.2%	41.7%
Profit margin	13.6%	15.0%	13.3%	17.8%	12.9%
Return on assets	14.9%	18.1%	16.4%	25.7%	22.4%
Solvency ratio	80.3%	75.6%	77.4%	73.5%	66.6%
Return on equity	18.3%	24.6%	19.2%	33.6%	29.8%

The Company has changed its income statement from being classified by function to being classified by nature in fiscal year 2021/22. In connection with the changes to accounting policies, the comparative figures for 2020/21 have not been restated.



Management's review

Principal activities of the Company

The Company's business foundation is marketing and sale of prestigious cosmetics in Denmark, Norway, Sweden and Iceland. The Company operates in Denmark with operations in Sweden and Norway through the branches Estée Lauder Cosmetics A/S Danmark (Sverige filial) and Estée Lauder Cosmetics Danmark Norges filialen, as well as in Iceland through a distributor which ensures a strong/well-established base servicing the Nordic customers. The products comprise the following brands: Estée Lauder, Clinique, Origins, M.A.C., Bobbi Brown, La Mer, Smashbox, Tom Ford, Aveda, Bumble & Bumble, Le Labo, Killian Paris, Editions de Parfums Frederic Malle, Too Faced, Dr. Jart and Deciem.

Development in activities and financial position

Sales in the financial year have been aligned with local expectations, with a Net Sales growth of 3%. This includes the full integration of the Deciem brand and the impact of Smashbox brand exit from the Nordic affiliate by the end of the fiscal year. Nordic continues to be a resilient, sustainable and steady market with healthy growth, however on a lower level versus previous years. Sweden has been leading the growth, among other things due to the centralization of one partner's warehouse in Sweden in 2023/24, followed by Denmark and Norway.

Sales per country are split as follows: Sweden 55% (2023/24: 50%), Denmark 30% (2023/24: 30%), and Norway 15% (2023/24: 20%).

The past year and follow-up on development expectations from last year

Profit for the year amounts to DKK 113.125 thousand (2023/24: DKK 122.780 thousand).

Actuals in organic growth were in line with the market dynamic and management expectations. Nordic affiliate kept on investing in the brands, and the Company has during the year invested additional funds in the market to support and fuel the growth and therefore Management considers the profit for the year to be satisfactory, however lower than the expectations mentioned in the annual report for 2023/24.

Capital resources

Estée Lauder Cosmetics A/S is still financially solid. The solvency ratio amounts to 80,3% (2023/24: 75,6%). Equity on 30 June 2025 amounts to DKK 673.605 thousand (2023/24: DKK 563.482 thousand) as no dividends were paid out this year. At the end of the financial year, the Company's cash at bank and in hand amounted to DKK 3.665 thousand (2023/24: DKK 2.935 thousand).

Outlook

Management is optimistic about the development of the prestige beauty segment in the Nordic markets, despite all the turmoil around the world. The Company expects that the consumption of prestige beauty products will increase yet moderately in the coming financial year (2-3%). In addition, Management is optimistic in respect of improved distribution possibilities for the brands that Estée Lauder Cosmetics A/S already holds and foresees a possibility to introduce new brands and types of distribution within the coming years. Hence, we are furthermore expecting our revenue to grow by 4-5% in 2025/26 compared to the previous year, with the ambition to outperform the prestige beauty market development. With the continued focus on earnings at group level and on local management level, the profit for 2025/2026 is also expected to grow compared to 2024/2025 level. The Company is expecting a profit improvement for 2025/2026 of approx. 20 basis points compared to this fiscal years' result.

Operating risks

The Company's most significant operating risk relates to Global challenges and global price increases in most categories; consumer sentiment coupled with a changing consumer behavior. Online in the industry continues to drive focus on securing the right competencies and top talents to secure growth in a very dynamic channel while supporting the omni-channel experience. Moreover, it is important for the Company to always be at the cutting edge of new products and brands. This is ensured through significant development activities in other companies in the Group.



Management's review

Financial risks

Due to its financial position and financial resources, the Company has only limited exposure to changes in the interest rate level and to currency risks in respect of operations.

Currency risks

The Company invoices its goods in DKK, NOK and SEK. A significant part of supplies is purchased in the same currencies, and consequently, there is no need for hedging when entering financial agreements.

Credit risks

The Company's credit risks primarily relate to financial assets recognized in the balance sheet. The Company has no significant risks relating to individual customers or cooperative partners and is not dependent on a single customer or cooperative partner. The Company's policy for undertaking credit risks entail that all large customers and other cooperative partners are credit rated on an ongoing basis.

Intellectual capital

People are our primary assets, and it is essential to Estée Lauder Cosmetics A/S' continued growth to attract and retain highly educated employees specializing in marketing and sale of prestigious cosmetics as well as digital capabilities.

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

Estée Lauder Cosmetics in Denmark does not have its own individual policies for corporate social responsibility, including respect for human rights and the Company's impact on the climate and environment, as the Company is covered by the Group's policies. Below the Danish statement of corporate social responsibility based on the Group's policies.

Brief description of the company's business model

We manufacture, market, and sell quality makeup, skin care, fragrance, and hair care products, with a well-diversified portfolio of distinctive brands whose products are sold in approximately 150 countries and territories. Infused throughout our organization is a passion for creativity and innovation—a desire to push the boundaries and invent the unexpected as we continue the bold work of our founder, Mrs. Estée Lauder.



Management's review

Climate and environment

We focus on addressing climate change through our GHG emissions reduction efforts. We seek innovative solutions to gain efficiencies and help reduce impact throughout our operations and value chain. We emphasize governance and alignment across internal functions to drive emissions reduction actions in the areas of greatest impact, as determined by our GHG inventory. We also continue to expand our portfolio of projects and initiatives and make further investments that can help us achieve our SBTs.

Since we established these targets, our company and the business environment have evolved, introducing challenges to emissions reduction. We recognize that our goal progress may face risks and uncertainties as this evolution continues, including potential impacts of acquisitions and divestitures that take place after we set our targets, our financial performance, the availability of low-emissions technologies, financial feasibility of implementation, new regulation, data availability, and performance of suppliers. In fiscal 2025, we saw effects from bringing a major new manufacturing facility online, macroeconomic challenges in certain markets, and beginning to lower our cost base.

In fiscal 2025, we launched the refresh of our climate risk assessment from fiscal 2022, expanding our focus to analyze the integration of climate, nature, and water risks to our direct operations and select value chain locations. The analysis includes a range of plausible climate scenarios to evaluate physical and transition risks.

PHYSICAL RISK SCENARIOS: Physical risks were evaluated using a worst-case high-emissions scenario where global temperature rises by about 3.7°C by 2100. Acute and chronic impacts were considered for 23 manufacturing, distribution, and innovation sites using a time horizon of 2035-2050.

TRANSITION RISK SCENARIOS: Transition risks were evaluated using 3 IEA World Energy Outlook scenarios—the Stated Policies Scenario (STEPS), the Sustainable Development Scenario (SDS), and the Net Zero Emissions by 2050 scenario (NZE). Medium and long-term time horizons of 2030 and 2050 were used to evaluate the relative impact of identified transition risks.

The climate scenario analysis identified both physical and transition risks that could impact our company. While physical risks and transition risks can occur simultaneously, their level of impact varies across scenarios. Building on our fiscal 2022 risk assessment findings, these results will help inform our climate action strategy and climate transition plan by highlighting priority areas for risk mitigation, investment, and operational resilience.

In fiscal 2025, we achieved a 37% reduction in our Scope 1 and 2 emissions relative to our fiscal 2018 baseline. This represents a 25% increase in absolute emissions from fiscal 2023. Emissions increased due to the use of temporary generators at our largest and recently completed manufacturing facility in Japan as we await completion of an electrical substation by the local utility. We expect to see elevated emissions for this facility in fiscal 2025 until the grid connection is complete. We realized an emissions reduction of 19% from fiscal 2023 for our corporate vehicle fleet as we pursue our electric vehicle transition.

In fiscal 2025, Scope 3 emissions intensity for the covered categories decreased by 21% from our fiscal 2018 baseline. This result is 19% lower than our emissions intensity in fiscal 2023. The numerator of our intensity calculation, absolute emissions, decreased 21% while the net sales in the denominator decreased 2%. The largest contributors to this emissions decrease from fiscal 2023 are our reduction in usage of air freight and reduction in purchased goods and services. Small increases were observed in employee commuting and business travel as these activities continue a post-pandemic rebound.

Since fiscal 2020, we have achieved carbon neutrality across our Scope 1 and Scope 2 emissions and sourced 100% renewable electricity globally for our direct operations each year. We met these commitments again in fiscal 2025 and intend to maintain them moving forward.

ELC uses the operational control approach in accordance with the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Standard (together, "GHG Protocol") to report energy consumption and direct and indirect GHG emissions for locations where ELC has operational control. These locations include freestanding stores, manufacturing, distribution, office, innovation, and salon locations that were in operation for all or part of fiscal 2025.



Management's review

Social and personnel matters

The evaluation of risks and opportunities for the business identified inclusion, diversity and equity, and health and safety to be the most important topics in regard to employees and social matters.

We strive to foster an inclusive culture and focus on learning opportunities that promote a sense of belonging so our employees can reach their full potential. We understand the value of rising talent and offer robust resources to support our high performers so they can drive growth and inspire us toward greater success. We continue to be responsive to the needs of our workforce and are committed to providing equitable access to professional development and advancement opportunities.

We offer an enriching array of educational offerings to inspire our talent. These programs help create a stimulating, inclusive environment where employees from all backgrounds and levels of the Company can gain the skills they need to do their best work. In fiscal 2022, we launched ELC Grow—an exciting new addition to our professional development offerings. This internal talent marketplace is intended to drive connectivity across our Company and help employees navigate their career growth.

To enhance our culture and measure our human capital objectives, we regularly engage with our employees throughout their journey with ELC. In fiscal 2025, the Equity and Engagement COE continued hosting Listening Sessions across the enterprise to help transform insights to actions and cultivate a workplace environment that understands and is responsive to employee needs. We are committed to fostering a strong internal culture of advocacy and inclusion to help employees share their voices, be heard, and collectively affect change. Respect for the individual and for their passions, perspectives, and experiences guides our mission. As part of this effort, we aim to engage employees at all levels, reinforcing a culture where every voice matters.

We also continue to take a data-driven approach, utilizing the results of our fiscal 2025 ELC Listens Enterprise Baseline Survey, an employee engagement survey which gathered feedback from 41,000 employees globally, to create action plans that focus on the areas that matter most to our employees and fuel our business for the future. These include recognition for achievements, expanding career and skill development opportunities, work-life balance, and leading through change. With on-going global volatility, our leaders are focused on communicating our strategy and strong path forward to ensure employees have clarity around prioritization and the direction for our future.



Management's review

Human rights

As we approach human rights in our operations and across our value chain, we aspire to foster respect for people and the environment and to be a positive influence in every community in which we operate and from which we source. We have policies, processes, training, and systems in place to identify, assess, monitor, and mitigate or eliminate actual or potential human rights impacts. Our approach to respect human rights across our global operations and supply chain recognizes the following international protocols:

- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights

We have conducted a corporate-level Human Rights Assessment (HRA) based on the methodology outlined by the UN Guiding Principles on Business & Human Rights, the global standard for HRAs. Through the HRA process, we assessed human rights risks and impacts across our operations, including our corporate policies and procedures, as well as our supply chain, manufacturing, and retail operations. The HRA has provided us with a framework to help identify and prioritize our salient human rights risks and impacts, and to identify key actions for improvement. We intend to continue to enhance these processes and policies and engage with our internal and external stakeholders in implementing this policy.

Our Supplier Code of Conduct sets forth the basic requirements we expect of suppliers, including vendors, service providers, independent contractors, and consultants, as a condition of doing business with our Company. It is based on internationally recognized standards, including the Universal Declaration of Human Rights and International Labor Organization's Conventions.

Our Code of Conduct outlines our expectations for promoting a respectful workplace, engaging in ethical business practices, and operating in a socially responsible and fair manner. We require our employees, business partners, service providers, and suppliers to operate in compliance with applicable laws, including, but not limited to, employment laws pertaining to child labor, minimum wage, overtime compensation, hiring, and occupational safety.

As a global company, ELC recognizes potential risks related to human rights when it comes to working conditions in the supply chain, including forced or child labor. We are working with our suppliers to ensure enforcement of and compliance with our Supplier Code of Conduct, which as a condition of doing business with our company, prohibits the use of child labor. We are also working to increase traceability and transparency throughout our supply chain. We are a founding member of a coalition comprising suppliers, industry peers, local community members, and nonprofits, with one of its goals being to develop short and long-term action plans to facilitate change in certain supply chains where child labor persists.

Our Human Rights Policy applies to all ELC employees, locations, operating companies and employees of subsidiaries and joint ventures in which we hold a majority interest. We also expect our suppliers to respect human rights in their own operations and supply chains. We promote a culture of uncompromising ethics and integrity and put forth standards to uphold the principles and ideals that make us a global leader in prestige beauty. We have tailored approaches for various stakeholder groups that focus on key risks and opportunities.

ELC achieved a perfect score of 100 on the 2024-2025 Corporate Equality Index (CEI) by the Human Rights Campaign Foundation for the 8th year in a row. This index is a leading survey and report in the nation, evaluating corporate policies and practices pertaining to LGBTQ+ workplace equality.



Management's review

Anti-corruption and bribery

As outlined in ELC's Code of Conduct and our Supplier Code of Conduct, we do not tolerate bribery and corruption of any kind, and we consider corruption and bribery to harm the communities we operate in and violate the laws of the countries we conduct business. Newly hired employees are required to sign an acknowledgement that they have received, read, and will comply with the Code.

ELC is committed to maintaining a robust Anti-Bribery and Corruption Program, which includes policies, procedures, and internal controls reasonably designed to prevent, detect, and mitigate anti-bribery and corruption-related risks, as implemented across the group, including at Estée Lauder Cosmetics A/S.

As a global company, ELC recognizes potential risks that could stem from our operations, such as the conduct of overseas third-party business partners. To manage these risks, we have taken measures including risk-based third-party due diligence and ongoing monitoring.

ELC also delivers targeted training to employees, who are expected to raise questions or concerns including confidence via the 24/7 Integrity Helpline and conducts periodic risk assessments to monitor the risks across our operations globally, the results of which inform continuous enhancements to our program.

Internal Audit regularly assesses the effectiveness of the Anti-Bribery and Corruption Program through routine and targeted audits.

In fiscal 2025 there were no reported incidents of corruption or bribery at Estée Lauder Cosmetics A/S. We will continue our efforts against corruption and bribery in fiscal 2026.

Other

For further information The Company refers to the Group's Social Impact and Sustainability. The report has been prepared in accordance with Global Reporting Initiative (GRI) standards and is available at <https://www.elcompanies.com/en/news-and-media/media-resources/resources-and-reports>.

Here you will find the focus subjects for CSR like 'Sustainable Sourcing', 'Employee Well-Being', 'Product-and-packaging-innovation', 'Guiding Principles', 'Volunteerism' and focus areas like BCA (Breast Cancer Awareness) and MAC Aids Fund.

Estée Lauder Cosmetics in Denmark, Norway and Sweden have a variety of local initiatives under the group umbrella such as the Breast Cancer Awareness program in cooperation with 'Støt Brysterne'; 'Brystkreftforeningen' and 'Brøstcancerforbundet'.



Management's review

Statement on data ethics, cf. section 99d of the Financial Statements Act

The Estee Lauder Cosmetics in Denmark does not have its own individual policies on data ethics as this topic is addressed through the Group's policies on data privacy and cybersecurity. Below the Danish statement on data ethics based on the Group's policies.

The Company is committed to respecting privacy and protecting the security of our employees and consumers. Our cybersecurity and privacy programs are managed by dedicated teams in our organization, governed by an executive, cross-functional steering committee. The Audit Committee's oversight responsibilities include information technology and cybersecurity.

In addition to privacy laws applicable to our global operations, we maintain privacy policies and standards and follow a set of global Privacy Principles for the processing of personal data: (1) collect and use data purposefully, (2) provide notice and choice, (3) safeguard personal data, and (4) maintain data integrity.

Our cybersecurity program is aligned with our privacy program to mitigate risk from current and potential cyber-driven threats, aiming to protect the Company's data, networks, and systems. Our cybersecurity function has fit-for-purpose tools, controls, and capabilities based on best practices. This blended capability strategy leverages a mix of internal and external resources, supported by robust processes, policies, and technologies. It includes protective technologies, access controls, proactive services, active defense, and security resilience.

Our numerous information security policies cover topics such as acceptable use of information technology, training and awareness, regulatory compliance, disaster recovery, third-party risk management, and incident response. We have dedicated resources to monitor for and respond to incidents—including a 24/7 Security Operations Center—and different ways for employees to report suspicious activities. In the event of a data breach, our policy requires that we notify data subjects in accordance with applicable law.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



Income statement 1 July 2024 - 30 June 2025

(TDKK)	Note	2024/25	2023/24
Revenue	1	923,804	899,132
Cost of goods sold		-333,395	-342,671
Other external expenses		-278,578	-238,891
Gross profit		311,831	317,570
Staff expenses	2	-165,416	-166,241
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-21,171	-15,477
Other operating expenses	4	0	-1,160
Profit/loss before financial income and expenses		125,244	134,692
Financial income	5	18,675	19,518
Financial expenses	6	-947	-21
Profit/loss before tax		142,972	154,189
Tax on profit/loss for the year	7	-29,847	-31,409
Net profit/loss for the year	8	113,125	122,780



Balance sheet 30 June 2025

Assets

(TDKK)	Note	2024/25	2023/24
Acquired licenses		0	8
Intangible assets	9	0	8
Other fixtures and fittings, tools and equipment		54,565	50,764
Leasehold improvements		6,005	6,960
Property, plant and equipment in progress		18,229	12,925
Property, plant and equipment	10	78,799	70,649
Deposits	11	3,647	3,511
Fixed asset investments		3,647	3,511
Fixed assets		82,446	74,168
Finished goods and goods for resale		997	859
Inventories		997	859
Trade receivables		154,099	129,483
Receivables from group enterprises		591,101	530,606
Other receivables		175	1,317
Deferred tax asset	12	4,260	4,742
Prepayments	13	1,766	1,695
Receivables		751,401	667,843
Cash at bank and in hand		3,665	2,935
Current assets		756,063	671,637
Assets		838,509	745,805



Balance sheet 30 June 2025

Liabilities and equity

(TDKK)	Note	2024/25	2023/24
Share capital	14	500	500
Reserve for exchange rate conversion		-19,638	-16,636
Retained earnings		392,743	579,618
Proposed dividend for the year		300,000	0
Equity		673,605	563,482
Other provisions	15	4,355	3,844
Provisions		4,355	3,844
Other payables		2,487	2,007
Long-term debt		2,487	2,007
Trade payables		53,307	69,114
Payables to group enterprises		24,292	21,175
Corporation tax		21,276	16,741
Other payables		59,187	69,442
Short-term debt		158,062	176,472
Debt		160,549	178,479
Liabilities and equity		838,509	745,805
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Fee to auditors appointed at the general meeting	18		
Accounting Policies	19		



Statement of changes in equity

(TDKK)	Share capital	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
Equity at 1 July	500	-16,636	579,618	0	563,482
Exchange adjustments	0	-3,002	0	0	-3,002
Net profit/loss for the year	0	0	-186,875	300,000	113,125
Equity at 30 June	500	-19,638	392,743	300,000	673,605



Notes to the Financial Statements

1. Revenue

(TDKK)	2024/25	2023/24
Geographical segments		
Denmark	280,329	272,456
Norway	139,239	178,697
Sweden	504,236	447,979
	923,804	899,132

Pursuant to section 96 of the Danish Financial Statements Act, the Company has chosen not to disclose the distribution of revenue by product category due to competitive reasons.

2. Staff expenses

(TDKK)	2024/25	2023/24
Wages and salaries	141,170	142,706
Pensions	11,526	10,463
Other social security expenses	12,720	13,072
	165,416	166,241
Including remuneration to the Executive Board and Board of Directors:		
Executive board	5,364	5,293
Board of directors	113	68
	5,477	5,361
Average number of employees	391	456

The Company's Executive board participates in a share based incentive program of the ultimate parent company. The Executive Board is granted an even number of RSUs and Stock Options. RSU's have a vesting period of one to three years, and Stock Options expire after ten years. The total estimated value of granted RSUs and Stock Options granted to all employees in the year amounts to DKK 4.639k (2023/24: DKK 8.021k).

The number of granted RSUs and Stock Options are dependent on the Group's results and the individual entity's results, which are determined and assessed annually via a comprehensive and well-structured Performance Review. The result is assessed based on operational and personal performance.

3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

(TDKK)	2024/25	2023/24
Amortisation of intangible assets	29	213
Depreciation of property, plant and equipment	21,142	15,264
	21,171	15,477



Notes to the Financial Statements

4. Other operating expenses

(TDKK)	2024/25	2023/24
Loss from disposals of fixed assets	0	1,160
	0	1,160

5. Financial income

(TDKK)	2024/25	2023/24
Interest from group enterprises	18,571	19,041
Other financial income	104	477
	18,675	19,518

6. Financial expenses

(TDKK)	2024/25	2023/24
Other financial expenses	947	21
	947	21

7. Income tax expense

(TDKK)	2024/25	2023/24
Current tax for the year	29,404	29,759
Deferred tax for the year	443	1,650
	29,847	31,409

8. Profit allocation

(TDKK)	2024/25	2023/24
Proposed dividend for the year	300,000	0
Retained earnings	-186,875	122,780
	113,125	122,780



Notes to the Financial Statements

9. Intangible fixed assets

(TDKK)	Acquired licenses
Cost at 1 July	313
Exchange adjustment	-192
Cost at 30 June	121
Impairment losses and amortisation at 1 July	92
Impairment losses for the year	29
Impairment losses and amortisation at 30 June	121
Carrying amount at 30 June	0
Amortised over	5 years

10. Property, plant and equipment

(TDKK)	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
Cost at 1 July	153,805	11,377	12,925
Exchange adjustment	523	-15	-88
Additions for the year	0	0	29,013
Disposals for the year	-11,579	0	0
Transfers for the year	23,621	0	-23,621
Cost at 30 June	166,370	11,362	18,229
Impairment losses and depreciation at 1 July	103,041	4,417	0
Exchange adjustment	-120	269	0
Depreciation for the year	19,983	671	0
Reversal of impairment and depreciation of sold assets	-11,099	0	0
Impairment losses and depreciation at 30 June	111,805	5,357	0
Carrying amount at 30 June	54,565	6,005	18,229



Notes to the Financial Statements

11. Other fixed asset investments

(TDKK)	Deposits
Cost at 1 July	3,511
Exchange adjustment	136
Cost at 30 June	3,647
Carrying amount at 30 June	3,647

12. Deferred tax asset

(TDKK)	2024/25	2023/24
Deferred tax asset at 1 July	4,742	6,345
Adjustments to prior year	-39	47
Amounts recognised in the income statement for the year	-443	-1,650
Deferred tax asset at 30 June	4,260	4,742

Deferred tax assets are fully recognized and consist of temporary differences on Property plant and equipment, Share-based Compensation, and other provisions. These differences primarily arise due to variations between accounting and tax depreciation. Deferred tax asset has been calculated to DKK 4,2 million. There is no difference between calculated deferred tax asset and recognized tax asset.

Management assesses that the asset can be utilized within 3-5 years through future taxable income, based on budgets and expected financial performance. This assessment is reviewed regularly in accordance with applicable tax regulations.

13. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

14. Share capital

The share capital consists of 500 shares of a nominal value of TDKK 1. No shares carry any special rights. There have been no changes in the share capital during the last 5 years.



Notes to the Financial Statements

15. Other provisions

(TDKK)	2024/25	2023/24
Other provisions at 1 July	3,844	4,505
Exchange adjustment	167	15
Provision in year	344	0
Employed in year	0	-676
	4,355	3,844

The provisions are expected to mature as follows:

Provisions falling due after 5 years	2,125	2,125
	2,125	2,125

The provision recognized consists of retirement obligations and charitable contributions.

16. Contingent assets, liabilities and other financial obligations

(TDKK)	2024/25	2023/24
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	13,489	10,460
Between 1 and 5 years	4,538	5,574
After 5 years	20,030	23,275
	38,057	39,309



Notes to the Financial Statements

17. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Estée Lauder Belgium B.V, Westerlo, Belgium	Parent company
Estée Lauder International, Inc., New York, United States	Parent company
Estée Lauder Inc., New York, United States	Parent company
The Estée Lauder Companies Inc., New York, United States	Parent company

Transactions

Purchase of goods from parent companies TDKK 81
 Purchase of goods from sister companies TDKK 334,365
 Purchase of service from sister companies TDKK 64,391
 Purchase of service from parent company TDKK 69,467
 Service sold to parent companies TDKK 649
 Service sold to sister companies TDKK 23,022
 Interest received to from sister company TDKK 18,571
 Receivables from sister companies TDKK 591,101
 Payables to parent company TDKK 5,980
 Payables to sister companies TDKK 18,312

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
The Estée Lauder Companies Inc.	7 Corporate Center Drive, Melville NY 11747, United States

18. Fee to auditors appointed at the general meeting

<u>(TDKK)</u>	<u>2024/25</u>	<u>2023/24</u>
PricewaterhouseCoopers		
Audit fee	916	795
Tax advisory services	103	101
Non-audit services	46	46
	1,065	942



Notes to the Financial Statements

19. Accounting policies

The Annual Report of Estée Lauder Cosmetics A/S for 2024/25 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024/25 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of The Estée Lauder Companies Inc, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

The assets and liabilities of foreign branches are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. The results of foreign operations are translated at the average rates of exchange during the year. Exchange differences arising on translation of the opening net assets and results of foreign operations are recognised directly in equity and presented in equity under a separate reserve for exchange rate conversion.



Notes to the Financial Statements

19. Accounting policies (continued)

Incentive schemes

Liabilities to reimburse the parent company related to Share-based compensation are recognized based on an ending intrinsic value of all granted RSUs and Stock Options. The expense related to this compensation consists of the value of this year's granted RSUs and Stock Options, as well as the change in intrinsic value of previously granted RSUs and Stock Options.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including government relief packages.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.



Notes to the Financial Statements

19. Accounting policies (continued)

Balance sheet

Intangible fixed assets

Software is measured at the lower of cost less accumulated amortisation and recoverable amount. The software is amortised over expected useful life, which is 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.



Notes to the Financial Statements

19. Accounting policies (continued)

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$